Agua Caliente Band of Cahuilla Indians
Tribal Council

Jeff L. Grubbe Chairman • Anthony W. Purnel Vice Chairman
Savana R. Saubel Secretary-Treasurer • Moraino J. Patencio Member • Vincent Gonzales III Member

ORDINANCE NO. 36-2026

AN ORDINANCE OF THE AGUA CALIENTE BAND OF CAHUILLA INDIANS AMENDING SECTIONS OF CHAPTER 3.08 OF THE AGUA CALIENTE TRIBAL CODE RELATING TO THE SALES AND TRANSIENT OCCUPANCY TAX

WHEREAS, the Agua Caliente Band of Cahuilla Indians (the "**Tribe**") is a federally recognized Indian tribe governing itself according to the Constitution and By-Laws of the Agua Caliente Band of Cahuilla Indians adopted by the Tribe on June 28, 1955 (the "**Constitution**"); and

WHEREAS, the Tribe, acting by and through its duly elected Tribal Council and pursuant to Articles II and IV(a) of the Constitution, exercises inherent sovereign authority and jurisdiction over the territory within the exterior boundaries of the Agua Caliente Indian Reservation (the "**Reservation**") and over other lands which may be added to the Reservation; and

WHEREAS, pursuant to Article V(a) and (b) of the Constitution, the Tribal Council, among other things, is empowered to administer the affairs and manage the business of the Band and to enact ordinances and resolutions pertaining to Tribal affairs and to take all proper means to enforce the same; and

WHEREAS, the Tribe maintains a tax program for the collection of sales and transient occupancy taxes; and

WHEREAS, the Tribe desires to enhance its transient occupancy tax program by (i) modernizing key definitions; (ii) formally recognizing and regulating short-term rental facilitators as co-responsible parties with operators; (iii) strengthening enforcement; and (iv) implementing key provisions of the Short-Term Rental Facilitator Act of 2026 (Gov. Code §§ 50997 et seq.) (the "**Act**"); and

WHEREAS, the Act provides federally recognized Indian tribes with targeted tools to improve enforcement of transient occupancy taxes and short-term rental regulations by authorizing tribes to require short-term rental facilitators to report property-identifying information and to include local permit and tax information in listings; and

WHEREAS, the Act expressly authorizes federally recognized Indian tribes, by ordinance, to: (i) make the provisions of the Act applicable within their jurisdiction (Gov. Code § 50997(b)); (ii) require short-term rental facilitators to report the physical address (including the nine-digit ZIP Code) of each short-term rental upon request (Gov. Code § 50997.2(a)); (iii) allow monthly reporting where the tribe requires monthly transient occupancy tax remittance (Gov. Code § 50997.2(d)); (iv) request additional identifying information such as assessor parcel numbers, URLs associated with a listing, or unit-specific details when initial address information is insufficient (Gov. Code § 50997.2(b)); (v) mandate inclusion of applicable local license and permit numbers and transient occupancy tax certifications in listings (Gov. Code § 50997.3); (vi) audit tax-related records when a short-term rental facilitator collects or remits tax (Gov. Code § 50997.4); (vii) impose

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administrative fines or penalties (Gov. Code § 50997.2(e)); and (viii) adopt additional or different regulations pursuant to the Act's non-preemption clause (Gov. Code § 50997.5); and

WHEREAS, adoption of implementing provisions of the Act and the other enhancements noted above will significantly improve the Tribe's ability to administer and enforce its existing transient occupancy tax program; and

WHEREAS, the Tribe also desires to codify and clarify that its sales tax program applies to eating or drinking establishments and Tribal retailers doing business within the Tribe's jurisdiction, in order to eliminate any ambiguity regarding the scope of sales tax liability; and

WHEREAS, the Tribal Council desires to amend Chapter 3.08 of the Tribal Code for the reasons set forth herein.

NOW, THEREFORE, the Tribal Council of the Agua Caliente Band of Cahuilla Indians does hereby ordain as follows:

SECTION 1. All the recitals set forth above are true and correct and the Tribal Council so finds and determines.

SECTION 2. Section 3.08.050 of the Tribal Code is hereby amended by revising the following definitions:

[...............]

