



SEATTLE CITY COUNCIL

Legislative Summary

CB 119081

Record No.: CB 119081

Type: Ordinance (Ord)

Status: Passed

Version: 4

Ord. no: Ord 125490

In Control: City Clerk

File Created: 09/11/2017

Final Action: 12/15/2017

Title: AN ORDINANCE relating to the regulation of short-term rental businesses; adding a new Chapter 6.600, Short-Term Rentals, to the Seattle Municipal Code.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Burgess,Johnson

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: Emilia.Sanchez@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Clerk	09/11/2017	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	09/11/2017	sent for review	Affordable Housing, Neighborhoods, and Finance Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Affordable Housing, Neighborhoods, and Finance Committee						
	Notes:						
1	Full Council	09/11/2017	referred	Affordable Housing, Neighborhoods, and Finance Committee			

1 Affordable Housing, 09/15/2017 pass as amended Pass
Neighborhoods, and
Finance Committee

Action Text: The Committee recommends that Full Council pass as amended the Council Bill (CB).

Notes:

In Favor: 2 Chair Burgess, Member Johnson

Opposed: 0

2 Full Council 11/13/2017 referred Planning, Land Use, and Zoning Committee Pass

Action Text: The Council Bill (CB) was referred to the Planning, Land Use, and Zoning Committee.

In Favor: 5 Councilmember Bagshaw, Councilmember González, Council President Harrell, Councilmember Juarez, Councilmember O'Brien

Opposed: 4 Councilmember Harris-Talley, Councilmember Herbold, Councilmember Johnson, Councilmember Sawant

2 Planning, Land Use, and 11/27/2017 discussed
Zoning Committee

Action Text: The Council Bill (CB) was discussed.

2 Planning, Land Use, and 12/05/2017 pass as amended 12/11/2017 Pass
Zoning Committee

Action Text: The Committee recommends that Full Council pass as amended the Council Bill (CB).

In Favor: 3 Chair Johnson, Vice Chair O'Brien, Bagshaw

Opposed: 0

Absent(NV): 2 Member Herbold, Mosqueda

3 Full Council 12/11/2017 passed as amended Pass

Action Text: The Motion carried, the Council Bill (CB) was passed as amended by the following vote, and the President signed the Bill:

Notes: ACTION 1:

Motion was made by Councilmember Bagshaw and duly seconded, to amend Council Bill 119081, Seattle Municipal Code Section 6.660.040.B.2., first sentence, as shown in the underlined and strike through language below:

Seattle Municipal Code Section 6.660.040.B.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.

The Motion carried by the following vote:

In Favor: 5 - Bagshaw, Harrell, Herbold, Mosqueda, O'Brien

Opposed: 2 - González, Johnson

ACTION 2:

Motion was made by Councilmember O'Brien, duly seconded and carried, to amend Council Bill 119081, Seattle Municipal Code sections 6.600.090.D. and 6.600.090.E., as shown in Attachment 1 to the Minutes.

ACTION 3:

Motion was made and duly seconded to pass Council Bill 119081 as amended.

In Favor: 7 Councilmember Bagshaw, Councilmember González, Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Mosqueda, Councilmember O'Brien

Opposed: 0

4	City Clerk	12/15/2017	submitted for Mayor's signature	Mayor
4	Mayor	12/15/2017	Signed	
4	Mayor	12/15/2017	returned	City Clerk
4	City Clerk	12/15/2017	attested by City Clerk	

Action Text: The Ordinance (Ord) was attested by City Clerk.

Notes:

CITY OF SEATTLE

ORDINANCE 125490

COUNCIL BILL 119081

..title

AN ORDINANCE relating to the regulation of short-term rental businesses; adding a new Chapter 6.600, Short-Term Rentals, to the Seattle Municipal Code.

..body

WHEREAS, housing vacancy rates are at low levels, making it increasingly difficult for people to locate permanent housing; and

WHEREAS, removal of residential units from the long-term housing market contributes to low vacancy rates; and

WHEREAS, the conversion of long-term housing units to short-term rentals could result in the loss of housing for Seattle residents; and

WHEREAS, the conversion of long-term housing units to short-term rentals could disproportionately impact people of color and low-income residents; and

WHEREAS, limiting operation of short-term rental properties to property owners will reduce opportunities to convert long-term housing units to short-term rentals; and

WHEREAS, it is in the public interest that short-term rental uses be regulated in order to conserve limited housing resources; and

WHEREAS, the short-term rental platforms, as part of a new but growing industry, would also benefit from regulation to ensure good business standards and practices; and

WHEREAS, short-term rental platform businesses depend upon participation and contact with local short-term rental operators; and

1 WHEREAS, this ordinance provides standards for the operation of short-term rental platforms,
2 short-term rental operators, and bed and breakfast operators who use short-term rental
3 platforms; and

4 WHEREAS, the City Council finds that this ordinance is necessary to protect and promote the
5 health, safety, and welfare of the general public; NOW, THEREFORE,

