

The City Council held a workshop on October 11, 2017 to discuss the issue of short-term rentals and whether to create new City policy to regulate their operation. Short-term rentals are not new to the City of South Portland, but their numbers have grown exponentially in recent years as more and more tourists have become comfortable using rental websites such as AirBnB.com, HomeAway.com, and VRBO.com. The tourism industry continues to change and these types of rentals have experienced significant increases in demand. South Portland has long had seasonal vacation rentals near the coast, for example, but those have been relatively few in number, primarily seasonal, and rentals typically last more than a few nights. Recent changes in the market that have become apparent include the operation of single family homes, sometimes not located near the water, as year-round vacation rentals. Some residents have expressed concern about the number of these types of rentals that exist and how they affect the character of the City's residential neighborhoods.

The City Council asked staff to develop a draft policy as a starting point for consideration. As requested, the draft policy (in the form of proposed ordinance amendments) is based on the rules recently adopted by the City of Portland, but with several key changes. For example, several Councilors expressed a desire to prohibit non-owner-occupied short-term rentals. This draft also contemplates allowing seasonal vacation rentals, but it would require a business license to be renewed annually, ensuring that the property is well managed and not negatively impacting the neighborhood. The Council advised staff that it is less concerned about the owner-occupied short-term rentals that exist, but that such rentals should nonetheless be registered with the City. Although the Council is being presented with a draft policy in the form of proposed ordinance amendments, staff recognizes that there are many policy questions to be answered as part of the issue of regulating short-term rentals. There are a few policy questions that are highlighted in blue on the draft where the staff is seeking more specific guidance from the City Council; however, the entire draft policy is on the table for discussion, and staff welcomes any and all further guidance from the Council on the numerous policy questions involved. The draft policy is meant to be a starting point for further discussion, not an ending point.

An overview of the regulatory approach that is being proposed for discussion is summarized on the following table:

Type of Rental	Type I	Type II
<b>Type of Structure</b>	One-family dwelling unit (including an associated authorized accessory dwelling unit) or a two-family dwelling unit	One-family dwelling unit without any associated authorized accessory dwelling unit
<b>Amount of Dwelling Unit Rented</b>	Includes the rental of an entire dwelling unit OR, if only part of the unit, includes at a minimum a sleeping room	Whole dwelling unit
<b>Owner-Occupied?</b>	At least one dwelling unit (or an associated authorized accessory dwelling unit) must be owner-occupied	Not owner-occupied
<b>Length of Guest Stay</b>	Rental is on a temporary basis for periods of less than 30 consecutive days	Rental is on a temporary basis for periods of at least 7 consecutive days but not more than 3 consecutive months to a person who has a place of permanent residence to which the person intends to return
<b>Cap on # of days unit rented per calendar year?</b>	None	3 months per calendar year
<b>Ch. 14 Approval Required</b>	Registration	License
<b>Notice to Abutting Property Owners?</b>	N/A	Upon issuance of new license
<b>Reviewing Authority</b>	Code Enforcement Officer	City Clerk
<b>Inspection</b>	Self-inspection upon registration and renewal; thereafter, at request of City inspection officials	If determined to be necessary by Fire Chief, inspection by Fire Chief or his designee upon initial application; thereafter, at request of City inspection officials

Assistant City Manager Josh Reny, Planning Director Tex Haeuser and Corporation Counsel Sally Daggett will be at Monday's workshop to answer any questions Councilors may have.

  
City Manager

**Chapter 14**

**LICENSES, PERMITS AND BUSINESS REGULATIONS GENERALLY**

**ARTICLE I. IN GENERAL**

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**Sec. 14-3. License regulations; schedule.**

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**KEY TO SCHEDULE:**

- CC Denotes license granted by City Council
- CLK Denotes license granted by City Clerk
- CMR Code of Maine Rules
- MRSA Denotes Maine Revised Statutes Annotated, as may be amended from time to time
- OY Denotes one year from date of issuance
- P Denotes Permit
- L Denotes License
- R Denotes Registration
- Police Denotes review of application by Police Department required prior to issuance or renewal, unless otherwise noted
- Fire Denotes review of application by Fire Department required prior to issuance or renewal, unless otherwise noted
- Health Denotes review of application by Health Officer required prior to issuance or renewal, unless otherwise noted
- CEO Denotes review of application by Code Enforcement Department required prior to issuance or renewal, unless otherwise noted
- Finance Denotes review of application by Finance Director required prior to issuance or renewal, unless otherwise noted
- Corp Denotes review of application by Corporation Counsel required prior to issuance or renewal, unless otherwise noted
- Water Denotes review of application by Water Resource Protection Department required prior to issuance or renewal, unless otherwise noted
- PW Denotes review of application by Public Works Department required prior to issuance or renewal, unless otherwise noted
- Parks Denotes review of application by Parks, Recreation & Waterfront Department required prior to issuance or renewal, unless otherwise noted

Business or Occupation	Reference	P/L/R	Granted by	Exp	Additional Review by
• • •	• • •	• • •	• • •	• • •	• • •
<u>Short-Term Residential Rental</u>					
<u>Type I Rental</u>	Article XVII	R	CEO	OY	CEO
<u>Type II Rental</u>	Article XVII	L	CLK	OY	Fire if new
• • •	• • •	• • •	• • •	• • •	• • •

**ARTICLE XVII. SHORT-TERM RESIDENTIAL RENTALS**

**Sec. 14-800. Purpose.**

The purposes of this Article are: (a) to balance the desire of property owners to rent their residential properties to short-term rental guests for compensation against the desire of residents to preserve the peace and quiet of their residential neighborhoods;

(b) to preserve and protect residential neighborhood character and livability from the nuisance impacts that are often associated with short-term rentals; (c) to prevent long-term rentals from being replaced with short-term rentals; and (d) to ensure the safety of occupants of short-term rentals.

**Sec. 14-801. Definitions.**

*Abutting property owners* means the owners, according to the most recent City assessment records, of the properties abutting the Owner's property, including property located directly across the street from the Owner's property.

*Authorized accessory dwelling unit* means a residential living unit, subordinate to a one-family detached dwelling unit that has been approved by the Planning Board pursuant to the Sec. 27-1576 *et seq.* of the City's Zoning Ordinance, as may be amended, and that has a valid certificate of occupancy.

*Apartment building* means a building or portion thereof containing three or more dwelling units.

*Dwelling unit* means one or more rooms arranged for complete, independent housekeeping purposes with space for living and sleeping; space or facilities for eating or cooking; and provisions for sanitation.

*One-family dwelling unit* means a building that consists solely of one dwelling unit.

*Owner* means a person who is the owner of record of real property as documented by deed or other document evidencing ownership recorded at the Cumberland County Registry of Deeds.