Hotel shall mean any building, structure, improvement, dwelling unit, space, site, vehicle, vessel, or other real or personal property, or any portion thereof, that is located on Indian Lands and occupied, used, offered, held out, or made available for occupancy by a transient for consideration, whether directly or indirectly, and regardless of the form of ownership, zoning classification, or characterization of the occupancy as a lease, license, membership, subscription, time-share, fractional interest, or otherwise. *Hotel* includes without limitation:

(1) Any short-term rental, vacation rental, hosted rental, un-hosted rental, or accessory dwelling unit;

(2) Any hotel, motel, resort, inn, tourist home or house, guest house, lodge, cabin, cottage, bungalow, villa, condominium, apartment, apartment house, rooming house, boarding house, lodging house, dormitory, studio hotel, bachelor hotel, extended-stay facility, or corporate housing facility;

(3) Any time-share project, time share use; fractional ownership arrangement, membership program, or similar occupancy program;

(4) Any campground, glamping facility, tent site, yurt, recreational vehicle site, trailer site, mobile home space, house trailer, or manufactured housing space at a fixed location;

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(5) Any houseboat, floating home, vessel, railcar, vehicle, or other mobile or portable accommodation when located on or within the Reservation and offered for transient occupancy;

(6) Any room, suite, bed, sleeping space, or other portion of property separately or jointly offered for transient occupancy;

(7) Any real or personal property rented or made available for periods of fewer than twenty-eight (28) consecutive calendar days, whether or not such occupancy exceeds that period in practice.

The term *Hotel* shall be interpreted broadly to effectuate the purposes of this chapter and shall apply regardless of whether the operator resides on the premises, whether the occupancy is advertised through a short-term rental facilitator, or whether the consideration is paid to the owner, operator, host, property manager, intermediary, or any other person. The burden of establishing that any property or occupancy is not subject to this chapter shall be upon the operator. The operator shall provide such records, documentation, and information as the tax department may reasonably require to determine taxability and to establish and maintain exempt status.

[...............]

Occupancy shall mean the use, possession, or the right to use or possess any room, dwelling unit, space, or other lodging in a hotel for dwelling, lodging, or sleeping purposes, whether such use, possession, or right arises by concession, permit, right of access, license, time-share arrangement, ownership interest, lease, rental agreement, membership agreement, or other agreement of whatever nature.

Operator means the person who is proprietor of a hotel, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee, time-share project or facility manager or operator, or any other capacity. Where the operator performs his or her or its functions through a managing agent of any type or character, the managing agent shall also be deemed an operator for the purpose of this chapter and shall have jointly and severally the same duties and liabilities as the principal. Compliance with the provisions of this chapter by either the principal or the managing agency shall, however, be considered to be compliance by both.

[...............]

Rent shall mean the total amount of consideration charged, received, or chargeable to a transient for occupancy of space in a hotel, valued in money, whether received in money, goods, credits, property, labor, services, or other consideration of any kind or nature. *Rent* includes the full gross amount of all receipts attributable to occupancy, without deduction for costs, expenses, commissions, service fees, intermediary fees, or any other charges retained by an operator or short-term rental facilitator. *Rent* shall include consideration paid or payable:

(1) Before, during, or after the period of occupancy;

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(2) In whole or in part in advance; and

(3) Pursuant to a time-share arrangement, membership agreement, package transaction, bundled transaction, or similar structure.

The form, timing, or characterization of the consideration shall not affect its inclusion in rent if the consideration is attributable, in whole or in part, to occupancy. The operator and any short-term rental facilitator shall not be liable for tax on rent that is demonstrably uncollectible, provided that such amounts are reported as required by this chapter and adequate records are maintained to substantiate non-collection. If previously reported rent is later collected, the tax shall become due at the time of collection.

[...............]

Retailer shall mean:

(1) Any person or entity engaged in the business of selling meals, food, or beverages for immediate consumption at an eating or drinking establishment, as defined herein, whose gross receipts from such retail sales are required to be included in the measure of the sales tax and who makes more than two retail sales of tangible personal property in any 12-month period in the ordinary course of business; or

(2) Any Tribal retailer, as defined herein.