6 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

7 Section 1. A new Chapter 6.600 is added to the Seattle Municipal Code as follows:

8 **Chapter 6.600 SHORT-TERM RENTALS**

9 **6.600.010 Scope and purpose**

10 This Chapter 6.600 applies to all short-term rental operators and short-term rental platforms that
11 facilitate short-term rental operators to offer a dwelling unit, or portion thereof, for short-term
12 rental use within The City of Seattle, and to all bed and breakfast operators who list a bed and
13 breakfast unit on a short-term rental platform. The ordinance enacting this Chapter 6.600 is an
14 exercise of the City's police power to license short-term rental platforms, short-term rental
15 operators and bed and breakfast operators. The purpose of the ordinance is to preserve the City's
16 permanent housing stock, balance the economic opportunity created by short-term rentals with
17 the need to maintain supply of long-term rental housing stock available at a range of prices,
18 reduce any indirect negative effects on the availability of affordable housing, create a level
19 playing field for all parties engaged in the business of providing lodging, and protect the
20 livability of residential neighborhoods.

21 **6.600.020 Application of other provisions**

22 The licenses provided for in this Chapter 6.600 are subject to the general provisions of the new
23 Seattle License Code set forth in Chapter 6.202 as now or hereafter amended. In the event of a

1 conflict between the provisions of Chapter 6.202 and this Chapter 6.600, the provisions of this
2 Chapter 6.600 shall control.

3 **6.600.030 Definitions**

4 "Bed and breakfast" means a lodging use where rooms within a single dwelling unit are
5 provided to transients by a resident operator for a fee by prearrangement on a daily or short-term
6 basis. A breakfast and/or light snacks may be served to those renting rooms in the bed and
7 breakfast.

8 "Bed and breakfast operator" means any person who is the owner or resident manager of
9 a bed and breakfast unit.

10 "Bed and breakfast unit" means a room within a bed and breakfast that is offered or
11 provided to a guest(s) by a bed and breakfast operator for a fee for fewer than 30 consecutive
12 nights.

13 "Booking service" means any reservation and/or payment service provided by a person or
14 entity that facilitates a short-term rental transaction between a short-term rental operator and a
15 prospective short-term rental guest, and for which the person or entity collects or receives,
16 directly or indirectly through an agent or intermediary, a fee in connection with the reservation
17 and/or payment services provided for the short-term rental transaction.

18 "Dwelling unit" means a room or rooms located within a structure that are configured to
19 meet the standards of Section 23.42.048 and that are occupied or intended to be occupied by not
20 more than one household as living accommodations independent from any other household.

21 "Fee" means remuneration or anything of economic value that is provided, promised, or
22 donated primarily in exchange for services rendered.

1 "Guest" means any person or persons renting a short-term rental or bed and breakfast
2 unit.

3 "Household" means a housekeeping unit consisting of any number of related persons;
4 eight or fewer non-related persons; eight or fewer related and non-related persons, unless a grant
5 of special or reasonable accommodation allows an additional number of persons.

6 "In Seattle" or "within Seattle" means in the Seattle city limits.

7 "Local contact" means the operator or the operator's representative who is the point of
8 contact for any short-term guest(s) for the duration of the guest(s) stay in the short-term rental.

9 "Operate a short-term rental platform within Seattle" means that a short-term rental
10 platform is engaged in business in Seattle, including having agreements with short-term rental
11 operators or other customers in Seattle who provide dwelling units, or portions thereof, located in
12 Seattle for short-term rental use, regardless of whether the short-term rental platform is
13 physically present in Seattle.

14 "Owner" means any person who, alone or with others, has title or interest in any building,
15 property, dwelling unit, or portion thereof, with or without accompanying actual possession
16 thereof, and including any person who as agent, or executor, administrator, trustee, or guardian
17 of an estate has charge, care, or control of any building, dwelling unit, or portion thereof. A
18 person whose sole interest in any building, dwelling unit, or portion thereof is solely that of a
19 lessee under a lease agreement shall not be considered an owner.

20 "Person" means any individual, firm, corporation, association, governmental entity, or
21 partnership and its agents or assigns.

1 "Primary residence" means a person's usual place of return for housing as documented by
2 motor vehicle registration, driver's license, voter registration, or other such evidence as
3 determined by Director's rule. A person may have only one primary residence.

4 "Principal" means a principal or governing member of any business entity, including but
5 not limited to: LLC member/manager, president, vice president, secretary, treasurer, CEO,
6 director, stockholder, partner, general partner, or limited partner.

7 "Short-term rental advertisement" means any method of soliciting use of a dwelling unit
8 for short-term rental purposes.

9 "Short-term rental" means a lodging use, that is not a hotel or motel, in which a dwelling
10 unit, or portion thereof, that is offered or provided to a guest(s) by a short-term rental operator
11 for a fee for fewer than 30 consecutive nights. A dwelling unit, or portion thereof, that is used by
12 the same person for 30 or more consecutive nights is not a short-term rental. A dwelling unit, or
13 portion thereof, that is operated by an organization or government entity that is registered as a
14 charitable organization with the Secretary of State, State of Washington, and/or is classified by
15 the Internal Revenue Service as a public charity or a private foundation, and provides temporary
16 housing to individuals who are being treated for trauma, injury or disease and/or their family
17 members is not a short-term rental.

