

## Full Council Amendment 1 to CB 119081

December 11, 2017

Sponsors: Councilmember Bagshaw and Councilmember O'Brien

This amendment would reduce the area that would be exempt from the proposed limit on the number of dwelling units a short-term rental operator can operate. As proposed, units that short-term rental operators offer today within the Downtown, Uptown, or South Lake Union Urban Centers, would be exempt from any limits on the number of units a person can be licensed to operate as a STR. This amendment would reduce the exemption area to only apply within the Downtown Urban Center, south of Olive Way and north of Cherry Street.

Note:

- Language proposed to be added by this amendment is shown with a double underline.
- Language proposed to be deleted by this amendment is shown with a ~~double-strikeout~~.

### 6.600.040 License required

A. Platforms. It is unlawful for any person to operate as a platform within Seattle without a valid platform license issued pursuant to this Chapter 6.600.

B. Operators. It is unlawful for any person to operate as a short-term rental operator within the City without a valid short-term rental operator license issued pursuant to this Chapter 6.600. A short-term rental operator license permits an operator to offer or provide a maximum of one dwelling unit, or portion thereof, for short term rental use, or a maximum of two dwelling units if one of the units is the operator's primary residence, except for the following:

1. An operator who offered or provided a short-term rental outside of the locations described in subsections 6.600.040.B.2 or 6.600.040.B.3 prior to September 30, 2017, may obtain a short-term rental operator license allowing that operator to continue to operate up to two dwelling units for short-term rental use, subject to the requirements of subsection 6.600.040.B.4. Upon renewal of the license after one year of operations, the operator may obtain a license allowing that operator to: continue to operate the two units; and add a third dwelling unit if the unit is the operator's primary residence.

2. An operator who offered or provided a short-term rental in the Downtown Urban Center, ~~Uptown Urban Center, or the South Lake Union Urban Center~~ south of Olive Way

[and north of Cherry Street](#), as established in the Seattle Comprehensive Plan (2016), prior to September 30, 2017, may obtain a short-term rental operator license allowing them to continue to operate those units and to offer or provide up to one additional dwelling units for short-term rental use, or a maximum of two dwelling units, if one of the units is the operator's primary residence, subject to the requirements of subsection 6.600.040.B.4.

3. An operator who offered or provided a short-term rental in any dwelling units within a multifamily building constructed after 2012 that contains no more than five dwelling units established by permit under Title 23 and is located in the First Hill/Capitol Hill Urban Center, as established in the Seattle Comprehensive Plan, prior to September 30, 2017, may obtain a short-term rental operator license allowing them to continue to operate those units and to offer or provide up to one additional dwelling units for short-term rental use, or a maximum of two dwelling units, if one of the units is the operator's primary residence, subject to the requirements of subsection 6.600.040.B.4.

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**Full Council Amendment 2 to CB 119081**

**December 11, 2017**

Sponsor: Councilmember O'Brien

This amendment would introduce a license fee for platform companies based on the total number of nights booked for short-term rental use through the platform. The per night fee would be \$2, calculated and paid on a quarterly basis.

*Note:*

- *Language proposed to be added by this amendment is shown with a double underline.*
- *Language proposed to be deleted by this amendment is shown with a ~~double-strikeout~~.*

**6.600.090 License fees**

A. Short-term rental platform license fees. The fee for a platform license issued pursuant to this Chapter 6.600 shall be a quarterly fee based on the total number of nights booked for short-term rental use through the platform. Platforms shall pay ~~\$0~~ \$2 per night booked. The per night fees shall be calculated and paid on a quarterly basis. If a platform fails to provide complete information as required by subsection 6.600.060.C, the Director may estimate the quarterly per night license fee.

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**Full Council Amendment 3 to CB 119081**

**December 11, 2017**

Sponsors: Councilmember O'Brien and Councilmember Herbold

This amendment would:

- clarify that the Director of FAS is expected to review all short-term rental license fees annually and make any adjustments needed to achieve cost recovery of the Director's administrative, enforcement and other regulatory costs and no more; and
- amend Section 2, requesting that the Department of Finance and Administrative Services reviews and makes a recommendation to the City Council on the fee structure for short-term rental platforms.

Note:

- Language proposed to be added by this amendment is shown with a double underline.
- Language proposed to be deleted by this amendment is shown with a ~~double-strikeout~~.

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**6.600.090 License fees**

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D. The Director (~~(may adjust)~~) shall review annually any of the licensing fees in subsections 6.600.090.A, 6.600.090.B and 6.600.090.C and shall make any necessary adjustments in a ((the)) Director's Rule((s)) to ensure the fees achieve full cost recovery of the Director's administrative, enforcement, and other regulatory costs and no more, after consideration of the following factors:

1. The projected costs and annual budget allotted for administrative, enforcement and regulatory costs across the short-term rental industry;
2. The need for increased enforcement to reduce illegal activity;
3. The total number of nights booked in City limits across the short-term rental industry; and
4. The administrative burden of issuing additional platform or operator licenses.

E. ~~((The purpose of any adjustment is to ensure the fees achieve full cost recovery of the Director's administrative, enforcement and other regulatory costs and no more.~~

~~F.———~~) License fees are non-refundable and non-transferrable.

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Section 2. Council requests that the Department of Finance and Administrative Services provide a written status update to Council's Planning, Land Use and Zoning Committee by June 1, 2018, on any progress made implementing the short-term rental regulatory license requirements, and the short-term rental tax enacted by the ordinance introduced as Council Bill 119083. This should include updates on: (1) the resources needed for implementing and administering the regulatory license requirements and the tax (including costs already incurred); (2) the status of developing rules, procedures and processes; and, (3) any new data obtained on the anticipated number of short-term rental operators and the estimated number of nights booked for short-term rental use in Seattle through short-term rental platforms. In addition, using the information described above, the Department should review the fee structure for short-term rental platform companies and make a recommendation to the City Council on whether the structure should be modified. Specifically, the Department should consider if the fee structure should be: (1) a per-night fee calculated based on the number of nights booked for short-term rental use through the platform each quarter, as proposed in Council Bill 119081; or (2) a graduated annual fee, with tiers based on the number of listings on a platform or other factors identified by the Department; or (3) an alternative fee structure identified by the Department.

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