The term *Retailer* includes any person acting in the capacity of assignee for the benefit of creditors, or receiver or trustee in bankruptcy, and encompasses any individual, firm, co-partnership, joint venture, trust, business trust, syndicate, association, or corporate entity.

[...............]

Transient shall mean any natural person who exercises occupancy or is entitled to occupancy of a hotel, whether by concession, permit, right of access, license, time-share arrangement, ownership interest, lease, rental agreement, membership agreement, or other agreement of whatever nature, for a period of twenty-eight (28) consecutive calendar days or less. For purposes of this chapter, any portion of a calendar day shall be deemed a full calendar day.

A person shall be deemed a transient unless and until such person's continuous and uninterrupted period of actual occupancy or entitlement to occupancy exceeds twenty-eight (28) consecutive calendar days. A person's entitlement to occupancy includes, without limitation, any reservation, contractual right, or other arrangement conferring a present or future right to occupy, regardless of whether the person is physically present. No person may establish exemption from transient status by aggregating separate periods of occupancy or entitlement to occupancy. The exemption from transient status may only be established through a single, unbroken period of actual occupancy or entitlement to occupancy exceeding twenty-eight (28) consecutive calendar days. The burden of establishing that occupancy was continuous and

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uninterrupted for more than twenty-eight (28) consecutive calendar days shall be on the operator and the person claiming exemption from transient status.

Each separate period of occupancy shall be assessed independently, and the transient occupancy tax shall apply to each such period that does not itself exceed twenty-eight (28) consecutive calendar days.

Notwithstanding the foregoing, where an operator or person claims exemption from transient status based on an asserted continuous period of occupancy exceeding twenty-eight (28) consecutive calendar days, the tax department may challenge the continuity of such period by establishing that an interruption occurring during the asserted period constituted a genuine cessation of both actual occupancy and all entitlement to occupancy. If the tax department establishes that such an interruption occurred, the asserted continuous period shall be divided into separate periods at the point of interruption, and each resulting period that does not exceed twenty-eight (28) consecutive calendar days shall be subject to the transient occupancy tax.

In determining whether an interruption constituted a genuine cessation of occupancy and entitlement to occupancy, the following circumstances shall give rise to a presumption that the asserted period of occupancy was continuous and uninterrupted, thereby rebutting the tax department's challenge:

(1) The person retained a present or future entitlement to occupancy throughout the interruption, including by virtue of an existing reservation or contractual right to return;

(2) The interruption lasted fewer than seven (7) consecutive calendar days;

(3) The person occupied or was entitled to occupy the same room or unit immediately before and after the interruption; or

(4) The circumstances surrounding the interruption indicate it was not a genuine cessation of occupancy but rather a temporary break in an otherwise continuous period of occupancy.

The burden of establishing that an interruption constituted a genuine cessation of occupancy and entitlement to occupancy shall be on the tax department. Upon such a showing, the burden shall shift to the operator and the person claiming exemption to establish that notwithstanding the interruption, occupancy was otherwise continuous and uninterrupted.

SECTION 3. Section 3.08.050 of the Tribal Code is hereby amended by deleting the following definition:

[...............]

~~*Short-term rental marketplaces* shall mean third-party platforms that an operator uses to market and arrange occupancy and includes, but is not limited to, AirBnB and VRBO.~~

[...............]

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SECTION 4. Section 3.08.050 is hereby amended by adding the following definitions:

[...............]

Eating or drinking establishment means any place of business operating within the scope of California Code of Regulations, title 18, section 1616, subdivision (d), at which meals, food, or beverages are sold for immediate consumption, including but not limited to restaurants, bars, cafes, coffee shops, snack bars, food courts, food trucks, cafeterias, buffets, food concessions, catering operations serving meals, food or beverages on-premises, and any other establishment of a similar character.

[...............]

Short-term rental shall mean any hotel, or portion thereof, that is offered or made available for occupancy by a transient. For purposes of this chapter, the term *short-term rental* is used interchangeably with *hotel* unless the context requires otherwise, and shall be interpreted consistently with the California Short-Term Rental Facilitator Act of 2026 (Gov. Code § 50997 et seq.) where applicable.

