

## **Chapter 5.50**

### **Short-Term Rental Licensing and Standards**

#### **5.50.010 Purpose**

The purpose of this Chapter is to limit short-term rental uses to prevent the loss of housing opportunities for residents, preserve residential character, establish operating standards to reduce potential noise, parking, traffic, property maintenance, and safety impacts to neighborhoods, and provide a registration process for the City to track and enforce these requirements as needed and ensure appropriate collection of taxes.

#### **5.50.020 Definitions**

For the purposes of this chapter, the follows definitions shall apply:

“Adjacent Properties” means the dwelling units located next to the dwelling unit in which the short-term rental is located.

“Host” means any person who is the owner of record of residential real property or any person who is a lessee of residential real property pursuant to a written agreement for the lease of such real property, who offers a dwelling unit, or portion thereof for short-term rental either through a hosting platform or individually as an operator.

“Hosting Platform” means a means through which a host may offer a dwelling unit, or portion thereof, for short-term rental. A hosting platform includes, but is not limited to, an internet-based platform that allows a host to advertise and potentially arrange for temporary occupation of the dwelling unit, or portion thereof, through a publicly searchable website, whether the short-term renter pays rent directly to the host or to the hosting platform.

“Primary Residence” means a dwelling unit where a person has been physically present, and that the person regards as home. A person may only have one primary residence at any given time. Evidence of a person’s primary residence includes, but is not limited to, documentation from income tax statements, voter registration, or a driver’s license. If a property has multiple dwelling units, including an accessory dwelling unit or apartment complex, each dwelling unit and accessory dwelling unit shall be considered a separate residence subject to the primary residence requirement.

“Short-Term Rental” means the use or possession of or the right to use or possess any room or rooms, or portions thereof in any dwelling unit for residing, sleeping, or lodging purposes for less than 30 consecutive calendar days, counting portions of days as full calendar days.

“Short-Term Renter” means a person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of less than 30 consecutive days, counting portions of calendar days as full calendar days.

#### **5.50.030 Short-Term Rental License Requirement**

A. Short-term rental uses shall be permitted in any residential use within C1 Downtown Commercial, C2 General Commercial, and residential zones.

B. All short-term rental uses are subject to the requirements of this Chapter, including compliance with operating standards, registration, Transient Occupancy Tax payments, and recordkeeping obligations. Except as provided for in this Chapter, all other short-term rental uses shall be prohibited.

C. A Short-term rental host may operate a maximum of two (2) non-primary residence short-term rentals.

D. Term of License. Short-term Rental Licenses shall run with the landowner and shall automatically expire upon sale or transfer of the property.

#### **5.50.040 Maximum Licenses**

A. A total cap of one and one-half (2.0) percent of total City housing units will be placed on the number of short-term rental licenses issued. The total number of City Housing units shall be the total number of housing units reported in the most recent Housing Element of the City of Mt. Shasta General Plan.

B. No more than 20% of the total short-term rental licenses issued shall be granted to short-term rentals within residential zones.

C. Legally existing short-term rentals in good standing with the City shall be given priority in licensing. Good standing is defined as businesses which are current with City business licensing and tax payments.

#### **5.50.050 Amnesty Period for Existing Short-Term Rentals**

Notwithstanding any other provision of law, short-term rentals legally operating on or before the enactment of this ordinance shall be considered existing uses. An amnesty period of six (6) months after the effective date of this ordinance is being offered to allow these existing uses to be legalized by conforming to the requirements of this Chapter, including compliance with operating standards, registration, and recordkeeping obligations. Transient Occupancy Tax payments continue to be required at all times for short-term rentals and must be collected and paid during the amnesty period. Applications to bring an existing short-term rental use into compliance shall be made on or before six months after the effective date of this ordinance. Existing short-term rental uses that do not conform to the requirements of this Chapter shall cease operation within twelve (12) months of the effective date of this ordinance and shall be prohibited from resuming unless and until the use conforms to the requirements of this Chapter.