*Owner-occupied* means a dwelling unit that is the Owner's primary residence and is occupied, including overnight, by such Owner during the short-term rental period. In the case of a parcel comprised of a one-family dwelling unit and an authorized accessory dwelling unit, the unit is considered owner-occupied if the Owner is present in either unit on such parcel during the short-term rental period.

*Primary residence* means an Owner's primary place of residence, as defined by whether the Owner carries on basic living activities at the dwelling unit and whether such dwelling unit is the Owner's usual place of return. Reasonable documentation, such as Maine homestead exemption qualification, voter registration, government ID with address, motor vehicle registration, or other documents approved by the City demonstrating that the property is the Owner's legal residence and that it is such for more than one-half of the calendar year, shall be indicia of primary residence.

Person means a natural person, partnership, association, company, corporation, limited liability company or organization or a member, manager, agent, owner, director, servant, officer or employee thereof.

Short-term rental means the use, control, management or operation of a dwelling unit, accessory dwelling unit, or apartment building, in whole or in part; for dwelling, sleeping or lodging purposes by short-term rental guests; for compensation, directly or indirectly.

Short-term rental guest means any person who rents a dwelling unit, accessory dwelling unit, or apartment building, in whole or in part, for less than 30 consecutive days.

Two-family dwelling unit means a building that consists solely of two dwelling units.

Type I Rental means the use or occupancy of a legally existing dwelling unit or authorized accessory dwelling as a "Type I Rental" as set forth in Table 14-806.

Type II Rental means the use or occupancy of a legally existing dwelling unit as a "Type II Rental" as set forth in Table 14-806.

**Sec. 14-802. Applicability.**

- (a) Subject to the requirements and restrictions of this Chapter, Type I Rentals are allowed in the following zoning districts: [need Council guidance on what, if any, limitations by zoning district designation].
- (b) Subject to the requirements and restrictions of this Chapter, Type II Rentals are allowed in the following zoning districts: [need Council guidance on what, if any, limitations by zoning district designation].
- (c) This Article does not apply to an establishment licensed as a lodging establishment under Article V of this Chapter.

**Sec. 14-803. Prohibited Activities.**

- (a) The short-term rental of property to short-term rental guests that is not in compliance with this Chapter is prohibited.
- (b) No detached accessory building, vehicle (including a recreational vehicle or camper van), trailer, tent or mobile residential equipment (other than a mobile home) may be registered or licensed as a Type I or Type II Rental.

- (c) Occupancy or use of a dwelling unit within an apartment building for rentals of less than 30 consecutive days is prohibited in all zoning districts unless the apartment building is occupied, and has been approved by the Fire Chief or his designee, as a lodging or rooming house within the meaning of the NFPA 101 Life Safety Code.
- (d) Advertising the occupancy or use of a dwelling unit within an apartment building for rentals of less than 30 consecutive days is prohibited in all zoning districts unless the apartment building is occupied, and has been approved by the Fire Chief or his designee, as a lodging or rooming house within the meaning of the NFPA 101 Life Safety Code.
- (e) Notwithstanding any other ordinance provision to the contrary, signage identifying, advertising, providing way finding or otherwise related to use of the dwelling unit as a Type I or Type II Rental is prohibited, either on- or off-site.
- (f) Short-term rentals are prohibited in commercial or industrial buildings, unless a specific portion of the building is authorized per the Code Enforcement Office and the Fire Chief or his designee for use as a one- or two-family dwelling unit.
- (g) Renters of Type I or Type II Rentals shall not sublease any portion of the short-term rental to another person during the rental period.
- (h) Parties or similar events that are reasonably foreseeable to involve an assemblage of vehicles or persons more than maximum number of unit occupants are prohibited to be conducted by short-term rental guests during a Type I or Type II Rental.
- (i) No food shall be prepared for, or served to, short-term rental guests by the Type I registrant, Type II licensee or his/her agent.

**Sec. 14-804. Registration Required: Type I Rental.**

Effective March 1, 2018, no person shall operate a Type I Rental without first registering the dwelling unit (or authorized accessory dwelling unit) with the Code Enforcement Office. Registration forms and pre-registration self-inspection checklists shall be available in the Code Enforcement Office.

Non-refundable fees for a Type I rental registration shall be as set forth in the Schedule of License, Permit, Inspection and Application Fees established by City Council order, and such fee must be submitted with the registration form at the time of registration or renewal. [Need Council guidance: Amount of fee? At a minimum, fee to cover registration/application processing, inspections, third party monitoring and enforcement? Higher fee for licenses than registrations?]

A dwelling unit (or authorized accessory dwelling unit) shall not be considered registered until all information and fees are provided to the satisfaction of the Code Enforcement Officer and a registration number has been assigned to the unit.

**Sec. 14-805. License Required: Type II Rental.**

Effective March 1, 2018, no person shall operate a Type II Rental without first obtaining a license for the dwelling unit from the City Clerk. Application forms shall be available in the City Clerk’s Office.

Non-refundable fees for a Type II Rental license shall be as set forth in the Schedule of License, Permit, Inspection and Application Fees established by City Council order, and such fee must be submitted with the application at the time of application or renewal. [Need Council guidance: Amount of license fee? At a minimum, fee to cover application processing, inspections, third party monitoring and enforcement? Amount of notification to abutters fee? Higher fee for licenses than registrations?]

**Sec. 14-806. Operating Standards and Requirements.**

A Type I or Type II Rental is allowed only if it conforms to each of the following operating standards and requirements set forth in this section.

(a) Compliance with the requirements of Table 14-806 is required.

**Table 14-806**

<b><u>Type of Rental</u></b>	<b><u>Type I</u></b>	<b><u>Type II</u></b>
<b><u>Type of Structure</u></b>	<u>One-family dwelling unit (including an associated authorized accessory dwelling unit) or a two-family dwelling unit</u>	<u>One-family dwelling unit without any associated authorized accessory dwelling unit</u>
<b><u>Amount of Dwelling Unit Rented</u></b>	<u>Includes the rental of an entire dwelling unit OR, if only part of the unit, includes at a minimum a sleeping room</u>	<u>Whole dwelling unit</u>
<b><u>Owner-Occupied?</u></b>	<u>At least one dwelling unit (or an associated</u>	<u>Not owner-occupied</u>