Short-term rental facilitator shall mean any person or entity, including but not limited to an online platform, marketplace, booking service, travel intermediary, or other similar business model, that directly or indirectly:

(1) Lists, advertises, markets, or otherwise makes available a short-term rental; and

(2) Collects, receives, processes, controls, transmits, or otherwise handles consideration for such occupancy, whether in whole or in part, on behalf of an operator or transient.

A person or entity shall be deemed a short-term rental facilitator if it contracts with operators to facilitate occupancy of a short-term rental and handles consideration for such occupancy as described in subsection (2), regardless of whether it is a party to the underlying rental agreement. A person or entity that merely provides advertising services and does not handle consideration for occupancy of a short-term rental as described in subsection (2) shall not be deemed a short-term rental facilitator under this chapter.

[...............]

Tribal hotel means any hotel that is owned, operated, or managed by the Agua Caliente Band of Cahuilla Indians or the Agua Caliente Tribal Corporation, or any subsidiary, affiliate, instrumentality, or enterprise thereof, including any Tribal enterprise, Tribal department, or any entity in which the Tribe or the Tribal Corporation holds a controlling ownership interest, regardless of the legal form under which such person or entity is organized or operates.

[...............]

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Tribal retailer shall mean any person or entity that:

(1) Is owned, operated, or managed by the Agua Caliente Band of Cahuilla Indians or the Agua Caliente Tribal Corporation, or any subsidiary, affiliate, instrumentality, or enterprise thereof, including any Tribal enterprise, Tribal department, or any entity in which the Tribe or the Tribal Corporation holds a controlling ownership interest, regardless of the legal form under which such person or entity is organized or operates;

(2) Is engaged in the business of selling tangible personal property at retail within the jurisdiction of the Tribe;

(3) Derives gross receipts from such retail sales that are required to be included in the measure of the sales tax; and

(4) Makes more than two retail sales of tangible personal property in any 12-month period in the ordinary course of business.

SECTION 5. Section 3.08.360 of the Tribal Code is hereby amended to read as follows:

Sec. 3.08.360. Acceptance of payments; partial payments.

(a) The tax department may, in its sole discretion, accept full or partial payment of any tax, interest, penalty, fee, cost of collection, or other amount due under this chapter. Acceptance of a partial payment shall not constitute a waiver of any remaining balance and shall not operate as a compromise, settlement, satisfaction, discharge of liability, or installment agreement unless expressly set forth in (1) a written installment agreement authorized pursuant to section 3.08.500, or (2) a written closing agreement approved and executed by the tax director in accordance with section 3.08.510.

(b) Unless otherwise expressly provided in a written installment agreement authorized under section 3.08.500 or a written closing agreement approved under section 3.08.510, any payment received shall be applied in the order of priority established by regulations duly promulgated by the tax director. The tax director may revise such order of priority from time to time consistent with this chapter.

(c) A taxpayer shall have no right to designate or direct the application of any payment. Any designation, instruction, or notation submitted with a payment shall be void and without effect unless expressly accepted in writing by the tax department pursuant to an installment agreement under section 3.08.500 or a closing agreement under section 3.08.510.

(d) Interest and penalties shall continue to accrue on any unpaid balance until the full amount due is paid, notwithstanding the acceptance or application of any partial payment, except

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to the extent otherwise expressly provided in a written installment agreement authorized under section 3.08.500 or a closing agreement approved under Section 3.08.510.

(e) Nothing in this Section shall limit, impair, or waive the Tribe's authority to pursue any remedy authorized under this chapter or other applicable Tribal law, including assessment, levy, lien, permit suspension or revocation, civil action, or any other lawful enforcement measure.

SECTION 6. Section 3.08.1430 of the Tribal Code is hereby amended to read as follows:

(a) The Tribe hereby levies and imposes a tax upon the rent charged by an operator for the privilege of a transient's occupancy of a hotel. The legal incidence of the tax is upon the transient; however, each operator and short-term rental facilitator shall collect and remit the tax as trustee for the Tribe.

