

November 9, 2017

MEMORANDUM

To: Councilmembers
From: Aly Pennucci, Central Staff Legislative Analyst
Subject: Short-term Rental Regulations & Tax (CBs 119081 & 119083)

At the Full Council meeting on Monday, November 13, 2017, [Council Bill \(CB\) 119081](#) and [CB 119083](#) are scheduled for a discussion and vote. This memo: (1) briefly describes the CBs; (2) describes potential amendments (see Table 1 on the next page); and (3) includes specific amendatory language for the Council's consideration (see Attachments 1-9). The amendments described in Table 1 may be modified or abandoned and additional amendments may be identified after publication of this memo; any new or modified amendments will be distributed and copies will be available at the meeting on November 13.

CB 119081 would:

- Define and establishes a regulatory licensing framework for short-term rental platforms and operators, and bed and breakfast operators who utilize short-term rental platforms;
- Establish a cap on the number of dwelling units a person can operate as a short-term rental to two dwelling units;
- Exempt from the cap units lawfully operated as a short-term rental prior to September 30, 2017, within the Downtown, Uptown or South Lake Union Urban Centers, and units in certain building types in the First Hill/Capitol Hill Urban Center, and for certain building types in the First Hill/Capitol Hill Urban Center; and
- Require that all short-term rental operators, bed and breakfast operators who use short-term rental platforms, and platform companies, have a Title 6 Regulatory License.

CB 119083 would:

- Establish a \$10 per night tax on each short-term rental operator in the City of Seattle; and
- Establish the intended use of the proceeds from the short-term rental tax, to: (1) fund one-time expenditures to administer the tax and ongoing administration of assessing and collecting the tax; (2) to offset the cost of implementing and administering the regulatory license; (3) to fund affordable housing; and (4) to fund implementation of the Equitable Development Initiative.

A third bill, [CB 119082](#), also affects short-term rental uses; CB 119082 amends the land use code and requires a public hearing with a 30-day public notice.¹ The public hearing will be held on November 27, 2017, at a special meeting of the Planning, Land Use and Zoning Committee.

¹ The public notice for the public hearing on CB 119082 can be found here: <http://web6.seattle.gov/dpd/luib/Notice.aspx?BID=1290&NID=26349>

Table 1 - Potential Amendments

Category	Potential Amendment	Sponsor
Potential Amendments to CB 119081		
A. Technical and Clarifying Amendments to CB 119081	1. Technical corrections and language that needed clarification. This includes extending the effective date to January 1, 2019. (Attachment 1)	CM Johnson
	2. Add a recital noting the potential disproportionate impact to people of color and low-income residents when long-term housing units are converted to short-term rentals. (Attachment 2)	CM O'Brien
B. Loosen the limits on the number of short-term rentals a person can operate	3. Expand the exemption on the number of dwelling units a short-term rental operator can operate to include all existing operators. As proposed, CB 119081 would exempt units being operated as a short-term rental prior to September 30, 2017, that are located within the Downtown, Uptown, or South Lake Union Urban Centers, and units in certain building types in the First Hill/Capitol Hill Urban Center. This amendment would expand the exemption to apply uniformly to all existing operators. (Attachment 3)	CM Johnson
C. Further limit the number of short-term rentals a person can operate As proposed, an operator could obtain a license to operate up to two dwelling units as short-term rentals, with some exceptions in certain urban villages. <i>Note: amendment options 3, and 4, conflict; only one could be adopted. In addition, amendments 3 and 5 conflict; only one could be adopted.</i>	4. Modify the proposed limit on the number of dwelling units a short-term rental operator can operate as follows: <ul style="list-style-type: none"> – Operators who lawfully operated two or more dwelling units as short-term rentals prior to September 30, 2017, could obtain a license to continue to operate up to two dwelling units as short-term rentals. – All other operators not operating units prior to September 30, 2017 as a short-term rental could obtain a license to operate their primary residence and up to one additional dwelling unit as a short-term rental. (Attachment 4)	CM Herbold & CM O'Brien
	5. 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, CB 119081 would exempt units being operated as a short-term rental prior to September 30, 2017, that are located within the Downtown, Uptown, or South Lake Union Urban Centers. This amendment would reduce that area to apply only within the Downtown Urban Center, south of Olive Way and north of Cherry Street (Attachment 5) <i>Note: this amendment could be combined with option 4</i>	CM Bagshaw & CM O'Brien
D. Modify proposed license fees As proposed, short-term rental operators would be required to	6. Impose a license fee for platform companies. This amendment would introduce a license fee for platform companies that would be based on the total number of nights booked for short-term rental	CM O'Brien

