



White Salmon Community Development Committee Meeting
A G E N D A
March 21, 2019 – 4:00 PM
100 N. Main, White Salmon WA 98672

Call to Order/Roll Call

Action Items

- [1.](#) Annexation 2019-001, White/Baxter/Klebba
- [2.](#) Draft Ordinance Implementing 2% Lodging Tax
- [3.](#) Draft Ordinance Short-Term Rental Registration

Item Attachment Documents:

1. Annexation 2019-001, White/Baxter/Klebba



Agenda Memo - Community Development Committee Meeting

Subject: **Annexation 2019-001, White/Baxter/Klebba**

Date: **March 20, 2019**

The City has received a Petition to Annex related to the Notice of Intents to Annex submitted by Nancy White and Shelley Baxter/Ray Klebba. Shelley Baxter and Ray Klebba both signed the Petition to Annex. The petition has been submitted to the Klickitat County Auditor's Office for a determination of sufficiency as to the signatures.

The annexation will be scheduled before the Planning Commission at its April 24 meeting and before the city council on May 1st.

When the city accepted the Notice of Intent to Annex they identified the zoning for the property as Single-Family (R1) Residential.

This agenda item is more for notification other than discussion as it will be reviewed by both the planning commission and the full city council.

A feasibility report will be presented to the planning commission and subsequently to the city council.

Customize a Subtitle Here



Item Attachment Documents:

2. Draft Ordinance Implementing 2% Lodging Tax



Agenda Memo - Community Development Committee Meeting

Subject: Draft Ordinance Implementing 2% Lodging Tax

Date: March 20, 2019

Attached is a draft ordinance implementing the 2% lodging tax. Ken Woodrich will need to review the ordinance. It is my intention to place the proposed ordinance on the city's agenda for April 3 for discussion purposes and send it out with an explanation to the Inn of the White Salmon, the Bridge RV Park and any known short-term rental owners.

Ideally, this ordinance will be scheduled for a public hearing at the April 17th city council meeting for adoption. I am also checking with the Department of Revenue as to the timing of the implementation of the tax. Once we have adopted the ordinance a copy goes to the Department of Revenue and then it is implemented. I believe they update their taxes on a quarterly basis and there is a specific cutoff date for submission. I hope to have that information by the March 21st committee meeting.

I have also includes a "Frequently Asked Questions" about lodging taxes that I thought we could use when we send out information (with modifications).

**CITY OF WHITE SALMON
ORDINANCE 2019-05-1040**

**AN ORDINANCE ADOPTING WSMC 3.50 EXCISE TAX ON HOTELS, MOTELS AND
SIMILAR ESTABLISHMENTS**

WHEREAS, RCW 67.28.180 and 67.28.181 provide that qualified cities are authorized to levy and collect a special excise tax on the sale or charge made for the furnishing of lodging that is subject to tax under Chapter 82.08 RCW; and

WHEREAS, pursuant to RCW 67.28.1801, the state-credit lodging tax is credited against the existing Washington State sales tax, resulting in no net increase in the amount of sales taxes imposed upon the furnishing of lodging; and

WHEREAS, the City Council of the City of White Salmon desires to establish and levy the “basic” two percent lodging tax as authorized by RCW 67.28.180 to be put into a fund designated for promotion and capital expenditures associated with supporting tourism ; and

WHEREAS, the City Council of the City of White Salmon desires to create Lodging Tax Advisory Committee to assist in determining how revenues coming from the implementation of the “basic” two percent lodging tax will be used; and

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WHITE
SALMON DO ORDAIN AS FOLLOWS:**

SECTION 1 – ADOPTION: White Salmon Municipal Code 3.50 as presented below is adopted and becomes effective on...

Chapter 3.50

Excise Tax on Hotels, Motels and Similar Establishments

Sections:

3.50.010 Tax Levy

- 3.50.020 Definitions.
- 3.50.030 Tax in addition to other fees and taxes.
- 3.50.040 Special fund created.
- 3.50.050 Administration of tax.
- 3.05.060 Violation.
- 3.50.070 Lodging tax advisory committee.

3.50.010 Tax Levy. As authorized by RCW 67.28.180, there is levied a special excise tax of two percent on the sale of or charge made for the furnishing of lodging by hotels, motels, rooming houses, tourist courts and trailer camps, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property; provided, that it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or to enjoy the same. Tax imposed under this section on a sale of lodging shall be credited against the amount of sales tax due to the state under Chapter 82.08 RCW on the same sale of lodging.

3.50.020 Definitions. The definitions of “selling price,” “seller,” “buyer,” “consumer” and all other definitions as are now made in RCW 82.08.010 and subsequent amendments thereto are hereby made the definitions for the tax levied in this chapter.

3.50.030 Tax in addition to other fees and taxes. The tax levied in this chapter shall be in addition to any license fee or any other tax imposed or levied under any law or any other ordinance of the city; provided, the two percent tax levied herein shall be deducted from the amount of tax the seller would otherwise be required to collect and pay to the Department of Revenue under Chapter 82.08 RCW.