(b) Notwithstanding subsection (a), the tax levied and imposed pursuant to this section shall apply only to the rent charged by an operator for the privilege of a transient's occupancy of a Tribal hotel, as defined in section 3.08.050. This limitation shall remain in effect unless and until the Tribal Council adopts an ordinance expressly repealing this subsection (b).

(c) Upon repeal of subsection (b), the tax levied and imposed pursuant to this section shall apply to the rent charged by any operator for the privilege of a transient's occupancy of any hotel within the Tribe's jurisdiction, without regard to whether the transient occupies a Tribal hotel.

(d) For purposes of this section, the rent deemed payable on account of a time-share occupancy by a transient shall be the rental value of the unit or room(s) which accommodated such occupancy, which rental value shall be computed by determining the pro rata share of the total purchase price of the time-share right or entitlement (whether or not involving an estate or any ownership in real property), which share is allocable to the period of transient occupancy currently involved, and adding thereto the total applicable operating costs including, but not limited to, the applicable real and personal property taxes, plus the total amount of any and all fees, assessments, charges and expenses (not including the previously referred to taxes) charged by the operator as attributable to the time-share occupancy of the transient by whatever name such fees, assessments, charges or expenses may be denominated, whether "occupying fee," "maintenance or operations charge," "per diem fee," "management fee," or like name or otherwise. In making the computation referred to above of the pro rata share of the total purchase price, in any case wherein the time-share right or entitlement is in perpetuity or for life or otherwise not for a definite or ascertainable term, such pro ration shall be made upon an assumed term of 40 years.

SECTION 7. Section 3.08.1450 of the Tribal Code is hereby amended to read as follows:

Sec. 3.08.1450. Tax as debt to Tribe

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The tax imposed by this subchapter, together with any applicable penalties and interest, constitutes a debt immediately due and owing to the Tribe from the operator and any short-term rental facilitator required to collect the tax. Such debt shall be extinguished only upon actual receipt of full payment by the Tribe. Payment to any intermediary, agent, contractor, or other person shall not relieve any operator or short-term rental facilitator of liability under this subchapter.

SECTION 8. Sections 3.08.1490 to 3.08.1540 of the Tribal Code are hereby deleted in their entirety and replaced with the following:

Sec. 3.08.1490. Transient occupancy registration permit.

(a) Every person desiring to engage in or conduct business as an operator of a hotel renting or offering occupancy to transients shall, before commencing such business and thereafter as required by this subchapter, file an application with the tax department for a transient occupancy registration permit for each place of business. Each short-term rental facilitator required to collect or remit tax under this subchapter shall likewise register with the tax department in the manner prescribed by the department, even if such facilitator does not own or operate a hotel. Each application shall be made on a form prescribed by the tax department and shall set forth:

(1) The legal name of the applicant and any trade name or business name under which the applicant transacts or intends to transact business;

(2) The physical location of the hotel, if applicable;

(3) A mailing address and contact information for tax reporting purposes; and

(4) Such other information as the tax department may reasonably require for the administration and enforcement of this chapter.

The application shall be signed and verified under penalty of perjury by the owner, if the applicant is a natural person; a member or partner, if the applicant is a partnership or unincorporated association; or an executive officer or other duly authorized representative, if the applicant is a corporation, limited liability company, or other legal entity.

(b) A transient occupancy registration permit shall be issued by the tax department upon approval of a complete application and payment of the required registration fee. The permit shall be valid only for the person and location stated thereon and shall be maintained in effect at all times while the business is in operation. The permit shall be posted and maintained in a conspicuous place on the premises or otherwise made available for inspection in the manner prescribed by the tax department. In the case of a short-term rental facilitator that does not own or operate a hotel, proof of registration shall be maintained and produced upon request of the tax department. Each permit shall state, at a minimum:

(1) The transient occupancy tax registration permit number;

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(2) The name of the hotel, if applicable;

(3) The name of the operator or short-term rental facilitator;

(4) The address of the hotel, if applicable;

(5) The date of issuance; and

(6) A statement substantially as follows: "This Transient Occupancy Registration Permit signifies that the person named herein has registered with the Tribe's Tax Department for the purpose of collecting and remitting the Tribe's Transient Occupancy Tax. This Permit does not authorize the holder to conduct any unlawful business or to operate in violation of Tribal, federal, or other applicable law. Issuance of this Permit signifies that the permittee has agreed to be bound by and subject to the laws of the Agua Caliente Band of Cahuilla Indians. This Permit does not replace or satisfy any other permit, license, or approval that may be required by the Tribe or any other lawful authority."

