

# THE \$1 MILLION LAW

Live Oak vacation rentals,  
and tax revenues, soar  
with new ordinance

**LIVE OAK  
VACATION RENTALS**

Beachfront Live Oak vacation rentals have exploded since the county began considering an ordinance to regulate them last year.

- 1984-June 2010
- July 2010 - current

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Mile

BRIAN PIFER/SENTINEL

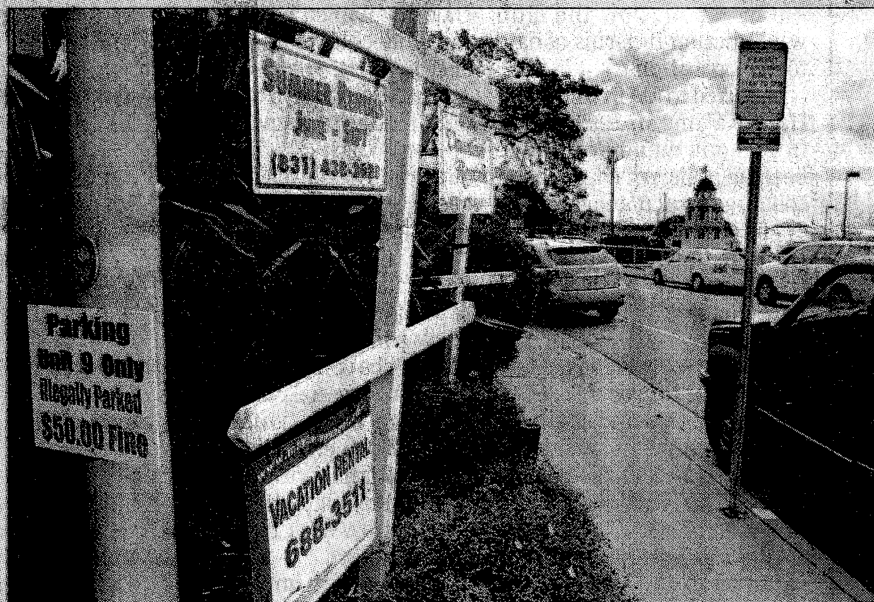
New regulations unearth scores of nonpermitted vacation rentals

✓ LIVE OAK  
By JASON HOPPIN 6/29/11  
jhoppin@santacruzsentinel.com

**LIVE OAK** — A new county law aimed at rowdy summer vacationers is proving to be an unexpected boon for the county, doubling the number of vacation rentals on the books and potentially adding more than \$1 million to the county's tax rolls, a Sentinel review of tax records has found.

The flood of new registrations began even before the law was passed, when county officials made clear that existing rentals operating without a license would be grandfathered in, a move that triggered a rush to the county building.

The development is surprising since rental owners during the debate over the new law consistently portrayed themselves as law-abiding, tax-paying operators, said county Supervisor John Leopold, who represents Live Oak and was a driving force behind the new law. But, he added, the law was not about drumming up revenues for the cash-strapped county.



SHMUEL THALER/SENTINEL

Vacation rentals abound in the neighborhood around the Santa Cruz harbor.

"The driver of creating our ordinance was about neighborhood preservation, not about collecting money," Leopold said.

Before the law's passage, the county raked in about \$4 million annually from transient occupancy taxes, mostly from

large hotel or resort operations such as Seascape Resort. But about \$1 million of that money comes from rentals of homes, in-law units or studios, providing a cozy entree for vacationers from across the

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