18 "Short-term rental operator" or "operator" means any person who is the owner of a
19 dwelling unit established under Title 23, or portion thereof, who offers or provides that dwelling
20 unit, or portion thereof, for short-term rental use or a person who is the tenant of a dwelling unit,
21 or portion thereof, who offered or provided a short term rental as set forth in subsection
22 6.600.040.B.2.

1 "Short-term rental operator registry" means record of information detailing short-term
2 rental transactions, maintained by the short-term rental operator.

3 "Short-term rental platform" or "platform" means a person that provides a means through
4 which an operator may offer a dwelling unit, or portion thereof, for short-term rental use, or
5 which a bed and breakfast operator may offer a bed and breakfast unit, and from which the
6 person or entity financially benefits. Merely publishing a short-term rental advertisement for
7 accommodations does not make the publisher a short-term rental platform.

8 **6.600.040 License required**

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

11 B. Operators. It is unlawful for any person to operate as a short-term rental operator
12 within the City without a valid short-term rental operator license issued pursuant to this Chapter
13 6.600. A short-term rental operator license permits an operator to offer or provide a maximum of
14 one dwelling unit, or portion thereof, for short term rental use, or a maximum of two dwelling
15 units if one of the units is the operator's primary residence, except for the following:

16 1. An operator who offered or provided a short-term rental outside of the
17 locations described in subsections 6.600.040.B.2 or 6.600.040.B.3 prior to September 30, 2017,
18 may obtain a short-term rental operator license allowing that operator to continue to operate up
19 to two dwelling units for short-term rental use, subject to the requirements of subsection
20 6.600.040.B.4. Upon renewal of the license after one year of operations, the operator may obtain
21 a license allowing that operator to: continue to operate the two units; and add a third dwelling
22 unit if the unit is the operator's primary residence.

1 2. An operator who offered or provided a short-term rental in the Downtown
2 Urban Center, south of Olive Way and north of Cherry Street, as established in the Seattle
3 Comprehensive Plan (2016), prior to September 30, 2017, may obtain a short-term rental
4 operator license allowing them to continue to operate those units and to offer or provide up to
5 one additional dwelling units for short-term rental use, or a maximum of two dwelling units, if
6 one of the units is the operator's primary residence, subject to the requirements of subsection
7 6.600.040.B.4.

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

16 4. If the license applicant wishes to continue operating a short-term rental in
17 a location described in subsections 6.600.040.B.1, 6.600.040.B.2, or 6.600.040.B.3 the applicant
18 must provide the Director with the following evidence of prior short-term rental use:

19 a. A business license tax certificate issued by the Department of
20 Finance and Administrative Services for the short-term rental use, in effect on prior to September
21 30, 2017; and

22 b. Records demonstrating collection and remittance of all applicable
23 local, state and federal taxes within the 12-month period prior to September 30, 2017; and

1 c. A registry identifying the dates the dwelling unit was used as
2 short-term rental within the 12-month period prior to September 30, 2017.

3 d. Certification that, if the applicant is a renter, the owner has
4 authorized the tenant's operation of the dwelling unit as a short-term rental. If requested by the
5 Director, the applicant shall provide documentation demonstrating that the owner has provided
6 that authorization.

7 C. Bed and breakfast operators. It is unlawful for any bed and breakfast operator
8 within Seattle to use a platform to list a bed and breakfast unit without possessing a valid bed and
9 breakfast operator's license issued pursuant to this Chapter 6.600.

10 **6.600.050 License applications**

11 A. Platforms. Platform licenses are issued by the Director and may be obtained by
12 filing with the Director a platform application in a format determined by the Director.

13 B. Operators. Operator licenses are issued by the Director and may be obtained by
14 filing with the Director a short-term rental operator license application in a format determined
15 by the Director and by submitting a signed declaration of compliance attesting that each
16 dwelling unit, or portion thereof, offered for short-term rental use satisfies the requirements of
17 Section 6.600.070.

18 C. Bed and breakfasts. Bed and breakfast licenses are issued by the Director and
19 may be obtained by filing with the Director a bed and breakfast operator application in a
20 format determined by the Director.

21 D. All platform, operator, and bed and breakfast licenses shall expire one year from
22 the date the license is issued and shall be renewed annually.

23 **6.600.060 Short-term rental platforms general provisions**

1 All platforms operating in Seattle shall comply with the following:

2 A. Possess a valid platform license issued pursuant to this Chapter 6.600.

3 B. Prior to providing booking services, require that all operators and bed and
4 breakfast operators using the platform either submit an application for an operator license or bed
5 and breakfast operator license through the platform and include a license number in any listing,
6 or, include a license number in any listing for a short-term rental or bed and breakfast unit on the
7 platform.

8 C. Remove any listings for short-term rentals or bed and breakfast units from the
9 platform upon notification by the Department. The Director shall develop, by rule, processes and
10 procedures for the removal of any listing.

11 D. Provide the following information in an electronic format determined by the
12 Director to the City on a quarterly basis:

13 1. The total number of short-term rentals, and bed and breakfast units in the
14 City listed on the platform during the applicable reporting period; and

15 2. The total number of nights all short-term rentals and bed and breakfast
16 units rented through the platform during the applicable reporting period.