(c) At the time of submitting an application for a transient occupancy registration permit, the applicant shall pay a registration fee of twenty-five dollars ($25.00) for each permit issued, or such other amount as may be established by Tribal law or resolution.

Sec. 3.08.1500. Suspension or revocation of transient occupancy registration permit.

(a) The tax department may suspend or revoke a transient occupancy registration permit for failure to comply with this subchapter, including but not limited to failure to file required returns, failure to remit taxes, refusal to permit inspection or audit, failure to report, or submission of materially false information.

(b) Prior to suspending or revoking a permit, the tax department shall serve written notice of its proposed action in the manner prescribed in the definition of "notice" set forth in section 3.08.050. The notice shall:

(1) State the specific grounds for the proposed suspension or revocation;

(2) Identify the applicable provisions of this chapter alleged to have been violated;

(3) State whether the proposed action is based upon a deficiency determination issued pursuant to Section 3.08.420 or 3.08.430; and

(4) Inform the operator or short-term rental facilitator of the right to petition for redetermination pursuant to section 3.08.440 within thirty (30) days after the notice is deemed effective and complete.

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(c) If the operator or short-term rental facilitator timely files a written petition for redetermination in accordance with section 3.08.440(a), the tax department shall reconsider the proposed suspension or revocation and shall grant an oral hearing if requested, in accordance with section 3.08.440(c). No suspension or revocation shall take effect while a timely petition for redetermination is pending.

(d) If no petition for redetermination is filed within the thirty (30) day period prescribed in section 3.08.440(a), the proposed suspension or revocation shall become final upon expiration of that period. If a petition is filed, the decision of the tax department upon redetermination shall become final in accordance with section 3.08.440(e).

(e) If the proposed suspension or revocation is based in whole or in part upon failure to remit transient occupancy tax, penalties, or interest, the tax department shall first issue a notice of deficiency determination pursuant to section 3.08.420 or 3.08.430, as applicable. No suspension or revocation based upon non-payment shall become effective unless and until the deficiency determination becomes final pursuant to section 3.08.440.

(f) Notwithstanding the foregoing, the tax department may order an immediate temporary suspension of a transient occupancy registration permit prior to the completion of the procedures set forth above if the tax director determines, and sets forth in a written declaration under penalty of perjury, that there is a great probability that the transient occupancy tax obligation will not be collectible after the delinquency date due to the financial condition of the operator or short-term rental facilitator, or that the operator or facilitator has engaged in intentional fraud, willful tax evasion, or other conduct jeopardizing the Tribe's ability to collect taxes owed. The written declaration shall set forth the grounds and necessity for the emergency action.

(g) Suspension or revocation of a permit under this section shall be in addition to any deficiency determination, redetermination, collection action, offset, suit, lien, civil remedy, or other enforcement proceeding authorized under this subchapter or subchapter 6.

Sec. 3.08.1510. Operator and short-term rental facilitator collection duty.

(a) For purposes of the collection, reporting, and remittance of the transient occupancy tax imposed by this subchapter, a short-term rental facilitator shall be deemed an operator with respect to any occupancy for which it collects or controls consideration. Such designation shall not confer any possessory interest in real property or alter ownership of the hotel.

(b) Each operator and each short-term rental facilitator that collects or controls consideration for occupancy shall collect the tax imposed by this subchapter at the same time and in the same manner as rent or other consideration is collected from the transient. The amount of tax shall be separately stated on all invoices, receipts, booking confirmations, or other documentation provided to the transient. No operator or short-term rental facilitator shall advertise or represent, directly or indirectly, that:

(1) The tax will be assumed or absorbed by such person;

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(2) The tax will not be added to the rent; or

(3) Any portion of the tax will be refunded except as authorized by this chapter.