3.50.040 Special fund created.

A. There is created a special fund in the city to be know as the “tourism promotion and development fund.” All taxes levied and collected under the provisions of this chapter shall be credited to the “tourism promotion and development fund.”

B. Expenditures from the “tourism promotion and development fund” shall be made only for the purposes of paying for all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities or to pay for any other uses as authorized in Chapter 67.28 RCW, as now or hereinafter amended.

3.50.050 Administration of tax. For the purposes of the tax levied hereby:

A. The Department of Revenue of the state of Washington (hereinafter referred to as “Department of Revenue”) is hereby designated as the agent of the city for the purposes of collection and administration.

B. The administrative provisions contained in Sections 82.08.050-82.08.090 and Chapter 82.32 RCW (and hereinafter as amended) shall apply with respect to administration and collection by the Department of Revenue.

C. All rules and regulations adopted by the Department of Revenue for the administration of Chapter 82.08 RCW are hereby adopted by the city.

D. The Department of Revenue is hereby empowered, on behalf of the city, to prescribe such special forms and reporting procedures as the Department of Revenue may deem necessary.

3.50.060 Violation. It is unlawful for any person, firm, or corporation to violate or fail to comply with any of the provisions of this chapter. Every person convicted of a violation of any provision of this chapter shall be considered a separate offense.

3.50.070. Lodging tax advisory committee.

A. There is hereby created a lodging tax advisory committee which shall consist of five members. The members of the committee shall consist of two members or representatives of the businesses required to collect the lodging tax, two members who are persons involved in the activities authorized to be funded by the lodging tax and one elected official from the city who shall act as chairperson.

B. Appointments to the lodging tax advisory committee shall be made by the mayor and confirmed by city council, and the mayor shall review the committee membership annually.

C. The duties of the lodging tax advisory committee is to review and comment on applications for the use of the lodging tax funds and to submit such review and comment to the city council of the White Salmon.

SECTION 2 – SEVERABILITY: If any section, sentence, or phrase of this Chapter is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence or phrase of this Chapter.

SECTION 3 – EFFECTIVE DATE. This ordinance shall take effect five days following the date of its publication by summary.

PASSED by the City Council of the City of White Salmon at a regular meeting this ____ day of May, 2019.

David Poucher, Mayor

ATTEST:

Jan Brending, Clerk/Treasurer

APPROVED AS TO FORM:

Kenneth B. Woodrich, City Attorney

Exhibit “A”

2.04.050 Committees appointed by Mayor.

At the first regular meeting of the City Council in January of each year, the Mayor shall with the advice and consent of the City Council appoint the following committees, to be composed of two council members and one alternate:

- A. Personnel and Finance Committee;
- B. City Operations Committee (Parks, Health and Sanitation, Streets Systems, Water and Wastewater Facilities, Fire and Police);
- B. Community Development Committee (Annexation and Real Estate, Tourism and Business Development, Housing).

The Mayor may create other committees with the consent of the council.

Members appointed to committees shall serve for the period of one year or until their successor is appointed. In case of vacancy in any of the committees either by death, resignation or otherwise, the Mayor shall appoint other members of the council to fill such vacancy, provided, that if the Mayor does not appoint such committees at the time named by this section, he may do so at any meeting thereafter. Members of the municipal budget and financial advisory committee shall be appointed by the Mayor with consent from City Council as directed in Section 2.04.060 A of this chapter.

2.04.060 Committees – Power and duties.

- A. Personnel and Finance Committee
 - 1. The personnel and finance committee shall consist of three members, two of whom shall be members of the City Council and one of whom shall be representatives of the public at large who are residents of the City of White Salmon and are of legal voting ages, and shall be appointed by the Mayor and confirmed by the City Council. The Mayor and Clerk/Treasurer, or their designees, shall serve as non-voting ex officio members.
 - 2. It is the responsibility of the committee to consider and approve draft budget proposals prepared and submitted by city staff, and as may be revised or amended

by a majority vote of the committee, and to make recommendations to the City Council for the adoption.

3. The committee shall advise the City Council on matters pertaining to financial affairs of the city.
4. The committee shall advise the City Council on personnel issues as they relate to the budget.
5. The committee is kept apprised by city staff as to the status of union negotiations and union grievances. The representative from the public shall not participate in discussions regarding union negotiations and union grievances.
6. The committee shall perform such other duties as may be imposed by ordinances or the order of the City Council.

B. City Operations Committee (Parks, Health and Sanitation, Street System, Water and Wastewater Utilities, Fire and Police)

1. The committee is kept apprised by city staff on matters pertaining to parks; police and fire; refuse collection; sanitary conditions and health of the city; the conditions of roads, streets, alleyways and parking facilities; and water and wastewater utility services and infrastructure.
2. The committee may recommend measures to the City Council they deem proper for the betterment of the city.
3. The committee reports on matters referred to them by the City Council.
4. The committee is designated as the utilities comprehensive plan committee and shall represent the city on the multi-jurisdictional water and wastewater committee comprised of the jurisdictions of the City of White Salmon, City of Bingen and the Port of Klickitat which addresses water and wastewater utility services, including capital improvements, and utility service interlocal agreements existing or deemed necessary between the parties.