#### **5.50.060 Short-Term Rental License Permitting Process & Renewal**

(A) Application. Prior to advertising or making available the short-term rental for renting, hosts shall apply for a license at their residence with the City. This application shall be submitted on a form prepared by the City and shall include at a minimum the name and contact information of the host, the address of the residence being used for short-term rental, the contact information for the

local contact person, an acknowledgement of compliance with the requirements of the City's Municipal Codes, applicable health and safety standards, and other information as requested.

(B) Fee. The registration form shall be accompanied by a filing fee in an amount established by resolution of the City Council.

(C) Application Completeness. The submitted information shall be used to determine whether to register the short-term rental. The host will be notified if an application is incomplete. If the host fails to submit the required information or fees necessary to complete the application within thirty (30) calendar days after the notice of an incomplete application, the application shall expire and be deemed withdrawn.

(D) Decision. After an application is deemed complete, registration shall be approved when the following findings are met:

1. The host demonstrates the ability to meet the requirements of this Chapter,
2. The host demonstrates that the proposed short-term rental will not impact on-street parking, meet city noise standards, and will not result in a nuisance.
2. The subject residence is not the subject of an active compliance order or administrative citation from the City in the past 12 months, and
3. A short-term rental registration for the residence has not been denied or revoked in the prior 24-month period.

These findings shall be made in addition to the findings listed in Chapter 18.29 for short-term rentals located on residentially zoned property.

(E) Validity. An approved registration shall be valid and payable on a fiscal year basis. An approved registration shall be personal to the host and shall automatically expire upon sale or transfer of the dwelling unit. No registration may be assigned, transferred, or loaned to any other person.

(F) Annual Renewal. A registration may be renewed annually upon payment of registration renewal fees and all required transient occupancy tax remittance associated with short-term rental. The host shall submit such information concerning the short-term rental activity as may be required to enable the tax collector to verify the amount of tax paid. Failure to renew prior to the expiration date will result in expiration of the registration.

(G) Requirements No Exclusive. The issuance of a short-term rental registration shall not relieve any person of the obligation to comply with all other provisions of this code applicable to the use and occupancy of the property.

(H) Administrative Policy. The City Manager or their designee shall have the authority to develop administrative policies to implement the intent of this Chapter.

#### **5.50.070 Appeal of Denial or Revocation of License**

(A) Revocation of Registration. A short-term rental registration issued under the provisions of this Chapter may be revoked after notice and hearing as provided for in this Section, for any of the following reasons:

1. Fraud, misrepresentation, or false statements contained in the application;
2. Fraud, misrepresentation, or false statements made in the course of carrying on a short-term rental as regulated by this Chapter;
3. Any violation of any provision of this Chapter or of any provision of this code; or
4. Any violation of any provision of federal, state, or local laws.

(B) Revocation Hearing. Before revoking a short-term rental registration, the City Planner shall give the responsible host notice in writing of the proposed revocation and of the grounds thereunder, and also of the time and place at which the host will be given a reasonable opportunity to show cause why the registration should not be revoked. The notice may be served personally upon the host or may be certified mailed to the host at the last known address of at any address shown upon the application at least 10 days prior to the date of the hearing. Upon conclusion of the hearing the City Planner may, for the grounds set forth herein, revoke the registration.

(C) Appeal from Denial or Revocation of Registration. Any host whose application has been denied or registration has been revoked shall have the right to an administrative appeal before the City Manager or a designated hearing officer. An appeal shall be filed in writing on a form provided by the City stating the grounds therefor within 10 days of the decision. The City Manager or designated hearing officer shall hold a hearing thereon within a reasonable time and the decision shall be final.

(D) Waiting Period. Any host whose registration has been denied or revoked shall be ineligible from applying for a new registration for a 24-month period.

(E) Records of Compliance. The host shall retain records documenting the compliance with these requirements for a period of three (3) years after each period of short-term rental, including but not limited to records showing payment of transient occupancy taxes by a hosting platform on behalf of a host. Upon reasonable notice, the host shall provide any such documentation to the City upon request for the purpose of inspection or audit to the City Manager or their designee.