	<u>authorized accessory dwelling unit) must be owner-occupied</u>	
<b><u>Length of Guest Stay</u></b>	<u>Rental is on a temporary basis for periods of less than 30 consecutive days</u>	<u>Rental is on a temporary basis for periods of at least 7 consecutive days but not more than 3 consecutive months to a person who has a place of permanent residence to which the person intends to return</u>
<b><u>Cap on # of days unit rented per calendar year?</u></b>	<u>None</u>	<u>3 months per calendar year</u>
<b><u>Ch. 14 Approval Required</u></b>	<u>Registration</u>	<u>License</u>
<b><u>Notice to Abutting Property Owners?</u></b>	<u>N/A</u>	<u>Upon issuance of new license</u>
<b><u>Reviewing Authority</u></b>	<u>Code Enforcement Officer</u>	<u>City Clerk</u>
<b><u>Inspection</u></b>	<u>Self-inspection upon registration and renewal; thereafter, at request of City inspection officials</u>	<u>If determined to be necessary by Fire Chief, inspection by Fire Chief or his designee upon initial application; thereafter, at request of City inspection officials</u>
<b><u>Cap on # of units? By property owner? By zoning district? City wide?</u></b>	<u>Need Council guidance</u>	<u>Need Council guidance</u>

(b) In addition to the requirements of Table 14-806 and other applicable laws, ordinances or regulations, the following criteria apply:

1. Registration or licensure, as applicable, of each dwelling unit to be used for short-term rental is required. A registration identification number will be given to each unit registered and a license number will be given to each unit licensed.



2. Only the Owner of the property can register the dwelling unit to be used for short-term rental.
3. The Owner must identify a registered agent or representative for emergency contact purposes. The emergency contact person must be able to respond within 60 minutes to complaints regarding the condition, safety or operation of the dwelling unit as a rental or the conduct of guests, and must be able to take such remedial action on behalf of the Owner, as otherwise allowed by law, to resolve such complaints.
4. At the time of registration/application, the Owner must provide a certificate of insurance that expressly acknowledges that the property may be used for short-term rental business activity and evidencing (a) property insurance and (b) general liability insurance appropriate to cover the rental use in the aggregate of not less than \$500,000 or proof that the Owner conducts rental transactions through a hosting platform that provides equal or greater coverage. Any such hosting platform-provided insurance carrier shall defend and indemnify the Owner, as additional named insured, and any user in the building for any bodily injury and property damage arising from the rental. Once registered or licensed, the Owner shall maintain the required insurances, or such greater amount as otherwise required by law, throughout the term of the registration or license.
5. For Type I registrations, the registrant must sign an affidavit identifying the property as his/her primary residence and provide reasonable documentation, such as a written Maine homestead exemption qualification, voter registration, government ID with address, motor vehicle registration, or other documents approved by the City demonstrating that the property is the Owner's legal residence and that it is such for more than one-half of the calendar year.
6. For Type II licenses, the City Clerk shall provide a one-time notification to abutting property owners of the license issuance, which notice shall include the Owner's emergency contact information.
7. The dwelling unit registration or license number must be displayed within the dwelling unit, in all advertising, and upon request by City officials.
8. As a condition of registration or licensure, the Owner must allow on-site inspections by City inspection officials. Failure of the registrant, licensee or his/her representative to allow a City inspection within 48 hours of a City request to conduct the same shall be considered a violation of this Article.

9. As a condition of registration or licensure, the registrant or licensee must (a) maintain accurate, up-to-date records of all rental transactions involving the dwelling unit, including the number of guests and the length of their stays, and upcoming reservations; and (b) present said information to City inspection officials upon request. Failure of the registrant, licensee or his/her representative to provide this information within 48 hours of a City request for the same shall be considered a violation of this Article.

10. Required Posting. As a condition of registration or licensure, the registrant or licensee must post in plain sight to visitors, inside and near the entrance, a notice that identifies the name, address, e-mail address and telephone number of the Owner's emergency contact person, and, in addition, for all Type I Rentals, the following disclaimer:

The Owner of these accommodations [print registrant's name] has registered this unit, Registration No. \_\_\_\_\_, pursuant to the City of South Portland Code of Ordinances, Chapter 14, Article XVII. THE OWNER'S REGISTRATION OF THIS DWELLING UNIT DOES NOT CONSTITUTE A FINDING BY THE CITY OF SOUTH PORTLAND THAT THE PREMISES ARE IN COMPLIANCE WITH APPLICABLE BUILDING, LAND USE, FIRE PREVENTION, LIFE SAFETY OR OTHER APPLICABLE CODES OR REGULATIONS. NO INSPECTION FOR COMPLIANCE WITH SUCH REGULATIONS HAS BEEN CONDUCTED, AND NONE IS REQUIRED FOR THE OWNER TO REGISTER THE DWELLING UNIT OR TO ENGAGE IN SHORT-TERM RENTAL OF THIS DWELLING UNIT SO LONG AS THE OWNER'S USE OF THE PREMISES IS IN CONFORMANCE WITH AND DOES NOT EXCEED THE SCOPE OF THE REGISTRATION.

11. Occupancy limits. Overnight short-term guest occupancy shall be limited to two guests per bedroom. A floor plan and current photographs of each room of each unit to be registered or licensed must be submitted with the registration form/application.

12. Parking. The Owner must submit a sketch plan identifying all parking, including guest parking, as part of the registration/application process. In addition to the parking requirements of Chapter 27 for the dwelling unit(s) and any authorized accessory dwelling unit, the Owner must also provide at least one off-street parking space for every 2 guests accommodated.

13. As a condition of registration or licensure, the registrant or licensee must agree to provide a statement of conditions that are applicable to the rental to each guest. The statement of conditions must include:

- a. A maximum number of persons that may occupy the unit;
- b. A description of the parking that is available for guests and the parking that is not available to guests;
- c. An emergency contact person available to receive calls from the guest(s) at any time, day or night;

- d. Emergency exit/building evacuation information;
  - e. Instructions for solid waste disposal and recycling;
  - f. A statement that parties or similar events that are reasonably foreseeable to involve an assemblage of vehicles or persons more than four times the maximum number of unit occupants are prohibited; and
  - g. A statement that Good Neighbor conduct is expected and includes limiting noise, parking with consideration for neighbors who live in the area, and keeping solid waste/recycling in appropriate bins.
14. Inspections. For Type I registrations, the Owner must submit a completed self-inspection checklist on a form provided by the Code Enforcement Office. For Type II licenses, prior to the issuance of an initial license for the dwelling unit, the Fire Chief or his designee may inspect the dwelling unit to ensure that all applicable fire prevention and life safety requirements are met and, if such inspection is conducted, must provide a positive recommendation on the application to the City Clerk.
15. Failure of the registrant, licensee or his/her representative to respond to inquiries from the City within 48 hours shall be considered a violation of this Article.
16. Nothing contained in this Article shall supersede any condominium, homeowner or restrictive deed covenants that apply to the Type I or Type II Rental property.

**Sec. 14-807. Registration and License Expiration and Renewal.**

Type I registrations and Type II licenses are each valid for 12 months from the date of issuance of the registration/license number and must be renewed on an annual basis.