Category	Potential Amendment	Sponsor
<p>obtain a regulatory license with a \$75 annual fee. Platform companies would also be required to obtain a license but the ordinance as proposed does not impose a license fee for platform companies.</p>	<p>use through the platform. The per night fee would be \$2, calculated and paid on a quarterly basis. The Director would have authority to adjust fees annually to achieve cost recovery. (Attachment 6)</p>	
Potential Amendments to CB 119083		
<p>A. Introduce tiers to the proposed per night tax As proposed, the short-term rental tax would be applied uniformly at a rate of \$10 per night.</p>	<p>1. This amendment would: modify the proposed tax rate to apply a different per-night tax to a room versus an entire unit (the tax would be \$5 per night for a private or shared room and \$10 per night for an entire unit); and modify the language outlining Council’s intent for use of future tax revenue. This amendment would reduce the anticipated tax revenue per year by \$1.2 million (\$4.8 million versus \$6 million). (Attachment 7)</p>	<p>CM Johnson</p>
	<p>2. This amendment would: modify the proposed tax rate to apply a different per-night tax to a room versus an entire unit (the tax would be \$8 per night for a private or shared room and \$14 per night for an entire unit); and modify the language outlining Council’s intent for use of future tax revenue. This amendment would increase the anticipated tax revenue per year by \$1 million (\$7 million versus \$6 million). (Attachment 8)</p>	<p>CM O’Brien & CM Herbold</p>
<p>B. Modify intent language related to other taxes that may be imposed on the short-term rental industry</p>	<p>3. This amendment adds language to Section 11 to state that the City may consider suspending the local short-term rental tax if: (1) another jurisdiction imposes a tax on the short-term rental industry, and (2) the City would receive proceeds from that jurisdiction equivalent to what would be collected under City’s local tax. (Attachment 9)</p>	<p>CM Johnson</p>

Attachments:

Amendments to CB 119081:

1. Amendment 1 to CB 119081: Technical corrections
2. Amendment 2 to CB 119081: Recital
3. Amendment 3 to CB 119081: Expand exemption
4. Amendment 4 to CB 119081: Further restrict STR use for future operators
5. Amendment 5 to CB 119081: Reduce area subject to the exemption
6. Amendment 6 to CB 119081: Add a license fee for STR platform companies

Amendments to CB 119083:

7. Amendment 1 to CB 119083: Modify proposed tax rate
8. Amendment 2 to CB 119083: Modify proposed tax rate
9. Amendment 3 to CB 119083: Modify intent language

cc: Kirstan Arestad, Central Staff Director
Ketil Freeman, Supervising Analyst

Full Council Amendment 1 to CB 119081

November 13, 2017

Sponsor: Councilmember Johnson

This amendment would make technical corrections, clarifies language and modifies the effective date to be consistent with CB 119083, and to give FAS adequate time to prepare for implementation.

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

* * *

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 two dwelling units, or portions thereof, for short-term rental use, except for the following:

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

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

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

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

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

* * *

6.600.060 Short-term rental platforms general provisions

All platforms operating in Seattle shall comply with the following:

* * *

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

~~1. The listing is not associated with a valid operator license or bed and breakfast operator license; or~~

~~2. The license number provided to the platform by the operator or bed and breakfast operator for the listing is not valid; or~~

~~3. The Department has revoked the operator license or bed and breakfast operator license.~~

~~4. The platform shall remove the listing within 10 calendar days of the date of the written notification provided by the Department to the platform.~~

* * *

6.600.070 Short-term rental operator general provisions

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

Attachment 1 – Amendment 1 to CB 119081

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

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

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

~~3~~ 4. Post the Department-issued operator license number for the short-term rental on every listing advertising or offering the dwelling unit, or portion thereof, for use as a short-term rental.

