



Proposed Regulations of Short Term Rentals in Seattle

Frequently Asked Questions



What is the goal of short term rental regulations?

The City of Seattle's primary goal is to balance the economic opportunity created by short term rentals with the need to maintain supply of long-term rental housing stock available at a range of prices. The City faces a housing affordability crisis, and the proposed regulations attempt to both make more units available for long-term housing and provide residents with extra income.

Regulations focused on this primary goal will also have positive impacts on two secondary goals: the creation of a level playing field for individuals and companies in the short term rental market and the protection of the rights and safety of owners, guests and neighbors of these units.

What is a short term rental?

A short term rental is any booked stay of fewer than 30 consecutive nights. Stays of 30 days or longer are not subject to regulation under this proposal.

What is required currently of short term rentals in Seattle?

Currently, short term rental operators need to have a city-issued business license and pay applicable taxes, but there are no specific zoning or regulatory restrictions on their use.

What will change for short term rental operators under the proposed regulations?

The proposed regulations will not change anything for the approximately 80% of short term rental operators that rent their property for no more than 90 cumulative nights in a 12-month period. These

operators need to simply meet the current requirements, which are to get a city-issued business license and pay applicable taxes.

Operators that provide a short term rental for 91 or more nights a year will only be able to continue doing so if the unit is their primary residence and they get a separate, city-issued regulatory license. Commercial year-round short term rentals will no longer be allowed.

The following table summarizes these regulations.

| | Primary Residence Short term rental operator resides on-site | Not Primary Residence Short term rental operator resides off-site |
|---|---|---|
| Rented 90 cumulative nights or fewer for short term rentals in 12 month period | Status Quo (includes having a business license and paying applicable taxes) | Status Quo (includes having a business license and paying applicable taxes) |
| Rented 91 cumulative nights or more for short term rentals in 12 month period | Requires a new Short Term Rental Operator's license in addition to business license. | Prohibited |

Why restrict year-round commercial short term rental operators? Why limit year-round short term rentals to an operator's primary residence?

The growth of the short term rental market has exacerbated affordability issues by restricting housing supply in an already tight housing market. By prohibiting year-round commercial short term rentals, more property owners will put their units back into the long term housing market, which will help alleviate the current shortage.

What are the provisions of the regulatory license required for short term rental operators who cross the 90 night threshold?

The regulatory license will require: (1) proof that the unit being rented is the operator's primary residence, (2) proof of liability insurance that covers the short term rental use, (3) a local contact number for guests, (4) a signed declaration that the unit meets building and life-safety codes, and (5) basic safety information posted for guests in the unit.

Why isn't a regulatory license required from Day 1 of operation?

There is a lot of churn among short term rental operators as individuals determine whether it is feasible for them. By only requiring the regulatory license for the more serious operators, we focus the City's limited regulatory resources on the listings with the highest volume of visitors.

Are booked stays that are 30 consecutive nights or longer counted when considering whether an operator has crossed the 90 night threshold?

No, the 90 night threshold only includes the cumulative total of stays under 30 nights. One-month or two-month stays are an important niche in our housing market as residents transition in or out of more permanent homes. The proposed framework therefore does not seek to limit these stays or include them in the new regulations.

What will be required of the short term rental platforms like Airbnb and VRBO?

The platforms will also be required to get a regulatory license with the City if they wish to operate within Seattle. The platforms will be required to provide information about Seattle's regulations to operators using the platform and share basic data with the City on a quarterly basis, including the names and address of operators and the number of nights each operator has rented a short term rental on the platform.

Is the City requiring the online platforms to share information that violates the privacy of operators?

No. Operating a short term rental is a business; the information that the platforms must provide is basic information that other types of businesses regulated by the City must already provide.

How will the City use this information?

The City's regulatory function will examine this data to ensure all operators are following the new regulations.

Why not just legalize and tax all short term rentals and dedicate the tax revenue to affordable housing?

Lodging taxes that apply to short term rentals, hotels, bed and breakfasts, and other similar establishments are only allowed as permitted by state law. The State already collects these taxes on behalf of the City, but by State statute are dedicated to various purposes other than affordable housing. An effective regulatory scheme will actually help the State secure tax compliance from all the short term rental operators in the market.

What will the new regulations mean for traditional bed and breakfasts?

In order to create a level playing field, traditional bed and breakfasts will be treated similarly to short term rentals moving forward. In practice, this means they will see a lower regulatory burden than they currently face.

How do these proposed regulations compare with the regulations put in place in other cities?

There is no recognized best practice for how to regulate short term rentals; every city that has introduced regulations has adopted a slightly different approach. The proposal for Seattle most closely mirrors regulations in Philadelphia. Some cities, like New York and Los Angeles, have more restrictive regulations proposed or in place. Other cities, like Nashville or San Jose, have more permissive regulations.

What is the Council's process for considering this proposal? How can the public provide comment on these regulations?

The Council will hold its first discussion of this proposal at a meeting of the Affordable Housing, Neighborhoods and Finance Committee at 9:30 a.m. on Wednesday, June 15 at City Hall (600 Fourth Ave). This committee plans to hold further discussions at its meetings on July 6 and July 20.

Public comment is taken at the beginning of every Council committee meeting. Members of the public may also submit feedback via email or phone. Contact information for Councilmembers is available at <http://www.seattle.gov/council/meet-the-council>.