**Sec. 14-808. Denial, Suspension or Revocation of Registration or License.**

- (a) The Code Enforcement Officer may decline to register any dwelling unit upon failure of the registrant to meet all of the requirements of this Chapter. The City Clerk may deny any license application upon failure of the applicant to meet all of the requirements of this Chapter. Any appeal of a decision of the Code Enforcement Officer to decline to register any dwelling unit or appeal of a decision of the City Clerk to deny a license under the provisions of this Article shall be made to the City Council. The City Council shall conduct a *de novo* hearing in which it will hear evidence on the registration/application and make its own findings of fact and conclusions of law on the issue of whether the registration/application meets the requirements of this Article.

- (b) Any suspension or revocation hearing shall be pursuant to Sec. 14-13 of this Chapter, with the City Clerk or her designee serving as the hearing officer.
- (c) A registration or license may be revoked or suspended for violation of any of the provisions of this Chapter. If a violation is found to exist by the City Clerk or the City Council, as applicable, the City Clerk or City Council, in addition to the suspension or revocation of the then-current registration or license, may also prohibit the Owner not only from registering/licensing that unit under this Article, but also from registering/licensing any other dwelling unit under this Article, for 12 months following the current registration/license expiration date.

**Sec. 14-809. Transfer of Ownership.**

Registrations completed and licenses issued under this Article are not transferable to a new owner. Any change in ownership or change in the members/managers/officers of an Owner shall require a new license. Registrations and licenses are limited to the dwelling unit for which they are issued and shall not be transferable to a different dwelling unit.

A Type II licensee must give written notice to the Code Enforcement Officer and the City Clerk no later than 10 days before the conveyance, transfer or any other disposition of the ownership of, or interest in, or control of the dwelling unit. The notice must include the name and address of the person succeeding to the ownership or control of the dwelling unit.

**Sec. 14-810. Enforcement.**

- (a) Complaints regarding short-term rentals brought to the attention of any City Department shall be brought to the attention of the Code Enforcement Officer as soon as practicable. A person may also file a complaint with the Code Enforcement Officer. The Code Enforcement Officer shall establish and maintain a log of all complaints for each short-term rental complaint received and substantiated by the City. The Code Enforcement Office shall seek the voluntary correction of all substantiated complaints.
- (b) When, in the judgment of the Code Enforcement Officer, the nature and/or number of complaints about a registered or licensed short-term rental warrants further review of the short-term rental, s/he shall provide a written report of the same to the City Clerk and request that a public hearing be conducted on whether to suspend or revoke the registration or license. Any suspension or revocation hearing shall be pursuant to Sec. 14-13 of this Chapter.

- (c) When, in the judgment of the Code Enforcement Officer, the nature and/or number of complaints about an unregistered or unlicensed short-term rental warrants further review of the short-term rental, s/he shall provide a written report of the same to the City Council for its consideration of any and all legal or equitable actions and proceedings that may be appropriate or necessary to enforce the provisions of this Chapter.

### **Sec. 14-811. Violations and Penalties.**

In the event the Owner or his/her guests violate the terms and conditions of the registration or license, the registration shall not be reissued or the license shall not be renewed, as applicable, and the short-term rental shall cease for at least 12 months following its expiration date, unless good cause is shown that would prevent future violations, subject to the approval of the Code Enforcement Officer or City Clerk, as applicable.

Violations shall also be subject to fines as set forth in this Article. Each day of a violation shall constitute a separate violation. For the violation of operation of a Type I Rental without a valid registration or operation of a Type II Rental without a valid license, the violator shall be penalized with a fine of \$1,000 per day for the first offense and an additional fine of \$1,500 per day for each additional offense, to be recovered upon complaint to Maine District or Superior Court in Portland, for use of the City. For any other violation of this Article, the violator shall be penalized with a fine of \$500 per day for each such violation, to be recovered upon complaint to Maine District or Superior Court in Portland, for use of the City.

Any such fine may be in addition to any suspension or revocation imposed in accordance with the provisions of Sec. 14-808 of this Article. In any court action, the City may seek injunctive relief in addition to penalties. The City shall be entitled to recover its costs of enforcement, including its attorney's fees.

### **Sec. 14-812. Reports and Review.**

Commencing July 1, 2018 and until such time as the City Council by order authorizes such reporting to be reduced or eliminated, the Code Enforcement Officer and the City Clerk, as applicable, shall provide the City Council with quarterly reports summarizing the number of Type I registrations completed and Type II licenses issued in the prior quarter; the names of registrants and licensees; the location of the properties for which the registrations were completed and licenses issued in the prior quarter by street address, map/lot number, zoning district, and neighborhood if located within the AA or A zoning district; and any written complaints received by the Code Enforcement Officer or the City Clerk about registrants and/or licensees or the registration/licensing process in the prior quarter.

**Sec. 14-813. Severability.**

The provisions of this Article are severable, and if any provision shall be declared to be invalid or void, the remaining provisions shall not be affected and shall remain in full force and effect.

**Sec. 14-814. Other Laws.**

In the event of a conflict between the provisions of this Chapter and any applicable State or local law, ordinance or regulation, the more restrictive provision shall control.

**Sec. 14-815. Effective Date; Applicability Dates.**

This Article shall become effective pursuant to Section 225 of the City Charter. In order to allow time for residents and property owners to become familiar with the requirements of this Article, the prohibitions on certain types of short-term rentals, and the penalties for violations of this Article, the requirements of this Article shall be phased in as follows:

**Phase One:** Notwithstanding the provisions of 1 M.R.S. § 302 or any other law to the contrary, commencing on the enactment date of the amendments to this Chapter as evidenced by Ordinance #XX-17/18, no new reservations for short-term rentals that are inconsistent with this Article shall be accepted by any person.

**Phase Two:** Commencing on March 1, 2018, the requirements of this Article regarding the registration, licensure and operation of Type I and Type II Rentals shall apply.

**Phase Three:** Commencing on May 1, 2018, all provisions of this Article shall apply; provided, however, that an Owner who provides written evidence, reasonably satisfactory to the City Clerk or her designee, of a contract for a non-Type I or Type II Rental entered into prior to the enactment date of the amendments to this Chapter as evidenced by Ordinance #XX-17/18 may honor that contract to the extent that the application of this Article would result in a substantial impairment of such existing contract.

Fiscal Note: Less than \$1,000

\_\_\_\_\_, 2017



Monday, October 23, 2017

Hon. Patricia "Patti" Smith  
Mayor  
City of South Portland  
63 Parrott Street  
South Portland, Maine 04106  
[Psmith@southportland.org](mailto:Psmith@southportland.org)

**Re: Home Sharing Laws in South Portland, Maine**

Mayor Smith,

On behalf of Airbnb, I urge the City of South Portland to adopt regulations that support responsible home sharing and the economic value it provides to households and businesses in your community.