17 E. Inform all operators, including bed and breakfast operators, who use the platform
18 of the operator's responsibility to collect and remit all applicable local, state, and federal taxes
19 unless the platform does this on the operator's behalf.

20 F. Provide a copy of the summaries prepared by the Director pursuant to Section
21 6.600.065 to all operators, including bed and breakfast operators, for which the platform
22 provides booking services. When notified to do so by the Director, provide written notification to
23 all short-term rental operators and bed and breakfast operators of changes to local regulations.

1 Upon request, the platform shall provide documentation to the Director demonstrating that the
2 required notification was provided.

3 G. Upon request by the Director, permit the Director access to review records that
4 are required to be kept under this Chapter 6.600, in a manner consistent with federal law.

5 **6.600.065 Summaries of short-term rental regulations**

6 The Director shall, as soon as practicable after passage of the ordinance introduced as Council
7 Bill 119081, and as the Director shall deem necessary thereafter, prepare a summary of this
8 Chapter 6.600 and any other applicable regulations or identified best practices for operating a
9 short-term rental.

10 **6.600.070 Short-term rental operator general provisions**

11 A. All operators who offer dwelling units, or portions thereof, for short-term rental
12 use in Seattle shall comply with the following:

13 1. Possess no more than one operator license issued pursuant to this Chapter
14 6.600.

15 2. Be a principal or spouse of a principal in no more than one operator
16 license issued pursuant to this Chapter 6.600.

17 3. Offer or provide no more than the maximum number of dwelling units, or
18 portions thereof, as provided in subsection 6.600.040.B.

19 4. Post the Department-issued operator license number for the short-term
20 rental on every listing advertising or offering the dwelling unit, or portion thereof, for use as a
21 short-term rental.

22 5. Comply with all standards provided in Section 23.42.060.

1 6. Provide local contact information to all short-term rental guests during a
2 guest's stay. The local contact must reside in King County, Washington and be available to
3 respond to inquiries at the short-term rental during the length of the stay.

4 7. Comply with the requirements of the Housing and Building Maintenance
5 Code in subsection 22.214.050.M and the Rental Registration and Inspection program.

6 8. Comply with RCW 19.27.530 by ensuring that all dwelling units have
7 working smoke detectors and carbon monoxide alarm(s) in every bedroom and on all habitable
8 floors and a properly maintained and charged fire extinguisher.

9 9. Post the following information in a conspicuous place within each
10 dwelling unit used as a short-term rental:

11 a. Emergency contact information for summoning police, fire, or
12 emergency medical services.;

13 b. Short-term rental street address;

14 c. Floor plan indicating fire exits and escape routes;

15 d. Information about how a guest can contact The City's Customer
16 Service Bureau to report any concerns or complaints;

17 e. Maximum occupancy limits; and

18 f. Contact information for the operator or the designated local
19 contact;

20 10. Maintain liability insurance appropriate to cover the short-term rental use
21 in the aggregate of not less than \$1,000,000 or conduct each short-term rental transaction through
22 a platform that provides equal or greater insurance coverage.

1 11. Remit all applicable local, state, and federal taxes unless the platform does
2 this on the operator's behalf.

3 12. Upon request by the Director, provide documentation and a signed
4 declaration of compliance attesting to compliance with subsections 6.600.070.A.1 through
5 6.600.070.A.11.

6 **6.600.080 Bed and breakfast operator general provisions**

7 All bed and breakfast operators who advertise or offer a bed and breakfast unit on a platform in
8 the City, shall comply with the following:

9 A. Possess no more than one valid bed and breakfast operator license issued pursuant
10 to this Chapter 6.600.

11 B. Post the Department-issued bed and breakfast operator license number issued for
12 the bed and breakfast on every listing advertising or offering a bed and breakfast unit on a
13 platform.

14 C. If operating within a single-family zone, comply with all standards provided in
15 Section 23.44.051. If operating within a multi-family zone, comply with all standards provided
16 in subsection 23.45.545.G.

17 D. Remit all applicable local, state, and federal taxes unless the platform does this on
18 the bed and breakfast operator's behalf.

19 **6.600.090 License fees**

20 A. Short-term rental platform license fees. The fee for a platform license issued
21 pursuant to this Chapter 6.600 shall be a quarterly fee based on the total number of nights booked
22 for short-term rental use through the platform. Platforms shall pay \$0 per night booked. The per
23 night fees shall be calculated and paid on a quarterly basis. If a platform fails to provide

1 complete information as required by subsection 6.600.060.D, the Director may estimate the
2 quarterly per night license fee.

3 B. Short-term rental operator license fees. The fee for an operator license issued
4 pursuant to this Chapter 6.600 shall be \$75 per dwelling unit annually, paid at the time the
5 application is submitted to the City.

6 C. Bed and breakfast operator license fees. The fee for a bed and breakfast operator
7 license issued pursuant to this Chapter 6.600 shall be \$75 per bed and breakfast, paid at the time
8 the application is submitted to the City.

