

ATTACHMENT 1

ORDINANCE O2026-____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NAPA ADDING SECTION 3.20.065 TITLED “SHORT-TERM RENTAL FACILITATOR REPORTING” TO THE NAPA MUNICIPAL CODE TO REQUIRE REPORTING IN ACCORDANCE WITH SENATE BILL 346; AND FINDING THAT THE ACTION DOES NOT QUALIFY AS A PROJECT SUBJECT TO CEQA UNDER STATE CEQA GUIDELINES SECTION 15378 AND IS OTHERWISE EXEMPT FROM CEQA UNDER STATE CEQA GUIDELINES SECTION 15061(B)(3)

WHEREAS, the City of Napa, California adopted Ordinance No. O2015-13 on October 20, 2015, which regulates Short Term Vacation Rentals under Section 17.52.515 of the Napa Municipal Code (“NMC”), including requirements that Vacation Rental operators obtain and maintain a Vacation Rental permit and include the City-issued Vacation Rental Permit number in advertisements; and

WHEREAS, Vacation Rental occupancies are also subject to the City’s transient occupancy tax (“TOT”), administered under Chapter 3.20 of the NMC; and

WHEREAS, the State Legislature enacted Senate Bill 346 (Durazo), known as the Short-Term Rental Facilitator Act of 2025, to address enforcement challenges faced by local jurisdictions by authorizing reporting requirements and cooperation obligations for online companies and other short-term rental facilitators; and

WHEREAS, the proposed Ordinance implements the authorities provided by Senate Bill 346; and

WHEREAS, the City Council finds that adopting local implementing provisions will enhance the City’s ability to administer and enforce its TOT program, identify unpermitted Vacation Rental activity, and ensure compliance in the Vacation Rental marketplace; and

WHEREAS, the City places a high value on protecting housing stock for residential purposes and protecting community character; and

WHEREAS, the City Council finds that adopting regulations consistent with State law will promote compliance, transparency, and effective local enforcement;

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meeting of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the city of Napa, as follows:

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SECTION 1. Amendment. Napa Municipal Code section 3.20.065 “Short-Term Rental Facilitator Reporting,” is hereby added to the Napa Municipal Code to read in full as set forth herein:

3.20.065 Short-Term Rental Facilitator Collection and Reporting.

A. Application of Short-Term Rental Facilitator Act of 2025. The provisions of Chapter 4.6 (commencing with Section 50990) of Part 1 of Division 1 of Title 5 of the Government Code are hereby made applicable within the city’s jurisdictional boundaries.

B. Definitions. For purposes of this section, “marketplace,” “short-term rental” and “short-term rental facilitator” each have the same meaning as in Government Code section 50991, and “operator” means a person who lists a short-term rental for rent on a marketplace operated by a short-term rental facilitator.

C. Reporting.

1. Reporting Required Monthly. Each short-term rental facilitator must report, in the form and manner prescribed by the city Finance Director, the physical address, including nine-digit ZIP Code, of each short-term rental occurring in the prior calendar month, by no later than the twentieth day of the following month. This requirement constitutes the City’s “request” under Government Code section 50993(a).

2. Additional Information. If the above information is not sufficient to identify a short-term rental, the Finance Director may request the following:

a. The assessor parcel number of each short-term rental.

b. The URL or web address associated with the specific short-term rental listing.

c. Information exclusively related to the identification of an accessory dwelling unit, guest house, or single unit of a timeshare or multifamily housing project located at a single address that is located at the address or assessor parcel number requested.

3. Audit. The Finance Director may conduct an audit or otherwise examine the records of the short-term rental facilitator documenting the receipt of the transient occupancy tax due and payable to the City.

D. Penalties. Notwithstanding anything else in this code, a violation of this section is punishable as a criminal misdemeanor and is also subject to an administrative citation and assessment of an administrative fine as established by resolution of the City Council, consistent with Government Code section 53069.4. Each listing that is not reported as required and each day that a violation occurs is a new separate violation.

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SECTION 2. CEQA. The City Council finds that adoption of this ordinance is exempt from the California Environmental Quality Act (“CEQA”) under Section 15378 because the activity is not a “project” subject to CEQA. (14 Cal. Code Regs. § 15378.) Section 15378 defines a project as an activity that “has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” (14 Cal. Code Regs. § 15378(a).) These measures are not expected to result in any direct or reasonably foreseeable indirect physical change in the environment, and thus adoption of the ordinance is not a “project” under CEQA. Moreover, the City Council finds that even if adopting this ordinance were considered a “project,” it is exempt from CEQA under State CEQA Guidelines section 15061(b)(3), the “common sense” exemption, because it can be seen with certainty that there is no possibility that the Ordinance will have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3).)

SECTION 3. Severability. If any portion of this ordinance or any application thereof to any person or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction or preempted by state legislation, the invalidating decision or legislation does not affect the validity of the remaining portions of the ordinance. The city council hereby declares that it would have adopted this ordinance without the invalid portion.

SECTION 4. Effective Date. This Ordinance shall become effective thirty (30) days following adoption.

City of Napa, a municipal corporation

MAYOR: _____

ATTEST: _____

CITY CLERK OF THE CITY OF NAPA

STATE OF CALIFORNIA }
COUNTY OF NAPA } SS:
CITY OF NAPA }

I, Tiffany Carranza, City Clerk of the City of Napa, do hereby certify that the foregoing Ordinance had its first reading and was introduced during the public regular meeting of the City Council on the 21st day of July, 2026, and had its second reading and was adopted and passed during the public meeting of the City Council on the ____ day of _____, 2026, by the following vote:

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AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
Tiffany Carranza
City Clerk

Approved as to form:

Christopher Diaz
Interim City Attorney