Airbnb was launched in 2008 with a single listing in a single apartment in San Francisco. Our founders-- recent (and unemployed) graduates of the Rhode Island School of Design-- were struggling to afford an increasingly expensive housing market and decided to open up their own home to host other artists who were in town for a design conference.

Nine years later, that single home share has turned into a platform that has brought 200 million guests to over 4 million listings in 65,000 cities in nearly every country across the globe.

Of course, while Airbnb has used the power of the internet to bring together millions of hosts and guests, Mainers are well aware that home sharing didn't start with Airbnb. Rather, it is a historic tradition—in this state and others.

Airbnb is proud to be part of this tradition. In the last year alone, 4,400 hosts welcomed over 262,000 guests to Vacationland, with over 118,000 Maine residents using Airbnb to travel elsewhere in the U.S. and abroad.

The vast majority of these Maine hosts—68 percent of whom are women—are individuals and families who share their homes occasionally to pay for their mortgage, medicine, and student loans, or save money for retirement or a rainy day. In fact, the typical host in Maine earns \$6,700 in supplemental income by sharing their home for about 28 nights a year.

Furthermore, unlike other types of lodging, such as multinational hotel chains, 97 percent of revenue generated through Airbnb goes directly to our hosts, who plow it back into the local economy.

Home sharing is particularly valuable in communities like South Portland, which welcome an influx of visitors in the summer tourist season. Home sharing is a flexible way to dynamically add much-needed accommodations supply, providing visitors with an affordable accommodation option that benefits residents and local businesses alike.

It thus comes as no surprise that South Portland has a small, but meaningful community of Airbnb hosts and guests. In the last year (ending October 1, 2017), there were approximately:

- 160 Active Hosts welcomed 10,500 Inbound Guests.
- 67 percent of South Portland hosts are women and the average host age is 45. Nearly one in five local hosts are over the age of 60, highlighting how many hosts use supplemental income from extra bedrooms to “age in place” in the neighborhoods they call home.
- The typical host earned about \$8,000 in the last year by renting their home for three nights a month, with 98% of hosts renting for less than half the year. Indeed, for the vast majority of hosts, home sharing represents a part-time, supplemental source of income, not a full-time, commercial operation.
- The average booking guest was 44 years of age, with the average group size being 3 people and the typical stay averaging 2.5 nights. These figures reinforce how Airbnb is primarily a platform for solo travelers, couples, and families.
- 3,800 South Portland residents used Airbnb to travel across the country and around the world.

Airbnb has grown significantly in recent years and one of the reasons for our success has been our investments in innovative tools to protect hosts, guests, and neighbors:

- Airbnb uses sophisticated technologies and behavioral analysis techniques to help prevent potentially troublesome hosts or guests from utilizing the platform in the first place. For U.S. residents, Airbnb also runs host and guest information through several public databases to check if there are matches with certain felony convictions, sex offender registrations, or significant misdemeanors.
- Airbnb maximizes transparency by allowing hosts to require that guests provide a government ID, and we created a program called Verified ID, which connects a person’s offline identification (a driver’s license or passport) with another online profile to their Airbnb account, such as Facebook, Google, or LinkedIn accounts.
- Airbnb encourages hosts and guests to communicate and get to know one another before a trip occurs. Like other online platforms like Ebay, our community builds trust and a track record for users to be able to learn more about each other through publicly available reviews and feedback.
- There have been over 160 million guest arrivals in Airbnb listings to date. Incidents do happen, but they are rare. That’s why we offer \$1 million Host Protection Insurance and a \$1 million Host Guarantee to help protect hosts and guests. In 2016, there were more than 30 million trips at Airbnb listings worldwide. Significant property damage (claims that were reimbursed under our Host Guarantee program for over \$1,000) was reported to us 0.009% of the time. For what it’s worth, at that rate, you could host a new reservation every single day for over 27 years without expecting to file a significant property damage claim under our Host Guarantee.
- If a guest or a host ever have an issue, our global Trust and Safety team is on call 24/7 to help.



- Last year, we launched the Neighbors platform-- a tool that allows people who may not even use Airbnb to report potential concerns directly to our staff for review. Between the time the system launched and the end of 2016, there were 2,229 neighbor concerns that came into the system. Based on bookings in that same time frame, that represents a rate of less than 1 in every 26,000 guest arrivals during that time, or .004%.

In addition to these tools, Airbnb believes that reasonable regulation can foster responsible home sharing. To that end, we've worked with hundreds of municipalities, including the City of Portland, to craft rules that work for their communities.

At the heart of most of these ordinances is the recognition that occasionally renting a home does not transform the property into a commercial hotel any more than a garage sale transforms a home into the local mall or providing music lessons to local kids turns one's home into Carnegie Hall.

To that end, we believe South Portland should recognize short-term rentals as an accessory use in all zones, not a full-time commercial practice like a traditional B&B.

Lastly, we believe short term rentals on Airbnb should be taxed like any other transient lodging. Since 2014, the company has signed voluntary collection agreements with over 310 jurisdictions around the world, including the State of Maine as of April 2017. These voluntary collection agreements have enabled us to collect over \$300 million to fund critical public services.

We urge South Portland to follow the lead of other communities in welcoming the economic opportunity of home sharing for residents and businesses alike.

Sincerely,

Andrew L. Kalloch  
Airbnb

CC: City Council  
City Manager  
Assistant City Manager & Economic Development Director

# **Short Term Rental (STR) Framework**

## Draft STR Regulatory Framework: Updated February 1, 2017

1. A Short Term Rental (STR) is a dwelling unit or rooming unit for transient guests for less than 30 days;
2. Property owners and their agents (Hosts) may not operate an STR without annually registering with the Housing Safety Office each unit or rooming unit;
3. The City will reevaluate the STR policy six months after registration begins and annually thereafter to understand the STR market impact on Portland's housing stock;
4. A cap of 300 units will be made available for all STR units that are not located on the islands and are not a host's primary residence. No cap for non-owner occupied units will initially be set for the islands.
  - a. Once caps have been reached a wait list will be formed to help gauge market demand;
  - b. The City will reevaluate the STR cap for both the islands and mainland six months after registration begins and annually thereafter to understand the STR market impact on Portland's housing stock and whether adjustments should be made to either cap;
5. Regardless of ownership structure, individuals shall not be allowed to register more than five (5) STR units across any buildings in Portland in which they have a financial interest;
6. Due to accountability and effective enforcement concerns only property owners will be able to register STRs, with the exception that a renter may register one apartment provided that:
  - a. The apartment is their primary dwelling and the tenant submits a primary residence affidavit and associated documents;
  - b. Along with their registration application and fee tenants must provide a notarized copy of the city drafted landlord-tenant STR permission letter signed by their landlord. The letter will include:
    - i. Landlord and tenant's contact information;
    - ii. A notarized statement of permission by landlord allowing tenant to rent apartment as STR including an acknowledgment by the owner of their liability under the Disorderly House Ordinance, inspections, and any fees or code violations;
7. A violation of the Disorderly House Ordinance will, at the discretion of the City Manager or their designee, result in an immediate revocation of the registration and 12 month suspension from registering again;
8. All Island rentals will continue to register with the Housing Safety Office. Because these rentals are typically rented seasonally the registration fee structure will follow the registration fees for owner-occupied multi-family buildings. Also, given the type of housing stock on the islands non-owner occupied single family homes shall be allowed to operate as STRs so long as they meet all other requirements;
9. Under the STR regulations condominiums will be considered single family homes subject to the same fees and STR limitations as outlined in the chart below;

