COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL

(1) DEPARTMENT	(2) MEETING DATE	(3) CONTACT/PHONE	
Auditor-Controller-Treasurer Tax Collector	7/28/2026	Kari Lekvold 805-781-4846	
(4) SUBJECT Submittal of a report for the annual fiscal audits of establishments subject to the County Transient Occupancy Tax Ordinance for the period July 1, 2024, through June 30, 2025.			
(5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file the report of the annual fiscal audits of establishments subject to the County Transient Occupancy Tax Ordinance for the period July 1, 2024, through June 30, 2025.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT $0	(8) ANNUAL FINANCIAL IMPACT $0	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { X } Consent { } Presentation { } Hearing (Time Est. _______) { } Board Business (Time Est.______)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances { X } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5th's Vote Required { X } N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { } N/A Date ___12/9/2025_______________	
(17) EXECUTIVE OFFICE REVIEW Bill Lucia			

COUNTY OF SAN LUIS OBISPO

TO:	Board of Supervisors
FROM:	James W. Hamilton, CPA, Auditor-Controller-Treasurer-Tax Collector
DATE:	July 28, 2026
SUBJECT:	Submittal of a report for the annual fiscal audits of establishments subject to the County Transient Occupancy Tax Ordinance for the period July 1, 2024, through June 30, 2025.

RECOMMENDATION

It is recommended that the Board receive, review, and file the report of the annual fiscal audits of establishments subject to the County Transient Occupancy Tax Ordinance for the period July 1, 2024, through June 30, 2025.

DISCUSSION

The County currently collects a 9% Transient Occupancy Tax (TOT) and a 1.5% Tourism Marketing District (TMD) assessment from 2,280 lodging establishments (comprising both hotels and vacation rentals) throughout the entire unincorporated area. 1,480 establishments collect and remit an additional 2% San Luis Obispo County Business Improvement District (BID) assessment. Total Fiscal Year (FY) 2024-25 collections are presented under Financial Considerations.

The purpose of the TOT audits was to determine the accuracy of the transient occupancy related amounts remitted to the County and to verify that the tax and assessments were calculated in accordance with Chapters 3.08 and 3.09 of the San Luis Obispo County Code and County Resolution 2020-16.

Audits of six establishments were completed during FY 2024-25 with no material findings (see Attachment 1 for detail). One audit identified issues with the tax rates charged for an establishment's online platform rental transactions, prompting an expanded review of the tax rate setting methodologies on the platform, which the Tax Collector investigated with the platform and resolved.

TOT audits are expected to continue as part of the upcoming 2-Year Internal Audit Plan currently under development and scheduled for Board presentation in late 2026.

OTHER AGENCY INVOLVEMENT/IMPACT

Individualized audit reports were issued to each establishment. The Auditor-Controller-Treasurer-Tax Collector is responsible for the enforcement of all audit findings and recommendations.

FINANCIAL CONSIDERATIONS

The County collected the following total amounts for FY 2024-25:

Transient Occupancy Tax	$15,958,892
Tourism Marketing District Assessment	$2,611,395
County Business Improvement District Assessment	$2,831,967

RESULTS

Annual fiscal reviews of Transient Occupancy Tax (TOT), Tourism Marketing District (TMD), and Business Improvement District (BID) assessments serve as a mechanism for verifying the accuracy of reported taxes and assessments in the unincorporated area. The audit team's work delivers value to taxpayers by enhancing transparency, improving compliance, and safeguarding public revenues. These efforts directly support the County's commitment to a prosperous and well-governed community.

ATTACHMENTS

1 Summary of Audit Findings Transient Occupancy Tax FY 2024-25

ATTACHMENT 1

County of San Luis Obispo
Transient Occupancy Tax Audits
Summary of Monetary Audit Findings

Establishment +	Period Under Review	TAXABLE REVENUES As Reported by Operator	Per Audit	Taxable Revenues under (over) reported	% of Reported Amount	TAXES DUE PER AUDIT FINDINGS Taxes under (over) paid	Penalties	Interest	Excess Tax Charged	Total: Due County (Refunded to operator)
1	FY 2024-25	5,501,696	5,535,196	33,500	0.6%	4,187	837	42	-	5,067
2	FY 2024-25	3,000,699	2,999,850	(850)	0.0%	(106)	-	-	-	(106)
3	FY 2024-25	9,632,187	9,632,187	-	-	-	-	-	-	-
4	FY 2022-25	1,003,798	937,065	(66,733)	-6.6%	(7007) ++	-	-	9,371 +++	2,364
5	FY 2024-25	2,737,145	2,736,865	(280)	0.0%	(35)	-	-	-	(35)
6	FY 2024-25	2,104,413	2,104,413	-	-	-	-	-	-	-
		$ 23,979,939	$	$		$	$	$	$	$

\+ Establishment names have been removed for purposes of confidentiality.

++ Tax overpaid due to operator inclusion of taxes collected with taxable revenues.

+++ Overcollected tax remittable to County.

42

837

-

7,290

23,945,576

NOTE:

Transient Occupancy Tax (TOT) rate for the period under review was 9%, TMD was 1.5%, and SLOCTBID was 2%.

(34,363)

4,046