C. Community Development Committee

1. **The community development committee shall consist of four members, two of whom shall be members of the City Council and two of whom shall be members of the White Salmon Planning Commission.**
- ~~2.~~ The committee is kept apprised by city staff on matters pertaining to tourism and business development, including opportunities for enhancing tourism and business and its overall impact to the city.
- ~~23.~~ The committee is kept apprised of the city's real properties within and adjacent to city limits and within the White Salmon urban growth area including existing and proposed use of such properties.
- ~~34.~~ The committee is kept apprised of existing and future annexation policies and the general impact of annexation to city infrastructure and municipal services.
- ~~45.~~ The committee is kept apprised of matters pertaining to housing developments and issues related to housing within and adjacent to the city limits and within the White Salmon urban growth area.
- ~~56.~~ The committee may recommend measures to the City Council **and/or the Planning Commission** they deem proper for the betterment of the city.
- ~~67.~~ The committee reports on matters referred to them by the City Council.

All committee meetings are presumed to be open and subject to the Washington Open Public Meetings Act (OPMA), RCW Ch. 42.30 if the committee is taking public testimony or comment or making decisions (adjudicative or legislative) on behalf of the council. Meetings that involve mere fact-finding, staff conferences and reporting to council without public testimony or comment are not typically subject to the OPMA.

Lodging Taxes a/k/a Hotel/Motel Taxes Frequently Asked Questions

What Is This Tax and What Are the Tax Rates?

(1) **“Regular” or “Basic” Hotel/Motel Tax Distributions – 2% (RCW 67.28.180):**

The “regular” (also referred to as “basic” or state-shared) hotel/motel tax distributions are for a local option tax of two percent (2%) on sales of hotel/motel rooms. It is paid on all charges for lodging at hotels, motels and similar establishments, including bed and breakfasts and RV parks, where there is a continuous stay of less than one month.

The tax is **not** paid in addition to other state and local taxes. Instead, it is credited against the state’s six and one-half percent (6.5%) retail sales tax (thus shifting the impact to the state general fund). The total tax a patron pays in retail sales tax and the hotel/motel tax combined is equal to the retail sales tax in the jurisdiction.

Cities can levy the regular hotel/motel tax within their corporate limits and counties can levy the tax in unincorporated areas and within cities that do not levy the tax.

Cowlitz County and all cities in Cowlitz County have authorized 2%.

(2) **“Additional” or “Special” Local Hotel/Motel Taxes – 2% (RCW 67.28.181(1)):**

Additional (also referred to as “special”) hotel/motel taxes were previously authorized by statute for specific cities and counties for specific purposes. These taxes are paid in addition to all other state and local sales taxes and may be equal to the lesser of two percent (2%) or a rate when combined with other taxes imposed on lodging does not exceed twelve per cent (12%).

The following taxes are included in the twelve percent (12%) limitation:

- RCW 36.100 (PFD)
- RCW 82.08 (state sales tax)
- RCW 82.14 (city, county, public facilities district and transit district sales tax)
- RCW 67.28 (hotel/motel tax)
- RCW 67.40 (convention and trade center tax)

Cowlitz County has authorized collection of 2%.

(3) **Voter Approved Hotel/Motel Tax – 1% for Public Facilities District (PFD) (RCW 36.100.040):**

On September 16, 2003, voters of Cowlitz County approved a lodging tax of 1% to be imposed on facilities with 40 or more units. On November 24, 2003 the PFD authorized collection. The effective date was April 1, 2004.

(4) **Rates as of January 1, 2015 are as follows:**

All facilities of up to 40 units	4%
Facilities with 40 or more units	5% (includes PFD rate of 1%)

How Can the Revenues Be Used? (RCW 67.28.1815):

All hotel/motel taxes received by municipalities are to be credited to a special fund in the treasury of the municipality.

Lodging tax revenues may be used, directly by any municipality or indirectly through a convention and visitors bureau or destination marketing organization for:

- tourism marketing
- marketing and operations of special events and festivals designed to attract tourists
- Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district created under chapters 35.57 and 36.100 RCW; or
- Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations described under 26 U.S.C. Sec. 501(c)(3) and 26 U.S.C. Sec. 501(c)(6) of the internal revenue code of 1986, as amended.
- Municipalities may, under RCW 39.34 (Interlocal Cooperation Act) agree to the use these revenues for the purposes of funding a multi-jurisdictional tourism-related facility.

Reports Required – How will the Money Promote Tourism?