- a. For clarity, the City's STR regulations will not supersede condominium bylaws pertaining to subletting or offering STR and each condominium association may enforce its own STR restrictions as the association deems appropriate;
10. STR will be addressed similarly to all other applicable building and land use violations as described under Section 6.1 of the City Code and the Disorderly House Ordinance;
  11. All registration fees and penalties associated with STRs will be allocated to administrative costs for regulating STRs. Once the administrative needs have been met any remaining revenue will be allocated to the Housing Trust Fund.
  12. Property management firms found operating STR's without proper registration may be fined. These fines may be in addition to fines levied against the property owner;
  13. Where applicable, hosts must sign an affidavit that the registered unit is their primary residence and provide copies of documents approved by the City demonstrating compliance with this residency requirement, including government ID's, Homestead Exemption, voter registration, current business license, and/or any other documents deemed appropriate by City staff;
  14. Hosts must complete the Owner's Pre-Inspection Checklist or similar document provided by the Housing Safety Office as part of the registration process;
  15. As a condition of registration, STR's must allow onsite inspections, as well as upon request present their registration information, rental history and upcoming reservations;
  16. A registration number will be given to each host per dwelling unit; this registration number shall be displayed in the dwelling unit and be featured in ads;
  17. Failure of hosts or their representatives to adequately respond to inquiries by the City within a 48 hour period shall be considered a violation of these regulations and be subject to penalties under Section 6.1;
  18. Overnight STR guest occupancy will be limited to two guests per bedroom plus no more than two additional guests who may utilize other sleeping space in another area of the dwelling unit such as a pullout couch. For example, a one bedroom dwelling unit could be rented for a total of four guests, whereas a two bedroom dwelling unit could be rented to a total of six guests; and
  19. The number of STR units that may be operated in a building and their associated registration fees will depend on whether or not the building is owner occupied as further detailed in the chart on the next page.
    - a. Fees will be cumulative and will increase based on the number of total units and each unit fee will relate to whether or not it is in an owner occupied or non-owner occupied building.
    - b. Fees will be calculated by first using any STRs operating in single family homes or owner occupied multi-family buildings and then fees will be attributed at a higher rate for any units in non-owner occupied buildings. It will not matter what order the units are registered in as money owed will be adjusted accordingly to accurately reflect the

total registration fee due based on the number of total units and building typology represented.

- i. If a property owner registers STRs in more than one building the registration fees will escalate based on the total number of STR's that they register rather than resetting the escalating fees for each building. For example, if a person owns two non-owner occupied three unit buildings and can register two units in each building the registration fee charged would be a total of \$3,700 as fees rise even if registered STR units are not in the same building. If an owner also operates STRs in an owner occupied multi family or single family building the registration fees will accumulate the owner occupied unit first, no matter the timing of registration and the fee for the number of STR units in non-owner occupied buildings will start in a step above the number of STR units operated in a single family home or owner occupied multifamily building.
- ii. If we look at the example above where an owner has two three unit properties -- one of which is owner occupied -- and chooses to register two STRs in each building, the STRs in the owner occupied building would be calculated first for a total of \$350. The two units in the non-owner occupied building would trigger higher fees of \$1,000 and \$2,000 because they are the third and fourth STR units registered under that owner and these units are in a non-owner occupied building. In this scenario the total registration fee for both buildings would be \$3,350.
- iii. The order of units registered will not affect the total fee that is required as part of registration. The fees owed will be adjusted as units are registered to reflect the correct total amount. Owner occupied single family homes and units in owner occupied multifamily homes will always be tallied as the first units even if registered at a later date from units in non-owner occupied buildings. For example, if an owner registers two units in a non-owner occupied building for \$700 and then a month later returns to register two units in a owner-occupied building the fee calculated will consider the units in the owner occupied buildings to be at the first and second unit rates and the units in the non-owner occupied building will be considered the third and fourth units for higher fees resulting in a total registration cost of \$3,350. The previously paid amount of \$700 will act as a credit towards the \$3,350 owed and at the time of the second registration the owner would owe the remaining balance of \$2,650.

<b>Type of Building</b>	<b>Limitations/Max # of STR</b>	<b>Registration Fee</b>
Single Family Home: Owner-Occupied*	May offer rooms in home as STR. When owner is away, may offer entire home as STR.	<u>\$100</u>
Single Family Home: Not Owner-Occupied*	Not allowed except on the islands	N/A
Multi-Unit Building: Owner-Occupied	2 unit building – 2 STRs 3 unit building – 3 STRs 4 unit building – 4 STRs 5+ unit building – 5 STRs	<u>1<sup>st</sup> Unit: \$100</u> <u>2<sup>nd</sup> Unit: \$250</u> <u>3<sup>rd</sup> Unit: \$500</u> <u>4<sup>th</sup> Unit: \$1000</u> <u>5<sup>th</sup> Unit: \$2000</u>
Multi-Unit Buildings: Not Owner Occupied	2 unit building – 1 STR 3-5 unit building – 2 STRs 6-9 unit building – 4 STRs 10+ unit building – 5 STRs	<u>1<sup>st</sup> Unit: \$200</u> <u>2<sup>nd</sup> Unit: \$500</u> <u>3<sup>rd</sup> Unit: \$1,000</u> <u>4<sup>th</sup> Unit: \$2,000</u> <u>5<sup>th</sup> Unit: \$4,000</u>  <u>NOTE: Fees are cumulative and escalate with additional units whether they are in the same building or spread across multiple properties.</u>

\* STRs in condominiums will be viewed as single family homes under these regulations

(9) No more than one occupied recreational shelter may be located on a single parcel or lot at a time.