(c) Each operator and each short-term rental facilitator with a duty to collect tax under this subchapter shall be jointly and severally liable for the full amount of any tax, penalties, and interest due, regardless of any private agreement allocating responsibility between them. The Tribe may proceed against any one or more such persons for the full amount due.

(d) All taxes collected pursuant to this subchapter shall be deemed to be held in trust for the benefit of the Tribe until remittance to the tax department.

Sec. 3.08.1520. Operator and short-term rental facilitator payment duty.

The tax imposed under this subchapter shall be due and payable to the tax department at the time the rent or other consideration for occupancy is collected or required to be collected. All taxes collected or required to be collected during a calendar month shall be remitted to the tax department on or before the last business day of the month immediately following the close of such calendar month. Any tax not received by the tax department on or before such due date shall be deemed delinquent and shall be subject to applicable penalties and interest as provided in this chapter.

Sec. 3.08.1530. Short-term rental facilitator reporting duty.

(a) Pursuant to California Government Code section 50997(b), the Tribe hereby adopts and makes applicable within the Tribe's jurisdictional boundaries the Short-Term Rental Facilitator Act of 2026 (Gov. Code, § 50997 et seq.). Notwithstanding section 3.08.050, the definitions set forth in Government Code section 50991 shall apply to this section and are incorporated herein by this reference.

(b) Each short-term rental facilitator shall report on or before the last business day of the month immediately following the close of such calendar month, in the form and manner prescribed by the Tribe, the physical address, including the nine-digit ZIP Code, of each short-term rental during the reporting period. This requirement constitutes the Tribe's request under Government Code section 50997.2(a).

(c) If the information provided by the short-term rental facilitator pursuant to subsection (b) is not sufficient for the Tribe to identify a specific short-term rental at the provided address, the Tribe may request the following:

(1) The assessor parcel number of each short-term rental.

(2) The URL associated with the specific short-term rental listing.

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(3) 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, which is located at the address or assessor parcel number requested.

(d) A short-term rental facilitator shall include in the listing of a short-term rental (including any advertisement, webpage, application, or other marketplace presentation) the Tribally-issued transient occupancy registration permit number associated with the short-term rental.

(e) The tax department 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 Tribe.

(f) A short-term rental facilitator's failure to timely and properly report the information required by this section in the form and manner prescribed by the Tribe may result in issuance of an administrative citation under chapter 1.10 of this Code.

Sec. 3.08.1540. Returns and remittances.

(a) Each operator and each short-term rental facilitator required to collect tax under this subchapter shall, on or before the last business day of the month immediately following the close of each calendar month, file a return with the tax department on forms prescribed by the department. The return shall report, for the applicable reporting period:

(1) The total rents charged or chargeable for occupancies on Indian Lands, whether or not received;

(2) The total rents claimed as exempt under this subchapter;

(3) The amount of tax collected; and

(4) The amount of tax required to be collected.

(b) Any amount claimed as exempt from tax shall be fully itemized and explained on the return or on a supporting schedule in the form required by the tax department. The burden of establishing entitlement to any exemption rests solely with the operator or short-term rental facilitator.

(c) Each return shall contain a written declaration, executed under penalty of perjury by the operator, short-term rental facilitator, or an authorized representative, stating that the return is true, correct, and complete to the best of the signatory's knowledge and belief.

(d) For purposes of determining taxable receipts, "rent," as defined in this chapter, shall not be reduced by any business expenses or deductions, including but not limited to credit card processing fees, marketplace or platform service fees, commissions paid to travel agencies, or other similar charges.

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(e) At the time the return is filed, the full amount of tax imposed at the applicable transient occupancy tax rate on all taxable rents charged or chargeable during the reporting period shall be remitted to the tax department.

(f) The tax department may:

(1) Establish alternative reporting periods;

(2) Require electronic filing or electronic funds transfer;

(3) Require a security deposit, bond, letter of credit, or other financial security;

(4) Require the establishment of a separate trust account for tax collections; and

(5) Require such additional information as the department deems necessary to ensure proper administration and collection of the tax.

Sec. 3.08.1550. Cessation of business.

Each operator shall notify the tax department, ten (10) days prior to the sale or cessation of business for any reason and returns and remittances are due immediately upon the sale or cessation of business.