9 D. The Director shall review annually any of the licensing fees in subsections
10 6.600.090.A, 6.600.090.B and 6.600.090.C and shall make any necessary adjustments in a
11 Director's Rule to ensure the fees achieve full cost recovery of the Director's administrative,
12 enforcement, and other regulatory costs and no more, after consideration of the following
13 factors:

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

21 E. License fees are non-refundable and non-transferrable.

22 **6.600.100 Enforcement and rulemaking**

1 The Director will adopt rules pursuant to Chapter 3.02 to implement the provisions of this
2 Chapter 6.600. The Director is authorized to enforce, promulgate, revise, or rescind rules and
3 regulations deemed necessary, appropriate, or convenient to administer the provisions of this
4 Chapter 6.600, providing affected entities with due process of law and in conformity with the
5 intent and purpose of this Chapter 6.600.

6 **6.600.110 Short-term rental platform – Violations and enforcement**

7 A. Violations. It is a violation of this Chapter 6.600 for any person or platform to:

8 1. Operate a short-term rental platform within Seattle without possessing a
9 valid short-term rental platform license issued pursuant to this Chapter 6.600.

10 2. Fail to require that any operator or bed and breakfast operator using the
11 platform, prior to providing booking services, either submit an application for an operator license
12 or bed and breakfast operator license through the platform and include the license number in any
13 listing, or, include a license number in any listing for a short-term rental or bed and breakfast
14 unit on the platform pursuant to subsection 6.600.060.B.

15 3. Fail to remove any listings for short-term rentals or bed and breakfast units
16 from the platform pursuant to subsection 6.600.060.C.

17 4. Misrepresent any material fact in an application for a platform license or
18 submit inaccurate information to the Director when the Director requests information pursuant to
19 this Chapter 6.600.

20 5. Fail to comply with any requirements of Chapter 6.600 applicable to short-
21 term rental platforms.

22 B. Enforcement

23 1. Investigation and notice of violation

1 a. The Director is authorized to investigate any person or platform the
2 Director reasonably believes does not comply with the provisions of Chapter 6.600 applicable to
3 platforms.

4 b. If, after investigation, the Director determines that any provisions
5 of Chapter 6.600 applicable to platforms have been violated, the Director may issue a notice of
6 violation to the platform or other person responsible for the violation.

7 c. The notice of violation shall state the provisions violated,
8 necessary corrective action and the compliance due date.

9 d. The notice of violation shall be served upon the platform, agent or
10 other responsible person by personal service or regular first-class mail addressed to the last
11 known address for the platform, agent, or responsible person.

12 e. Nothing in this Section 6.600.110 limits or precludes any action or
13 proceeding to enforce this code, and nothing obligates or requires the Director to issue a notice
14 of violation prior to the imposition of civil or criminal penalties.

15 f. Unless a request for review before the Director is made in
16 accordance with subsection 6.600.110.B.2, the notice of violation shall become the final order of
17 the Director.

18 2. Review by the Director

19 a. Any person aggrieved by a notice of violation issued by the
20 Director pursuant to subsection 6.600.110.B.1 may obtain a review of the notice by requesting
21 such review in writing within ten business days of the date of the notice. When the last day of the
22 period so computed is a Saturday, Sunday or federal or City holiday, the period shall run until 5
23 p.m. on the next business day. Within 15 days of the request for review, the aggrieved person

1 may submit additional information in the form of written material to the Director for
2 consideration as part of the review.

3 b. The review will be made by a representative of the Director who is
4 familiar with the case and the applicable ordinances. The Director's representative will review all
5 additional written material received by the deadline for submission of information. The reviewer
6 may also request clarification of information received. After review of the additional
7 information, the Director may:

- 8 1. Sustain the notice of violation;
9 2. Withdraw the notice of violation;
10 3. Continue the review to a date certain for receipt of
11 additional information; or
12 4. Modify the notice of violation, which may include an
13 extension of the compliance date.

14 c. The Director shall issue an order of the Director containing the
15 decision and shall cause the same to be mailed by first-class mail to the person or persons
16 requesting the review and the persons named on the notice of violation.

17 d. Extension of compliance date. The Director may grant an
18 extension of time for compliance with any notice or order, whether pending or final, upon the
19 Director's finding that substantial progress toward compliance has been made and that the public
20 will not be adversely affected by the extension. An extension of time may be revoked by the
21 Director if it is shown the conditions at the time the extension was granted have changed, the
22 Director determines a party is not performing corrective actions as agreed, or if the extension

1 creates an adverse effect on the public. The date of revocation shall then be considered the
2 compliance date.

3 4. Penalties

4 a. In addition to any other sanction or remedial procedure that may be
5 available, any person violating or failing to comply with any of the provisions of Chapter 6.600
6 applicable to platforms shall be subject to the following cumulative penalties per violation for
7 each listing from the date the violation occurs until compliance is achieved:

8 1) \$500 per day for each violation for the first ten days, and

9 2) \$1,000 per day for each violation for each day beyond ten

10 days of non-compliance until compliance is achieved.

11 b. In cases where the Director has issued a notice of violation or order
12 of the Director, the violation will be deemed to begin, for purposes of determining the number of
13 days in violation, on the date that compliance is required on the notice of violation or order of the
14 Director.