Ord. No. 19-17/18, 8-21-2017)

- Sec. 6-134. Reserved.**
- Sec. 6-135. Reserved.**
- Sec. 6-136. Reserved.**
- Sec. 6-137. Reserved.**
- Sec. 6-138. Reserved.**
- Sec. 6-139. Reserved.**
- Sec. 6-140. Reserved.**
- Sec. 6-141. Reserved.**
- Sec. 6-142. Reserved.**
- Sec. 6-143. Reserved.**
- Sec. 6-144. Reserved.**
- Sec. 6-145. Reserved.**
- Sec. 6-146. Reserved.**
- Sec. 6-147. Reserved.**
- Sec. 6-148. Reserved.**
- Sec. 6-149. Reserved.**

#### **ARTICLE VI. RESIDENTIAL RENTAL UNIT REGISTRATION REQUIREMENTS**

##### **Sec. 6-150. Purpose.**

The proliferation of real estate proprietorships, partnerships, and trusts having undisclosed, anonymous or otherwise unidentifiable principals, owning large numbers of residential rental properties, sometimes managed through unresponsive property management companies, has impeded the proper enforcement of this chapter, chapter 12 and other ordinances of the city. This article is intended to require the disclosure of the ownership of such property, to regulate the renting of property within the City, and to make owners and persons responsible for the maintenance of property more accessible and accountable with respect to the premises, and to ensure that owners and tenants comply with chapters 6 and 10 of the City Code.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015; Ord. 179-16/17, 3-27-2017)

##### **Sec. 6-150.1. Definitions.**

The definitions in 6-106 apply to this Article. The following words and phrases, when used in this article, shall have the meanings respectively ascribed to them:

*Island Short Term Rental* shall mean a short term rental located on one of the following islands in the City of Portland: Peaks Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island, and/or Cliff Island.

*Long Term Rental* shall mean the letting of a rental unit in whole or in part for thirty (30) days or more.

*Mainland Short Term Rental* shall mean a short term rental located within the limits of the City of Portland, but not on Peaks Island, Long Island, Great Diamond Island, Cushing Island, Little Diamond Island, House Island and/or Cliff Island.

*Multi-Unit* shall mean a single, detached building in common ownership interest containing more than one (1) residential or commercial unit, as determined by the Director of the Permitting and Inspections Department.

*Owner-Occupied* shall mean a rental unit owned and occupied by the registrant as his or her primary residence.

*Owner* shall mean each individual person or entity including, without limitation, all partners, officers, or trustees of any real estate trust; all members or managers of a limited liability company; and all officers and directors of a corporation; that is the record owner of a building or property.

*Primary Residence* shall mean the dwelling in which a person resides as his or her legal residence for more than one half of a year and registers as his or her address for tax and government identification purposes.

*Registrant* shall mean the owner of a rental unit, or a tenant, with permission from the owner, seeking to register a rental unit.

*Rental unit* is a portion of any residential structure that is rented or available for rent to any individual or individuals for any length of time. Any portion of a Single-Family Home, Condominium, or Apartment that is rented or available to be rented to an individual or individuals who are not the owner or owners shall be considered a *rental unit*. *Dwelling units* and *rooming units* as defined in §6-106 are, without limitation, *rental units*. A Single-Family Home, Condominium, or Apartment that is occupied by the owner or owners, and of which no portion is rented or available for rent, is not a *rental unit*.



*Short Term Rental* is the letting of a rental unit, in whole or in part, for less than thirty (30) days.

*Single Family Home* shall mean a detached residential dwelling or a single condominium unit containing one dwelling unit.

*Tenant-Occupied* shall mean a rental unit in which the registrant is not the record owner of the rental unit, but lawfully occupies the rental unit as his or her primary residence.  
(Ord. 179-16/17, 3-27-2017)

**Sec. 6-151. Registration required.**

(a) *Registration of Ownership.*

1. Rental units must be registered in accordance with this article by January 1st of each year. Registration must be renewed annually, on or before January 1st, including updating all changes in previously submitted registration information.
2. If a rental unit is rented as both a short term and long term rental, it must be separately registered for each type of rentals.
3. Each owner, manager, or person/entity otherwise responsible for the rental unit, such as a property manager, shall be obligated under this article. Any new owner, manager, or responsible person/entity must register within thirty (30) days of purchase of the rental unit or transfer of management or responsibility.
4. A rental unit shall not be considered registered until all information and fees are provided to the satisfaction of the City's Permitting and Inspections Department or its designee.
5. As a condition of registration, all owners must allow onsite inspections of their property including, without limitation, all rental units.

(b) *Information/Documentation Required.* Registration must be completed on forms supplied by the City's Permitting and Inspections Department or their designee and must provide, at a minimum, the following information:

1. The street address of the building;

2. The unit number of the rental unit;
3. The tax assessor's chart, block and lot of the property on which the building is located;
4. The owner of the property, including the owners' name, address, telephone number, and email address. If the owner is anything other than a natural person, the following information must also be included:
  - a. Each individual person that has an ownership interest in any entity that is the record owner. This includes, without limitation, all partners, officers, or trustees of any real estate trusts; any members or managers of a limited liability company; and all officers and directors of a corporation; and
  - b. The residential street address, e-mail address and home phone number of at least one (1) such individual person;
5. The manager of the property or the person or persons responsible for its regular maintenance or repair, as well as a name, address, telephone number, and email address for that person or entity.
6. The person designated as the agent of the owner or owners for the service of notices and civil process by the city, as well as their name, address, telephone number, and e-mail address. Service of notice and process upon the person so designated shall be deemed conclusive service upon the owner or owners.

(c) *Additional Information Required for Short Term Rentals.* A short term rental shall not be considered registered unless and until the registrant has submitted a complete application together with all information required by this article, paid the fee required by Sec. 6-152, and a registration number has been issued.

In addition to the information required in Section 6-151(b), a Short Term Rental registrant must provide at a minimum the following information and any other information requested by the City's Permitting and Inspections Department or their designee:

1. A short term rental application;

2. Whether the rental unit is owner-occupied, tenant-occupied, or non-owner occupied;
  - a. For Short Term Rental units that are owner-occupied, the registrant must provide a notarized primary residence affidavit, on forms provided by the City.
  - b. For Short Term Rental units that are tenant-occupied, the registrant must provide a notarized primary residence affidavit, a notarized statement of permission by his/her landlord, both on forms supplied by the City.
3. The address and tax assessor's chart, block, and lot number of all other short term rentals in the City in which the registrant has an ownership interest;

(d) *Display of Short Term Rental Registration Number Required.*

Once registration is approved by the City, each short term rental shall be given a registration number, which must be displayed in the rental unit and in any and all advertisements for the rental unit.