Sec. 3.08.1560. Penalties and interest for failure to pay or remit.

(a) Any operator or short-term rental facilitator that fails to pay to the tax department any tax imposed by this subchapter, or any amount of tax required to be collected and remitted to the tax department, including amounts determined by the tax department pursuant to section 3.08.1540, within the time required, shall be subject to:

(1) A penalty equal to fifteen percent (15%) of the amount of tax due; and

(2) Interest on the unpaid tax at the rate of one and one-half percent (1.5%) per month, or fraction thereof, accruing from the date the tax became due and payable to the Tribe until the date of payment.

(b) Any operator or short-term rental facilitator that fails to remit any penalty imposed under this subchapter within ten (10) days after receipt of notice thereof shall pay interest on the unpaid penalty at the rate of one and one-half percent (1.5%) per month, or fraction thereof, accruing from the date the penalty became due and payable to the Tribe until the date of payment.

(c) The penalties and interest imposed under this section are in addition to the tax owed and in addition to any other penalties, interest, or remedies authorized under this chapter, including subchapter 6, and shall not be construed to limit the Tribe's authority to pursue any other lawful remedy.

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Sec. 3.08.1570. Fraud.

If the tax department determines that the nonpayment of any remittance due under this subchapter is due to misrepresentation or fraud, a penalty of one hundred percent (100%) of this amount of the tax shall be added thereto in addition to the penalties stated in section 3.08.1560 and subchapter 6 of this chapter.

SECTION 9. The Tribal Council hereby finds that the adoption of this Ordinance does not constitute a "Major Tribal Action" requiring the preparation of an environmental assessment or an environmental impact statement.

SECTION 10. If any section, subsection, phrase, or clause of this Ordinance is for any reason held to be unlawful or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Tribal Council hereby declares that it would have passed this Ordinance and each section, subsection, phrase, or clause thereof irrespective of the fact that any one or more sections, subsections, phrases, or clauses be declared unlawful or unconstitutional.

SECTION 11. Nothing contained in this Ordinance is intended to, nor does in any way, limit, alter, restrict, or waive the Agua Caliente Band of Cahuilla Indians' sovereign immunity.

SECTION 12. The Tribal Council expressly reserves the right to alter, amend, or repeal this Ordinance if it determines that such action is in the best interest of the Tribe.

SECTION 13. This Ordinance shall become effective immediately upon its adoption.

SECTION 14. Upon the effective date of this Ordinance, all prior inconsistent resolutions, policies, ordinances, and/or procedures of the Tribe that pertain to the subject matter hereof are hereby repealed, superseded, and/or amended to comply with this Ordinance.

SECTION 15. This Ordinance shall apply prospectively only. No provision of this Ordinance shall be construed to impair, affect, or alter the validity, enforceability, or interpretation of any contract, transaction, or legal right that was entered into, accrued, or vested prior to the effective date of this Ordinance. All contracts and legal rights existing prior to the effective date of this Ordinance shall continue to be governed by the law in effect at the time they were created, unless expressly provided otherwise by Tribal law.

SECTION 16. Within fifteen (15) days after adoption, Tribal staff shall cause a summary of this Ordinance to be published one time in a newspaper of general circulation published and circulated on the Reservation.

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BE IT ADOPTED AND ENACTED by the Tribal Council of the Agua Caliente Band of Cahuilla Indians, this 14th day of July, 2026.

Absent

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Jeff L. Grubbe, Chairman

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Anthony W. Purnel, Vice Chairman

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Savana R. Saubel, Secretary-Treasurer

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Vincent Gonzales III, Member

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Moraino J. Patencio, Member

I, the undersigned, the Secretary-Treasurer of the Agua Caliente Band of Cahuilla Indians, hereby certify that the Tribal Council is composed of five members of whom 4, constituting a quorum, were present at a meeting whereof, duly called, noticed, convened and held on this 14th day of July 2026; that the foregoing Ordinance was duly adopted at such meeting by the affirmative vote of 3-0-0 and that said Ordinance has not been rescinded or amended in any way.

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Savana R. Saubel, Secretary-Treasurer

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