Applicants applying for use of revenues must provide the municipality to which they are applying estimates of how any moneys received will result in increases in the number of people traveling for business or pleasure on a trip:

- away from their place of residence or business and staying overnight in paid accommodations;
- to a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or
- From another country or state outside of their place of residence or their business.

Funds Spent by Private Organizations:

- Because of the state constitutional prohibition on gift of public funds (Article 8, Section 7), a county/city providing funds to a private organization should enter into agreement with any such private organization providing marketing services or other tourist promotion activity describing:
 - Deliverables: tourist-related facilities or services to be provided (Note: expenditures must be on items and activities that the local government itself could fund. This prohibits, for example promotional hosting.)
 - Funding provided by local government (grants not allowed)
 - Payment schedule (note: payment can only be made after services have been provided supported by adequate documentation)
 - Reports required
 - Methods to measure performance

Lodging Tax Advisory Committee (RCW 67.28.1817):

Any county, city or town that has imposed the hotel/motel tax and has a population of 5,000 or more must have a Lodging Tax Advisory Committee (LTAC).

Currently there are three LTAC: Longview, Kelso, & Woodland
Status of County LTAC – unknown

- Five members are appointed by the legislative body
 - 2 representatives from business that collect hotel/motel tax
 - 2 representatives involved in activities funded with hotel/motel tax
 - 1 elected official of the municipality who is to serve as Chair of the Committee
 - Optional: 1 non-voting county official may sit on a city LTAC
 - Optional: 1 non-voting city official may sit on a county LTAC
- Duties include providing comments to the local government on
 - any proposal to impose a new tax,
 - raise the rate of an existing tax,
 - repeal an exemption from the tax, or
 - change the use of the tax proceeds
 - review applications for the use of funds
 - LTAC selects candidates and provides a list and recommended funding amounts to the municipality for final determination
 - Municipality chooses recipients from list provided by the LTAC

Reports to Joint Legislative Audit & Review Committee (JLARC)
(RCW 67.28.1816 & 8001):

Statute amended May 2013 HB 1253' 63rd WA State Legislature 2013 Regular Session

Municipalities expending lodging taxes must report to JLARC on or before March 15 each year, how the monies received will:

- Describing the actual number of people traveling for business or pleasure on a trip:
 - Away from their place of residence or business and staying overnight in paid accommodations;
 - To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or
 - From another country or state outside of their place of residence or their business

Statutory Definitions

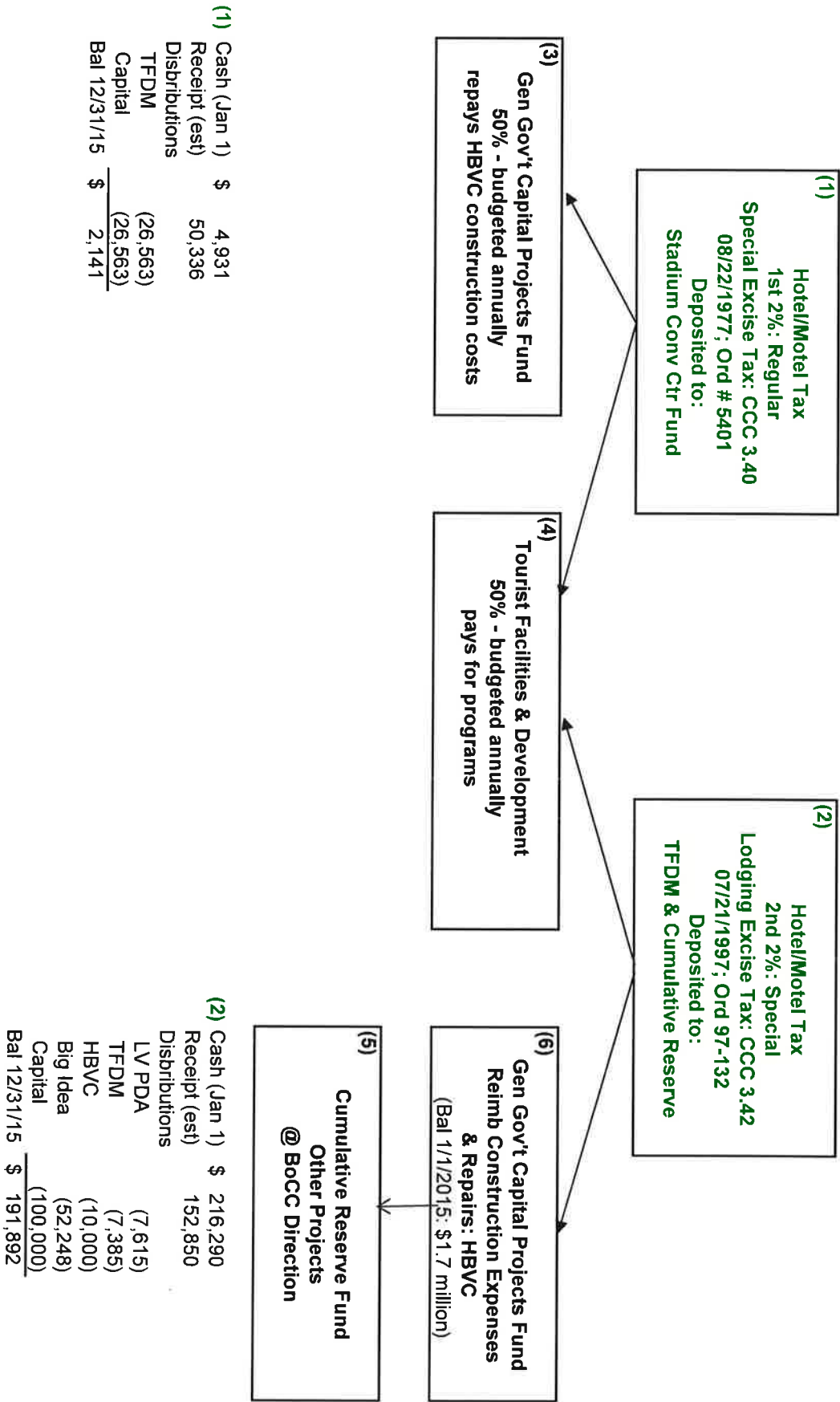
The permitted uses of the tax revenues generated are more fully explained in the definitions section RCW 67.28.080:

- (1) "Acquisition" includes, but is not limited to, siting, acquisition, design, construction, refurbishing, expansion, repair, and improvement, including paying or securing the payment of all or any portion of general obligation bonds, leases, revenue bonds, or other obligations issued or incurred for such purpose or purposes under this chapter.
- (2) "Municipality" means any county, city or town of the state of Washington.
- (3) "Operation" includes, but is not limited to, operation, management, and marketing.
- (4) "Person" means the federal government or any agency thereof, the state or any agency, subdivision, taxing district or municipal corporation thereof other than county, city or town, any private corporation, partnership, association, or individual.
- (5) "Tourism" means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
- (6) "Tourism promotion" means activities, operations, and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding the marketing of or the operation of special events and festivals designed to attract tourists.
- (7) "Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is:
 - (i) owned by a public entity
 - (ii) owned by a nonprofit organization described under section 501(c)(3) of the federal internal revenue code of 1986, as amended; or
 - (iii) owned by a nonprofit organization described under section 501(c)(6) of the federal internal revenue code of 1986, as amended, a business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce and (b) used to support tourism, performing arts, or to accommodate tourist activities.

[2013 c 196 § 2. Prior: 2007 c 497 § 1; 1997 c 452 § 2; 1991 c 357 § 1; 1967 c 236 § 1.]

Flow Chart for Distribution of Hotel/Motel Tax Receipts

Last Updated 1/30/2015



Item Attachment Documents:

3. Draft Ordinance Short-Term Rental Registration



Agenda Memo - Community Development Committee Meeting

Subject: Ordinance Implementing Short-Term Rental Registration/Permit

Date: March 20, 2019

Attached is Stevenson's ordinance. I am seeking direction from the Community Development Committee for any changes.

Ideally, I would like to schedule the review of the draft ordinance at the city council meeting on April 3, again with notification to known short-term rental owners. We may want to schedule the initial public hearing on this ordinance at the May 1st meeting giving more time for public notification and comment.

Chapter 5.20 - VACATION RENTAL HOMES

5.20.005 - Findings, intent and purpose.

- A. In the adoption of these regulations, the city that the rental of dwelling units for less than thirty days is an important contributor to the comprehensive plan's tourism goal. The city also finds that these vacation rentals are part of an emerging market that has the potential to be incompatible with surrounding residential uses.
- B. The regulations below are intended to ensure special regulation of vacation rentals that will:
 - 1. Benefit the local economy;
 - 2. Reduce administrative burdens and barriers to entry;
 - 3. Ensure market fairness and taxation;
 - 4. Protect guests; and
 - 5. Avoid unchecked neighborhood disruptions.
- C. This chapter provides an administrative framework for licensing the annual operation of a vacation rental home. A vacation rental home license is a limited permission to use property for vacation rental purposes. A license may be modified or revoked if the standards of this chapter are not met.

(Ord. No. 1091, § 2, 3-17-2016)

5.20.010 - Definitions.

As used in this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

- A. "Contact Person." The owner or, if designated on the application for a license, the management representative authorized to act for the owner.
- B. "Dwelling Unit." One or more rooms occupied, designed or intended for occupancy as separate living quarters, and containing four or more of the following:
 - 1. Refrigeration;
 - 2. Cooking facility (including cooking stove, hot plate, range hood, microwave, or similar appliance) or wiring or venting to support same;
 - 3. Dishwashing machine;
 - 4. Sink intended for meal preparation (not including a wet bar);
 - 5. Garbage disposal;
 - 6. Toilet;
 - 7. Shower or bathtub.
- C. "Local Area." All areas in the Washington counties of Clark, Klickitat and Skamania and the Oregon counties of Hood River and Multnomah.
- D. "Owner." The natural person or legal entity that owns and holds legal and/or equitable title to the property.
- E. "Remuneration." Compensation, money, rent or other bargained for consideration given in return for use, rent, or occupancy of a vacation rental home.
- F. "Vacation Rental Home." A dwelling unit for which an owner receives or seeks remuneration for use or occupancy for a period of less than thirty consecutive days per rental period.