(e) Upon request by the City, at any time, all registrants and/or agents of short term rental units must provide the City with their registration information, rental history, and upcoming reservation information. Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City within a forty-eight (48) hour period shall be considered a violation under this ordinance.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. No. 246-97, 4-9-97; Ord. 298-14/15, 7-6-2015; Ord. 69-15/16, 10/5/2015; Ord. 179-16/17, 3-27-2017)

)

**Sec. 6-152. Registration Fees.**

(a) *Annual Registration Fee.* Upon initial registration and by January 1st of each year, registrants shall pay the City a registration fee for each rental unit, in the amounts set forth below. A rental unit shall not be considered registered unless and until this fee is paid in full.

(b) *Long Term Rental Registration Fee.* The registrant of a long term rental shall pay thirty five dollars (\$35.00) to the City by January 1st of each year.

(c) *Short Term Rental Registration Fee Structure.* The registrant of a short term rental shall pay the fee specified in the chart below. All fees will be cumulative and will increase based on the number of total units registered by the owner. The fee total will accumulate first by counting any short term rental units operating in a single family home or owner occupied multi-family buildings and then fees will be attributed at the higher rate for any units located in non-owner occupied buildings. If an owner registers units in both owner occupied and non-owner occupied buildings then the owner occupied fees will be considered the first unit under the fee structure starting with the 1<sup>st</sup> unit fee as described in the chart below regardless of the order in which the units are registered.

Owner Occupied Single Family Home , or Tenant Occupied	\$100
Multi-Unit Owner Occupied Building Island Short Term Rentals	1 <sup>st</sup> Unit - \$100 2 <sup>nd</sup> Unit - \$250 3 <sup>rd</sup> Unit - \$500 4 <sup>th</sup> Unit - \$1,000 5 <sup>th</sup> Unit - \$2,000
Multi-Unit Non-Owner Occupied Building	1 <sup>st</sup> Unit - \$200 2 <sup>nd</sup> Unit - \$500 3 <sup>rd</sup> Unit - \$1,000 4 <sup>th</sup> Unit - \$2,000 5 <sup>th</sup> Unit - \$4,000

(d) *Registration and Renewal Fee Discounts.* The following discounts shall apply to the registration and renewal fees:

- (1) \$10 discount for each rental unit within a fully-sprinkled building as verified by a testing report, maintenance report or a maintenance contract, which shall be provided at the time of registration and upon each registration renewal;
- (2) \$7.50 discount for each rental unit within a building with a centrally-monitored fire alarm as verified by Fire Department logs or an alarm contract, which shall be provided at the time of registration and upon each registration renewal;

- (3) \$5.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Housing Quality Standard (HQS) inspection within the preceding year as verified by the HQS inspection report, which shall be provided at the time of registration and upon each registration renewal;
- (4) \$10.00 for a rental unit that has been subject to and has passed a Housing and Urban Development Uniform Physical Condition Standard (UPCS) inspection within the preceding year as verified by the UPCS inspection report, which shall be provided at the time of registration and upon each registration renewal;
- (5) \$2.50 for a rental unit that is subject to a signed lease which prohibits smoking by tenants as verified by a copy of the current lease, which shall be provided at the time of registration and upon each registration renewal. The existence of and enforcement of this provision may be verified through an inspections of each rental unit.

The total amount of discounts from the annual registration or renewal fee as described above shall not exceed \$20.00, and the minimum annual fee for registration or renewal shall be \$15.00 per unit.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015; Ord. 179-16/17, 3-27-2017)

#### **Sec. 6-153. Violations.**

(a) *Occupancy Limit.* Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of Short Term Rentals.* No more than 300 non-owner occupied mainland short term rental units shall be registered in any one calendar year.

(c) *Limitations on number of Short Term Rentals an Individual or Entity May Register.* An individual or entity may only register up to five (5) short term rentals in the City, including the Islands, in any one (1) calendar year. For purposes of this section, short term rentals registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(d) No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on an Island.

(e) The number of short term rental units that may be operated in a multi-unit building are as follows:

Total # of Units in a Building	# of Short Term Rental Units Allowed in a Building	
	Owner Occupied	Non-Owner Occupied
2	2	1
3	3	2
4	4	2
5	5	2
6-9	5	4
10+	5	5

Tenant-occupied units, where the tenant is the registrant, shall not be counted towards these limits.

(Ord. No. 443-89, 6-7-89; Ord. No. 53-89, 7-17-89; Ord. 298-14/15, 7-6-2015; Ord. 179-16/17, 3-27-2017)

**Sec. 6-154. Allocation of Short Term Rentals.**

The limitations on the allocation of short term rental units identified in section 6-153(b) shall be allocated each year on a first come, first registered basis. Once the total number of units identified in section 6-153(b) has been reached, a waitlist will be formed to help gauge market demand. The City Manager or his or her designee, may institute a lottery process at his or her discretion.  
(Ord. 179-16/17, 3-27-2017)

**Sec. 6-155. Violations.**

Specific violations of this article, subject to the provisions of section 6-1, include, but are not limited to:

- (a) Any person, business entity, or other organization failing to timely register a rental unit, including providing all required information and paying the required registration fee;
- (b) Any person, business entity, or other organization providing false information with respect to registration. Notwithstanding the provisions of § 6-1, the penalty for such violation shall be \$1,000.00;

- (c) Any person, business entity, or other organization renting any rental unit that is not registered under this article, or to permitting the occupancy of such premises without registration;
- (d) Failure of short term rental unit owners, tenants, and/or their representatives to adequately respond to inquiries by the City pursuant to 6-152(e) within a forty-eight (48) hour period;
- (e) Any person business entity or other organization failing to timely file the required registration or failing to timely pay, in full, the registration fee or annual renewal fee, or failing to timely file any required update to the registration shall be in violation of this Article for which a fine of \$100.00 per day each day the violation continues shall be assessed;
- (f) Any person providing false information with respect to registration shall be in violation of this article for which a fine of \$1,000.00 shall be assessed;

(Ord. 179-16/17, 3-27-2017)

**Sec. 6-156. Enforcement.**

(a) The building authority as defined in section 6-1 or his or her designee is authorized to institute or cause to be instituted by and through the office of the corporation counsel, in the name of the city, any and all actions, legal or equitable, that may be appropriate or necessary for the enforcement of the provisions of this article.

(b) No certificate of occupancy shall be issued for property that is subject to the registration requirements of this article, but is not registered in accordance with this article.

(c) Any short term rental at a property that is designated by the City as a disorderly house and fails to remedy the disorderly house as required by section 6-202, shall, at the discretion of the City Manager or his or her designee, have its registration revoked and be ineligible for registration for a period of twelve (12) months. Any registration after revocation shall be considered a new registration and not a renewal. Upon the second designation of the short term rental property as a disorderly house, the City shall, at the discretion of the City Manager or his or her designee, prohibit the registered owner from operating the property as a short term rental or post the property against occupancy pursuant to section 6-201.