

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE relating to the regulation of short-term rental businesses; amending Seattle Municipal Code Section 6.600.040.

..body

WHEREAS, on December 11, 2017, the City Council passed Ordinance 125490, to define and add licensing standards for short-term rental uses; and

WHEREAS, Ordinance 125490 limits the number of properties a short-term rental operator can offer for short-term rental use to conserve limited housing resources by reducing opportunities to convert long-term housing units to short-term rentals; and

WHEREAS, on March 23, 2018, the Governor signed House Bill (HB) 2015, modifying the lodging excise tax under RCW 36.100.040 to remove the exemption for premises with fewer than 60 lodging units and to impose the tax on short-term rentals; and

WHEREAS, HB 2015 requires that a public facilities district within a county with a population of 1,500,000 or more must make quarterly payments to a city in which a convention and trade center is located from tax revenue from short-term rentals collected by a public facilities district; and

WHEREAS, as a result of HB 2015, the public facilities district that operates the Washington State Convention Center will impose the lodging tax under RCW 36.100.040 on short-term rentals in Seattle; and

WHEREAS, HB 2015 requires that the payments made to a city must be used to support community-initiated equitable development and affordable housing programs, as determined by the city in its sole discretion; and

1 WHEREAS, allowing all short-term rental operators who offered units for short-term rental uses
2 prior to September 30, 2017 to continue to operate those units provides more certainty
3 that the revenue projections for the short-term rental tax will be realized and sufficient to
4 support proposed expenditures in 2019 and 2020; NOW, THEREFORE,

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

6 Section 2. Section 6.600.030 of the Seattle Municipal Code, last amended by Ordinance
7 125490 is amended as follows:

8 **6.600.030 – Definitions**

9 * * *

10 "Short-term rental operator" or "operator" means any person who is the owner of a
11 dwelling unit established under [Title 23](#), or portion thereof, who offers or provides that dwelling
12 unit, or portion thereof, for short-term rental use, or a person who is the tenant of a dwelling unit,
13 or portion thereof, who offered or provided a short term rental as set forth in subsection
14 ~~6.600.040.B.2~~ 6.600.040.B.1.

15 * * *

16 Section 2. Section 6.600.040 of the Seattle Municipal Code, last amended by Ordinance
17 125490 is amended as follows:

18 **6.600.040 License required**

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

21 B. Operators. It is unlawful for any person to operate as a short-term rental operator
22 within the City without a valid short-term rental operator license issued pursuant to this Chapter
23 6.600. A short-term rental operator license permits an operator to offer or provide a maximum of

1 one dwelling unit, or portion thereof, for short term rental use, or a maximum of two dwelling
2 units if one of the units is the operator's primary residence, except for the following:

3 1. ~~An operator who offered or provided a short term rental outside of the~~
4 ~~locations described in subsections 6.600.040.B.2 or 6.600.040.B.3 prior to September 30, 2017,~~
5 ~~may obtain a short term rental operator license allowing that operator to continue to operate up~~
6 ~~to two dwelling units for short term rental use, subject to the requirements of subsection~~
7 ~~6.600.040.B.4. Upon renewal of the license after one year of operations, the operator may obtain~~
8 ~~a license allowing that operator to: continue to operate the two units; and add a third dwelling~~
9 ~~unit if the unit is the operator's primary residence.~~

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

17 3. ~~An operator who offered or provided a short term rental in any dwelling~~
18 ~~units within a multifamily building constructed after 2012 that contains no more than five~~
19 ~~dwelling units established by permit under Title 23 and is located in the First Hill/Capitol Hill~~
20 ~~Urban Center, as established in the Seattle Comprehensive Plan, prior to September 30, 2017,~~
21 ~~may obtain a short term rental operator license allowing them to continue to operate those units~~
22 ~~and to offer or provide up to one additional dwelling units for short term rental use, or a~~

1 ~~maximum of two dwelling units, if one of the units is the operator's primary residence, subject to~~
2 ~~the requirements of subsection 6.600.040.B.4.~~

3 4.2. If the license applicant wishes to continue operating a
4 short-term rental ~~in a location~~ as described in subsections 6.600.040.B.1, ~~6.600.040.B.2, or~~
5 ~~6.600.040.B.3~~ the applicant must provide the Director with the following evidence of prior short-
6 term rental use:

7 a. A business license tax certificate issued by the Department of
8 Finance and Administrative Services for the short-term rental use, in effect on prior to September
9 30, 2017; and

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

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

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

18 * * *

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

4 Passed by the City Council the _____ day of _____, 2018,
5 and signed by me in open session in authentication of its passage this _____ day of
6 _____, 2018.

7 _____
8 President _____ of the City Council

9 Approved by me this _____ day of _____, 2018.

10 _____
11 Jenny A. Durkan, Mayor

12 Filed by me this _____ day of _____, 2018.

13 _____
14 Monica Martinez Simmons, City Clerk

15 (Seal)