- G. "Vacation Rental License or License." The regulatory license required by SMC 5.20.15 and described in this chapter.

(Ord. No. 1091, § 3, 3-17-2016)

5.20.015 - Vacation rental license required.

No owner of property within the Stevenson city limits may advertise, offer, operate, rent, receive remuneration for, or otherwise make available or allow any other person to make available for occupancy or use a vacation rental home without a vacation rental license. Advertise or offer includes through any media, whether written, electronic, web-based, digital, mobile or otherwise.

(Ord. No. 1091, § 4, 3-17-2016)

5.20.020 - Application and fee.

- A. Application Required. An application for a vacation rental license shall be completed and submitted to the city on a form provided by the city. The application shall be signed by the owner or contact person and contain the following information:
1. Owner Information. Owner's name, permanent residence address, telephone number, owner's mailing address, and the vacation rental home address and telephone number.
 2. Contact Person Information. If the owner does not permanently reside in the local area or is not always available when the property is being rented, the owner shall provide the name, telephone number and email of a contact person from the local area to represent the owner regarding the use of the property and/or complaints related to the vacation rental home as set forth in SMC 5.20.040(C).
 3. Tax Information. A statement of intent to collect and remit all taxes associated with the vacation rental home.
 4. Inspection Access. A statement allowing the city reasonable access to the property for the purpose of reviewing the proposal for the health and safety requirements set forth in SMC 5.20.040(D).
 5. Right to Publish Contact Information. A statement allowing the city to make owner and contact person phone numbers publicly available at City Hall.
 6. Neighborhood Notice. A statement of intent to notify neighbors as required by SMC 5.20.040(A).
 7. Good Neighbor Guidelines. A statement of intent to provide the city-provided Good Neighbor Guidelines to guests of the vacation rental home.
 8. Parking Diagram. A statement of intent to provide guests of the vacation rental home with a diagram of parking spaces that are available to or intended for use by the vacation rental home.
 9. Liability Insurance. A statement of intent to provide liability insurance coverage as required by SMC 5.20.040(G).
 10. Such other information as the city administrator deems reasonably necessary to administer this chapter.
- B. Application Fee. Applications under this section shall be accompanied by a nonrefundable fee payable to the city in an amount established and periodically adjusted by the city council. Application fees may be prorated if issued for less than half of the annual term.
- C. Discretionary Fees. At the discretion of the city administrator, the application fee may include the actual costs for labor, overhead, and expenses for outside consultant reviews and/or special inspections.

(Ord. No. 1091, § 5, 3-17-2016)

5.20.025 - Term of annual license.

A vacation rental license shall be issued for a period not to exceed one year, with its effective date running from the date the license is issued to December 31st and may be renewed annually by the owner or contact person provided all applicable standards of this chapter are met.

(Ord. No. 1091, § 6, 3-17-2016)

5.20.030 - Licensing and renewal procedures.

A vacation rental license shall be obtained and/or renewed as required in this section. The ability to operate a vacation rental home in the city of Stevenson shall be discontinued for failure to obtain or renew a license to operate as provided in this chapter.

- A. Application and Renewal Process. A person engaging in operation of a vacation rental home who has not yet obtained a license, or who is required to renew an existing operating license, shall do so as follows:
 - 1. Time for Application.
 - a. New Licenses. For new vacation rental licenses, it is the responsibility of the owner or contact person to apply for and receive a license prior to operation of a vacation rental home.
 - b. Existing Vacation Rental Homes. A completed license renewal application and renewal fee is due for all existing short-term rentals annually by December 31st.
 - 2. Notice. Prior to the December 31st annual due date, the city shall send notice of the need for a license or expiration of a license to the owner of any property for which an application is due as follows:
 - a. For the first license required for any vacation rental home in the city, it is the owner's obligation and responsibility to apply for a license.
 - b. For license renewal, notice will be sent to the mailing and email addresses of the owner and contact person as provided to the city on the application.
- B. License Expiration. For failure to submit an application, upon expiration of the thirty-day late period, the ability to operate shall be conclusively presumed to be discontinued with no further action by the city. For renewals, upon expiration of the late period, the ability to operate shall be conclusively presumed to be discontinued and the city will commence revocation of the license pursuant to the procedures in SMC 5.20.045.

(Ord. No. 1091, § 7, 3-17-2016)

5.20.035 - Criteria for approval and renewal of a license.