15 5. Civil actions. Civil actions to enforce subsection 6.600.040.A, Section
16 6.600.060 and subsection 6.600.110.A shall be brought in the Seattle Municipal Court, except as
17 otherwise required by law or court rule. The Director shall request in writing that the City
18 Attorney take enforcement action. The City Attorney shall, with the assistance of the Director,
19 take appropriate action to enforce subsection 6.600.040.A, Section 6.600.060 and subsection
20 6.600.110.A. In any civil action for a penalty, the City has the burden of proving by a
21 preponderance of the evidence that a violation exists or existed. The issuance of a notice of
22 violation or an order following a review by the Director is not itself evidence that a violation
23 exists.

1 6. Appeals to Superior Court. Final decisions of the Seattle Municipal Court
2 on enforcement actions authorized by subsection 6.600.110 may be appealed pursuant to the
3 Rules for Appeal of Courts of Limited Jurisdiction.

4 **6.600.120 Short-term rental operator and bed and breakfast operator – Violations and**
5 **enforcement**

6 A. Violations. It is a violation of this Chapter 6.600 for any person to:

7 1. Offer or provide a dwelling unit, or portion thereof, for short-term rental
8 use without possessing a valid operator’s license for that dwelling unit, or portion thereof, issued
9 pursuant to this Chapter 6.600.

10 2. Offer a bed and breakfast unit on a platform without possessing a valid
11 bed and breakfast operator’s license issued pursuant to this Chapter 6.600.

12 3. Misrepresent any material fact in any license application or other
13 information submitted to the Director pursuant to this Chapter 6.600.

14 4. Fail to comply with any requirements of Chapter 6.600 applicable to
15 operators or bed and breakfast operators.

16 B. Enforcement. If after investigation the Director determines that any of the
17 provisions of Chapter 6.600 applicable to operators or bed and breakfast operators have been
18 violated, the Director may issue a civil citation to the operator, bed and breakfast operator, or
19 other person responsible for the violation.

20 1. Citation. The civil citation shall include the following information: (1) the
21 name and address of the person to whom the citation is issued; (2) the address of the short-term
22 rental or bed and breakfast unit involving the violation; (3) a separate statement of each
23 provision violated; (4) the date of the violation; (5) a statement that the person cited must

1 respond to the civil citation within 15 business days after service; (6) a space for entry of the
2 applicable penalty; (7) a statement that a response must be sent to the Hearing Examiner and
3 received not later than 5 p.m. on the day the response is due; (8) contact information for the
4 Hearing Examiner where the citation is to be filed; (9) a statement that the citation represents a
5 determination that a violation has been committed by the person named in the citation and that
6 the determination shall be final unless contested as provided in this chapter; and (10) a certified
7 statement of the Director's representative issuing the citation, authorized by RCW 9A.72.085,
8 setting forth facts supporting issuance of the citation.

9 2. Service. The citation shall be served by first-class mail, addressed to the
10 operator, bed and breakfast operator, or other person responsible for the violation. Service shall
11 be deemed complete three days after the mailing. If a citation sent by first class mail is returned
12 as undeliverable, service may be made by posting the citation at a conspicuous place on the
13 property where the violation occurred and service shall be complete on the date of posting. The
14 citation may also be served in person.

15 3. Response to citations

16 a. A person cited must respond to a citation in one of the following
17 ways:

18 1) Paying the amount of the monetary penalty specified in the
19 citation, in which case the record shall show a finding that the person cited committed the
20 violation; or

21 2) Requesting in writing a mitigation hearing to explain the
22 circumstances surrounding the commission of the violation and providing an address to which
23 notice of such hearing may be sent; or

1 3) Requesting in writing a contested hearing specifying the
2 reason why the cited violation did not occur or why the person cited is not responsible for the
3 violation, and providing an address to which notice of such hearing may be sent.

4 b. A response to a citation must be received by the Office of the
5 Hearing Examiner no later than 15 calendar days after the date the citation is served. When the
6 last day of the appeal period so computed is a Saturday, Sunday, or federal or City holiday, the
7 period shall run until 5 p.m. on the next business day.

8 c. Failure to respond. If a person fails to respond to a citation within
9 15 calendar days of service, an order shall be entered by the Hearing Examiner finding that the
10 person cited committed the violation stated in the citation, and assessing the penalty specified in
11 the citation.

12 4. Hearings

13 a. Mitigation hearings

14 1) Date and notice. If a mitigation hearing is requested, the
15 mitigation hearing shall be held within 30 calendar days after written response to the citation
16 requesting such hearing is received by the Hearing Examiner. Notice of the time, place, and date
17 of the hearing shall be sent to the address specified in the request for hearing not less than ten
18 calendar days prior to the date of the hearing.

19 2) Procedure at hearing. The Hearing Examiner shall hold an
20 informal hearing that shall not be governed by the Rules of Evidence. The person cited may
21 present witnesses, but witnesses may not be compelled to attend. A representative from the
22 Department may also be present and may present additional information, but attendance by a
23 representative from the Department is not required.