#### **5.50.080 Operational Standards, Restrictions, and Requirements**

The following operating standards shall apply to all short-term rentals:

- (A) Legal Dwelling. Short-term rentals may only occur within legal dwelling units.
- (B) Limitation on Listings. Short-term rentals shall not have more than 1 listing for the same primary residence on the same days.
- (C) Local Contact Person. Hosts shall identify to all guests and all occupants of adjacent properties a local contact person to be available 24 hours per day, 7 days per week during the term of any unhosted stay. The designated local contact person shall:

1. Respond within 30 minutes to complaints regarding the condition or operation of the dwelling unit or the conduct of guests; and
  2. Take remedial action to resolve such complaints
- (D) Parking. No additional parking shall be required for short-term rentals. Existing on-site parking spaces shall be made available to short-term renters.
- (E) Special Event. Weddings, corporate events, commercial functions, and any other similar events which have the potential to cause traffic, parking, noise, or other problems in the neighborhood are prohibited from occurring at the short-term rental property, as a component of short-term rental activities.
- (F) Each short term rental must pass a public safety inspection to validate emergency egress standards as well as operable and properly placed smoke alarms, fire extinguishers and CO detectors, as applicable
- (G) No short-term rental shall have a fire pit or freestanding barbeque or grill. Permanently fixed barbeques or grills using propane or electricity to heat the element shall be permitted if they meet Fire Code setbacks and clearances.
- (H) No recreational vehicle, travel trailer, tent or other temporary shelter may be used as a short term rental.
- (I) Posting and Neighbor Notification of Permit and Standards. Once a vacation rental license has been approved, a copy of the license listing all applicable standards and limits shall be posted within the vacation rental property. The owner shall post these standards in a prominent place within 6 feet of the front door of the vacation rental and include them as part of all rental agreements. At the permit holder's expense, the City shall provide mailed notice of license issuance and local contact information to property owners and immediate neighbors of the short-term rental unit using the standard 300' property owner mailing list. All advertising handouts, flyers, internet listings, or any other information provided for vacation rentals shall conform to the approved occupancy limits and standards as stated on the vacation rental permit. Advertising may only be conducted for properties operating under a valid permit. Advertising for a particular property inconsistent with the approvals for that property shall be considered a violation of these performance standards.

The following standards shall apply to all short-term rentals in commercial zones:

- (A) Annual Limit. There is no annual limit for short-term rentals in commercial zones.
- (B) The number of guests will be limited to two guests per bedroom plus another two, for a maximum of ten guests per short-term rental with outdoor quiet hours in effect between 10:00 P.M. and 7:00 A.M.

The following standards shall apply to all short-term rentals in residential zones:

- (A) Annual Limit.
1. A primary residence may be occupied as a short-term rental for no more than (90) days per calendar year when no host is present. There shall be no limit on the number of days a primary residence may be occupied as a short-term rental when the host is present. For purposes of this Section, a host is considered present when they are on the premises at all times between the hours of 10:00 P.M. and 7:00 A.M.

2. A non-primary residence may be occupied as a short-term rental for no more than 90 days per calendar year.
- (B) The number of guests will be limited to two guests per bedroom plus another two, for a maximum of six guests per short-term rental with outdoor quiet hours in effect between 8:00 P.M. and 8:00 A.M.

#### **5.50.090 Transient Occupancy Tax**

Transient Occupancy Tax (TOT) must be collected short-term rentals and paid to the City pursuant to Chapter 3.12 of the Mt. Shasta Municipal Code. Collection of transient occupancy taxes for short-term rentals shall be the responsibility of the host. The hosting platform shall collect TOT when they have signed a voluntary agreement (or equivalent) with the City.

#### **5.50.100 Penalties and Enforcement**

Violations. Penalties as provided for in Chapter 1.03 may be imposed for failure to comply with the provisions of the Chapter.

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