- A. New License. Upon receipt of a complete application for a new vacation rental license and payment of all required fees, the city administrator or designee will issue a vacation rental license.
- B. License Renewal. Upon receipt of a complete application for renewal of a vacation rental license and payment of all required fees. The city will review the application and available information to determine compliance with the operational requirements of SMC 5.20.040. If not met, the city administrator or designee will not renew the license and the property shall not be used as a vacation rental home. Alternatively, the city administrator may issue the license subject to reasonable special operational standards.

- C. Owner's Role. The owner has the burden of proof to demonstrate compliance with each operational requirement and special standard placed on the vacation rental license. Staff may verify evidence submitted and the applicant shall cooperate fully in any investigation.
- D. Appeals. A decision on a license application or renewal may be appealed as provided in SMC 5.20.055.

(Ord. No. 1091, § 8, 3-17-2016)

5.20.040 - Operational requirements.

- A. Notice to Neighbors. The owner or contact person shall provide an annual mailing or otherwise distribute by hand, a flier to all property owners of record and/or occupants of properties adjacent to and abutting the property licensed as a vacation rental home. The notice shall include the license number and the telephone number of the owner and contact person. The purpose of this notice is so that neighboring property owners and residents can contact a responsible person to report and request resolution of problems associated with the operation of the vacation rental home. If the permanent contact information changes during the license period, the new information must be mailed or distributed again.
- B. Public Availability. In addition, the city will make a registry publically accessible within which any person can obtain the owner and contact person's name and telephone number. If the permanent contact information changes during the license period, the new information must be provided to the city.
- C. Response to Complaints. The owner or contact person shall respond to neighborhood questions, concerns, or complaints in a reasonably timely manner depending on the circumstances.
 - 1. Owner Responsibility. Reasonable initial inquiries or complaints related to the expectations set in the Good Neighbor Guidelines may first be made to the owner or contact person. However, it is not intended that the owner or contact person act as a peace officer or code enforcement officer of the city or put themselves in an at-risk situation. In such cases, the owner or contact person should contact the city to discuss resolution of the complaint.
 - 2. Complaint Log. The owner or contact person should maintain a record of complaints and the actions taken in response to the complaint, if relevant, in a manner reasonable to document the interaction. If kept, this record can then be made available for city inspection upon request.
 - 3. City Authority. If there is a failure to respond or a clearly inadequate response by the owner or contact person, a complaint may be submitted to the city on a form provided by the city, and the city will respond or investigate as needed. The city will first seek voluntary compliance or resolution, but if the city finds substantial evidence supports further action given the complaint(s), the city will follow the warning and revocation procedures set forth in SMC 5.20.045.
 - 4. Records. On request and in compliance with the public records law, the city shall provide the owner and/or contact person with the information in the complaint.
 - 5. Grounds for Warning. Repeated failure of the owner or representative to timely and reasonably respond to a complaint(s) relayed by city staff is considered grounds for a warning and potential revocation under SMC 5.20.045. Repeated noise complaints regarding tenants may be grounds for a warning to the owner, if, in the reasonable judgment of the city administrator, the circumstances indicate the owner should be held responsible. Initiating a nuisance enforcement action under SMC 8.45 or SMC 8.60 may be grounds for a warning in the appropriate circumstances.
 - 6. Administrative Rules. The city administrator may establish administrative rules to interpret, clarify, carry out, and enforce the provisions of this chapter. A copy of such administrative rules shall be on file and made available at City Hall.

- D. Health and Safety. Every vacation rental license shall be subject to inspection by the building official or designee at the city's discretion, but no less than once every five years. The purpose of the inspection is to determine conformance with the Vacation Rental Fire Safety Checklist (fire extinguishers, smoke alarms, carbon monoxide detectors, etc.). It is the owner's responsibility to assure that deficiencies identified in the checklist are addressed and that the vacation rental home is and remains in substantial compliance with all applicable fire, building, and safety codes and other relevant laws, whether identified on the vacation rental fire safety checklist or not.
- E. Taxation. The owner shall fully comply with all applicable city and state tax reporting and payment requirements, especially lodging taxes due to the city under SMC 3.03 and retail sales and use taxes due under SMC 3.08.
- F. Mandatory Postings. Important information related to the licensing and use of the vacation rental home shall be displayed in a prominent location within the interior of the dwelling, either adjacent to the front door or in a highly visible rental binder. The information shall include:
 - 1. The vacation rental license;
 - 2. Any special standards placed on the vacation rental license;
 - 3. The property address;
 - 4. The name of the owner and contact person and a telephone number where the owner and contact person may be contacted;
 - 5. The parking diagram of the parking spaces available for use by the vacation rental home. The parking diagram may include on-street parking areas, but on-street parking is not for the exclusive use of any home or vacation rental home;
 - 6. The city-provided Good Neighbor Guidelines. Additionally, the city encourages all owners to incorporate the Good Neighbor Guidelines into the rental contract.
- G. Liability Insurance. The owner shall maintain liability insurance which expressly covers the dwelling unit's use as a vacation rental home.

