

May 5, 2010

State Senator Mark Leno
State Capitol, Room 4061
Sacramento, CA 95814

**RE: Opposition to Potential Legislation that would undermine Local Transit
Occupancy Tax (TOT) Collection**

Dear Senator Leno:

On behalf of the Town Council of Fairfax I request your strong opposition to any legislation this Session which would undercut the ability of our Town to fully collect local transient occupancy tax from online sales.

It has come to our attention that legislation is being contemplated by online travel companies that would seek a special exemption from their duty to remit the full TOT to local agencies. This is a highly controversial issue that is the subject of pending class action litigation both in California and other states. The industry has also repeatedly tried to seek exemptions at the federal level and has been rebuffed.

Our Town has already had to make significant cuts due to revenue declines. State budget takeaways and deferrals have only compounded the issue.

We ask for your strong opposition to any effort to undermine our local revenues by legislative action. The legal dispute over the duty of online companies to remit the full amount of TOT owed to local agencies is already in the courts. That is where the issue should remain.

Sincerely,

Lew Tremaine
Mayor

cc: California Assemblyman Jared Huffman
Michael Proso, Secretary & Deputy Chief of Staff, Governor's Office
Dan Carrigg, Legislative Director, League of California Cities

