

March 4, 2013

Board of Supervisors, El County
330 Fair Lane
Placerville, CA 95667

Honorable Supervisors:

I address this letter to the full Board because of the importance of the content of the letter. The issue is not just a county issue, but a national issue as well.

Attached is a position statement from the Professional Association of International Innkeepers (PAII) that addresses the Short Term Stay problem nationally. At the January 2013 PAII Conference in Las Vegas “leadership breakfast”, the members of various state and local associations voted unanimously to support the PAII efforts of spreading the word nationally to state and local jurisdictions that the Short Term Stay operations have an unfair advantage and are *not* paying their share of the overnight short term stay taxes. The PAII BOD then voted to instruct its Executive Director to present a position statement to the PAII members to use in helping spread the official position of PAII. This attached statement is the PAII position.

The Bed and Breakfast Inns of El Dorado County (BBIEDC) strive to promote legal, professional businesses in the county so we can all have “Heads in Beds” and thus have a solid base for collecting the County “Hotel Motel Tax” (HMT & AKA: TOT). We, BBIEDC, have faced the continuing struggle to do business in El Dorado County by following the laws, regulations and rules governing lodging in the county for the general public. We have pointed out numerous times there are many, many short term stay properties (vacation rentals, home stays, Air B&Bs, etc.) in El Dorado County doing business on an ongoing basis. Many, probably most, of these operations (I will not call them businesses) *do not* have County Business Licenses, nor do have to comply with the other regulations and rules (water testing, kitchen inspections, adherence to the County Ordinances, safety standards, etc) that the B&Bs have to. With that lack of compliance the short term rentals have an unfair business practice the County is allowing.

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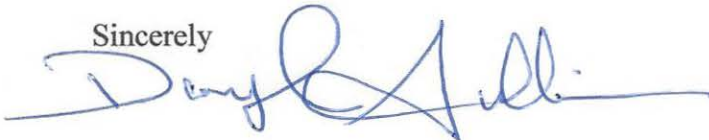
The B&Bs have expenses because of compliance that they don't. Those expenses are not the big issue.

The biggest issue from the County's perspective should be the County is *not* collecting HMT from the Short Term Stay guests on an overnight or short term stay basis, like the Hotels, Motels and B&B's. This could be hundreds of thousands, or even millions, of lost revenue the County so desperately needs. In Southern California the communities of Rancho Mirage, Indio, Palm Desert and Palm Springs increased their revenue by millions after they updated their Ordinances to have all Short Term Stays play by the same rules as other lodging entities.

On behalf of BBIEDC, I request the Board of Supervisors instruct county staff to investigate the missing HMT, and other compliance issues, from the Short Term Stays (vacation rentals, home stays, Air B&Bs, etc.). BBIEDC will assist in any way possible in their efforts and will cooperate with the BOS for any public discussions on all matters associated with the Short Term Stay operation non-compliance with the County Ordinance, which has created an unfair business practice and not a level playing field for all Short Term Stay operations (BBIEDC, Hotels & Motels).

Thank you for your attention and your cooperation.

Sincerely

A handwritten signature in blue ink, appearing to read "Daryl Sullivan", with a long horizontal line extending to the right.

Daryl Sullivan, President
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Cc: El Dorado County Chamber of Commerce
El Dorado County Visitor's Authority