1 3) Disposition. The Hearing Examiner shall determine
2 whether the cited person’s explanation justifies reduction of the monetary penalty; however, the
3 monetary penalty may not be reduced unless the Department of Finance and Administrative
4 Services affirms or certifies that the violation has been corrected prior to the mitigation hearing.
5 Factors that may be considered in whether to reduce the penalty include whether the violation
6 was caused by the act, neglect, or abuse of another; or whether correction of the violation was
7 commenced prior to the issuance of the citation but that full compliance was prevented by a
8 condition or circumstance beyond the control of the person cited.

9 4) Entry of order. After hearing the explanation of the person
10 cited and any other information presented at the hearing, the Hearing Examiner shall enter an
11 order finding that the person cited committed the violation and assessing a monetary penalty in
12 an amount determined pursuant to subsection 6.600.120.B.5. The Hearing Examiner’s decision is
13 the final decision of the City on the matter.

14 b. Contested hearings

15 1) Date and notice. If a person requests a contested hearing,
16 the hearing shall be held within 60 calendar days after the written response to the citation
17 requesting such hearing is received.

18 2) Hearing. Contested hearings shall be conducted pursuant to
19 the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted
20 by the Hearing Examiner for hearing contested cases, except as modified by this Section
21 6.600.110. The issues heard at the hearing shall be limited to those that are raised in writing in
22 the response to the citation and that are within the jurisdiction of the Hearing Examiner. The

1 Hearing Examiner may issue subpoenas for the attendance of witnesses and the production of
2 documents.

3 3) Sufficiency. No citation shall be deemed insufficient for
4 failure to contain a detailed statement of the facts constituting the specific violation which the
5 person cited is alleged to have committed or by reason of defects or imperfections, provided such
6 lack of detail, or defects or imperfections do not prejudice substantial rights of the person cited.

7 4) Amendment of citation. A citation may be amended prior to
8 the conclusion of the hearing to conform to the evidence presented if substantial rights of the
9 person cited are not thereby prejudiced.

10 5) Evidence at hearing. The certified statement or declaration
11 authorized by RCW 9A.72.085 shall be prima facie evidence that a violation occurred and that
12 the person cited is responsible. The certified statement or declaration authorized under RCW
13 9A.72.085 and any other evidence accompanying the report shall be admissible without further
14 evidentiary foundation. Any certifications or declarations authorized under RCW 9A.72.085
15 shall also be admissible without further evidentiary foundation. The person cited may rebut the
16 Department of Finance and Administrative Services' evidence and establish that the cited
17 violation(s) did not occur or that the person contesting the citation is not responsible for the
18 violation.

19 6) Disposition. If the citation is sustained at the hearing, the
20 Hearing Examiner shall enter an order finding that the person cited committed the violation and
21 impose the applicable penalty pursuant to subsection 6.600.120.B.5. The Hearing Examiner may
22 reduce the monetary penalty in accordance with the mitigation provisions in subsection

1 6.600.120.B.4.a.3. If the Hearing Examiner determines that the violation did not occur, the
2 Hearing Examiner shall enter an order dismissing the citation.

3 7) Final decision. The Hearing Examiner's decision is the final
4 decision of the City.

5 c. Failure to appear for hearing. Failure to appear for a requested
6 hearing will result in an order being entered finding that the person cited committed the violation
7 stated in the citation and assessing the penalty specified in the citation. For good cause shown
8 and upon terms the Hearing Examiner deems just, the Hearing Examiner may set aside an order
9 entered upon a failure to appear and schedule a new contested hearing date.

10 5. Citation penalties

11 a. First violation. The first time a person is found to have violated
12 one of the provisions referenced in subsection 6.600.120.A the person shall be subject to a
13 penalty of \$500. The Director may, in an exercise of discretion, issue a warning to the person
14 responsible for the violation if that person has not been previously warned or cited for violating
15 this Chapter 6.600.

16 b. Second and subsequent violations. Any second or subsequent time
17 a person is found to have violated one of the provisions referenced in subsection 6.600.120.A
18 within a five (5) year period, the person shall be subject to a penalty of \$1,000 for each
19 subsequent violation.

20 d. Collection of penalties. If the person cited fails to pay a penalty
21 imposed pursuant to this subsection 6.600.120.B, the penalty may be referred to a collection
22 agency. The cost to the City for the collection services will be assessed as costs, at the rate

1 agreed to between the City and the collection agency, and added to the penalty. Alternatively,
2 the City may pursue collection in any other manner allowed by law.

3 e. Each day a separate violation. Each day a person violates or fails to
4 comply with one of the provisions referenced in subsection 6.600.120.A, may be considered a
5 separate violation for which a civil citation may be issued.

6 **6.600.130 Alternative criminal penalty**

7 Any person who violates or fails to comply with any of the provisions in this Chapter 6.600 and
8 who has had at least two or more citations, or two or more notices of violation issued against
9 them for violating this Chapter 6.600, within the past three years from the date the criminal
10 charge is filed shall be guilty of a misdemeanor subject to the provisions of Chapters 12A.02
11 and 12A.04, except that absolute liability shall be imposed for such a violation or failure to
12 comply and none of the mental states described in Section 12A.04.030 need be proved. The
13 Director may request the City Attorney prosecute such violations criminally as an alternative to
14 the citation and notice of violation procedures outlined in this Chapter 6.600.