(Ord. No. 1091, § 9, 3-17-2016)

5.20.045 - Revocation procedure.

- A. In addition to the penalties described in SMC 5.20.050, the following provisions apply to violations of this chapter:
 - 1. Failure to renew a license as set forth in SMC 5.20.030 is grounds for immediate revocation of the vacation rental license.
 - 2. Failure to meet the operational requirements of SMC 5.20.040(E) is grounds for immediate revocation of the license.
 - 3. The discovery of material misstatements or providing of false information in the application or renewal process is grounds for immediate revocation of the license.
 - 4. Such other violations of this chapter of sufficient severity in the reasonable judgement of the city administrator, so as to provide reasonable grounds for immediate revocation of the license.
 - 5. Other violations of this chapter, including but not limited to city initiated investigation/sustaining of complaints, shall be processed as follows:
 - a. For the first and second violations within a twelve-month period, the sanction shall be a warning notice.
 - b. If the same offense continues to occur or a third similar offense occurs at any time during a twelve-month period, the city may either issue a third warning, update the license to include reasonable special operational standards, or revoke the license.

- B. Notice of Decision/Appeal/Stay. If the vacation rental license is updated or revoked as provided in this section, the city administrator shall send written notice to the owner stating the basis for the decision. The notice shall include information about the right to appeal the decision and the procedure for filing an appeal. The owner may appeal the city administrator's decision under the procedures set forth in SMC 5.20.055. Upon receipt of an appeal, the city administrator shall stay the update or revocation decision until the appeal has been finally determined by the city council.

(Ord. No. 1091, § 10, 3-17-2016)

5.20.050 - Violations—Penalties.

- A. In addition to the revocation procedures of SMC 5.20.045, any person or owner who uses, or allows the use of, property in violation of this chapter is subject to the enforcement authority of SMC 1.18 - Civil Violation and Abatement, SMC 8.45 - Nuisances, and/or SMC 8.60 - Public Nuisances. Each day a dwelling is used in violation of this chapter shall be considered a separate violation.
- B. The following conduct also constitutes a violation of this chapter and is a Class I Civil Infraction:
 - 1. Representing a dwelling as available for occupancy or rent as a vacation rental home where the owner does not hold a valid license issued under this chapter, or making a vacation rental home available for use, occupancy or rent without first obtaining a valid operating license;
 - 2. Advertising or renting a short-term rental in a manner that does not comply with the standards of this chapter; and
 - 3. Failure to comply with the operational requirements of SMC 5.20.040.

(Ord. No. 1091, § 11, 3-17-2016)

5.20.055 - Violations—Penalties.

- A. Appellant—Standing. The owner or contact person may appeal a decision by the city to deny, revoke or attach special operational standards to a vacation rental license.
- B. Authority to Decide Appeal. The city council shall be responsible for determining an appeal of a decision brought under SMC 5.20.055(A).
- C. Time for Filing. An appellant is required to file a written notice of appeal including the basis for the appeal within fourteen calendar days of the license determination being appealed. This requirement is jurisdictional and late filings shall not be allowed.
- D. Fee for Appeal. The city council may establish by resolution a fee for filing an appeal, which shall be jurisdictional.
- E. Hearing. After receiving written notice of appeal, the city administrator shall schedule a hearing on the appeal before the city council. At the hearing, the appellant shall have the opportunity to present evidence and arguments as may be relevant. The council may direct the city attorney to draft findings of fact and interpretations of code or law to be considered at a later Council meeting.
- F. Standard of review and decision. The council shall determine whether the city's decision was based on a preponderance of the evidence. A decision of the council shall be based on the evidence received, in writing and signed by the mayor, and issued no later than thirty calendar days after the close of the hearing.
- G. Finality. The council's decision shall be final on the date of mailing the decision to the appellant. The council's decision is the final decision of the city and is appealable only by writ of review to Superior Court.

(Ord. No. 1091, § 12, 3-17-2016)

5.20.060 - Discontinuance of vacation rental occupancy.

- A. After Revocation. After a vacation rental license has been revoked, the dwelling unit may not be used or occupied as a vacation rental home unless a new license is issued, and the owner of the property to which the license applied and whose license has been revoked shall not be eligible to reapply for a vacation rental license for vacation rental home on the same property for a period of 12 months from the date of revocation.
- B. After Expiration. If a vacation rental license expires, the dwelling unit may not be used or occupied as a vacation rental home. The owner of the property to which the license applied and whose license has expired shall be required to apply for and obtain a vacation rental license before the property may be lawfully used or occupied as a vacation rental home.

(Ord. No. 1091, § 13, 3-17-2016)

5.20.065 - Remedies not exclusive.

The remedies provided in this chapter are in addition to, and not in lieu of, all other legal remedies, criminal and civil, which may be pursued by the city to address any violation of this code.

(Ord. No. 1091, § 14, 3-17-2016)