15 **6.600.140 Additional relief**

16 The Director may seek legal or equitable relief to enjoin any acts or practices when necessary to
17 achieve compliance.

18 **6.600.150 Denial, revocation, or refusal to renew license**

19 A. The Director may deny, revoke, or refuse to renew the license of any platform for
20 violating or failing to comply with any applicable provision of this Chapter 6.600 or for any
21 reason set forth in Section 6.202.230.

1 B. The Director may deny, revoke or refuse to renew the license of any operator or
2 bed and breakfast operator for violating or failing to comply with any applicable provision of this
3 Chapter 6.600 or for any reason set forth in Section 6.202.230.

4 C. No license issued pursuant to Chapter 6.600 may be renewed unless all
5 outstanding penalties assessed against the licensee and all past and present license fees are paid
6 in full to the Department of Finance and Administrative Services.

7 Section 2. Council requests that the Department of Finance and Administrative Services
8 provide a written status update to Council's Planning, Land Use and Zoning Committee by June
9 1, 2018, on any progress made implementing the short-term rental regulatory license
10 requirements, and the short-term rental tax enacted by the ordinance introduced as Council Bill
11 119083. This should include updates on: (1) the resources needed for implementing and
12 administering the regulatory license requirements and the tax (including costs already incurred);
13 (2) the status of developing rules, procedures and processes; and, (3) any new data obtained on
14 the anticipated number of short-term rental operators and the estimated number of nights booked
15 for short-term rental use in Seattle through short-term rental platforms. In addition, using the
16 information described above, the Department should review the fee structure for short-term
17 rental platform companies and make a recommendation to the City Council on whether the
18 structure should be modified. Specifically, the Department should consider if the fee structure
19 should be: (1) a per-night fee calculated based on the number of nights booked for short-term
20 rental use through the platform each quarter, as proposed in Council Bill 119081; or (2) a
21 graduated annual fee, with tiers based on the number of listings on a platform or other factors
22 identified by the Department; or (3) an alternative fee structure identified by the Department.

1 Section 3. The provisions of this ordinance are declared to be separate and severable.
2 The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this
3 ordinance, or the invalidity of its application to any person or circumstance, does not affect the
4 validity of the remainder of this ordinance, or the validity of its application to other persons or
5 circumstances.

6

1 Section 4. Section 1 of this ordinance shall take effect and be in force on January 1, 2019,
2 to ensure there is adequate time for rule-making and any adjustments in business practices.

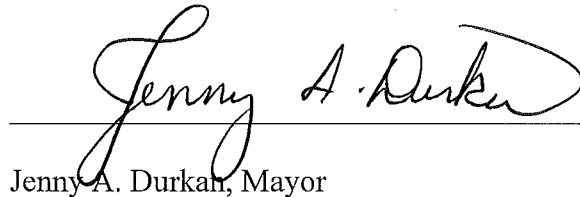
3 Section 5. This ordinance shall take effect and be in force 30 days after its approval by
4 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
5 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

6 Passed by the City Council the 11th day of December, 2017,
7 and signed by me in open session in authentication of its passage this 11th day of
8 December, 2017.


9 

10 President _____ of the City Council

11 Approved by me this 15th day of December, 2017.

12 
13 Jenny A. Durkan, Mayor

14 Filed by me this 15th day of December, 2017.

15 

16 Monica Martinez Simmons, City Clerk

17 (Seal)



City of Seattle

December 15, 2017

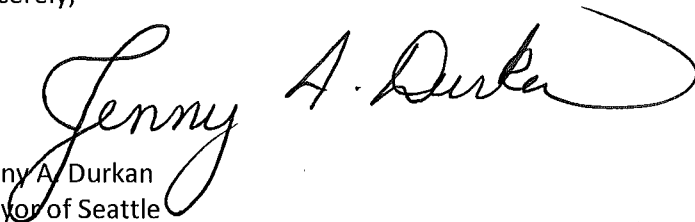
Monica Martinez Simmons
Seattle City Clerk
600 4th Avenue, 3rd Floor
Seattle, WA 98124

Dear Ms. Martinez Simmons,

I have signed and am returning Council Bill 119081. This legislation sets up a new regulatory framework for short-term rental properties in the City of Seattle. While I agree that new regulations are necessary to preserve affordable housing and protect neighbors, I am concerned that the complexity of the regulations and tax structure may inhibit compliance. The Department of Finance and Administrative Services (FAS) will also take on an administrative burden that requires significant new resources on an ongoing basis. It would have been my preference to shift more of this burden to the short-term rental platform operators, or to simplify the legislation, with the goal of alleviating or streamlining administrative requirements for both the City and the platforms.

By returning this signed legislation, I understand that it will become law, but I hope to revisit these concerns in 2018. FAS's report to the Council's Planning, Land Use, and Zoning Committee, due on June 1, provides an opportunity for me to potentially recommend a revised approach to implementation and fee structure.

Sincerely,


Jenny A. Durkan
Mayor of Seattle