~~4~~ 5. Comply with all standards provided in Section 23.42.060.

~~5~~ 6. Provide local contact information to all short-term rental guests during a guest's stay. The local contact must reside in King County, Washington and be available to respond to inquiries at the short-term rental during the length of the stay.

~~6~~ 7. Comply with the requirements of the Housing and Building Maintenance Code in subsection 22.214.050.M and the Rental Registration and Inspection program.

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

~~8~~ 9. Post the following information in a conspicuous place within each dwelling unit used as a short-term rental:

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

b. Short-term rental street address;

- c. Floor plan indicating fire exits and escape routes;
- d. Information about how a guest can contact The City’s Customer

Service Bureau to report any concerns or complaints;

- e. Maximum occupancy limits; and
- f. Contact information for the operator or the designated local

contact;

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

~~10~~ 11. Remit all applicable local, state, and federal taxes unless the platform does this on the operator’s behalf.

~~11~~ 12. Upon request by the Director, provide documentation and a signed declaration of compliance attesting to compliance with subsections 6.600.070.A.1 through 6.600.070.A.~~10~~11.

* * *

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 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.~~ED~~, the Director may estimate the quarterly per night license fee.

* * *

Attachment 1 – Amendment 1 to CB 119081

Section 3. Section 1 of this ordinance shall take effect and be in force on ~~September 30,~~
~~2018~~ January 1, 2019, to ensure there is adequate time for rule-making and any adjustments in
business practices.

Attachment 2 – Amendment 2 to CB 119081

Full Council Amendment 2 to CB 119081

November 13, 2017

Sponsor: Councilmember O'Brien

This amendment would add a recital noting that people of color and low-income residents may be disproportionately impacted by removal of long-term rentals from the housing stock.

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~~.*

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

disproportionally 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

Attachment 3 – Amendment 3 to CB 119081

Full Council Amendment 3 to CB 119081

November 13, 2017

Sponsor: Councilmember Johnson

This amendment would extend the exemption to the proposed limit on the number of dwelling units a short-term rental operator can operate to all existing operators. As proposed, an operator could obtain a license to operate up two dwelling units as short-term rentals. Units that a short-term rental operator operated prior to September 30, 2017, within the Downtown, Uptown or South Lake Union Urban Centers, and units in certain building types in the First Hill/Capitol Hill Urban Center, would be exempt from this limit. This amendment would apply the exemption uniformly to all existing operators.

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 two dwelling units, or portions thereof, for short-term rental use, except for the following:

1. 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, 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 two additional dwelling units for short-term rental use, subject to the requirements of subsection ~~6.600.040.B.3~~ 6.600.040.B.2.

2. ~~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~~

Attachment 3 – Amendment 3 to CB 119081

~~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 two additional dwelling units for short-term rental use, subject to the requirements of subsection 6.600.040.B.3.~~

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

- a. A business license tax certificate issued by the Department of Finance and Administrative Services for the short-term rental use, in effect on prior to September 30, 2017; and
- b. Records demonstrating collection and remittance of all applicable local, state and federal taxes within the 12-month period prior to September 30, 2017; and
- c. A registry identifying the dates the dwelling unit was used as short-term rental within the 12-month period prior to September 30, 2017.

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Attachment 4 – Amendment 4 to CB 119081

Full Council Amendment 4 to CB 119081

November 13, 2017

Sponsors: Councilmember Herbold and Councilmember O'Brien

As proposed, an operator could obtain a license to operate up to two dwelling units as short-term rentals. Units that a short-term rental operator offers today within the Downtown, Uptown or South Lake Union Urban Centers, and units in certain building types in the First Hill/Capitol Hill Urban Center, would be exempt from this limit. This amendment would modify the proposed limit on the number of dwelling units a short-term rental operator can operate as follows:

- Operators who lawfully operated two or more dwelling units as short-term rentals outside of the urban centers listed above, prior to September 30, 2017, could obtain a license to continue to operate up to two dwelling units as short-term rentals;
- All other operators not operating units prior to September 30, 2017 as a short-term rental could obtain a license to operate their primary residence and up to one additional dwelling unit as a short-term rental.

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~~.

6.600.030 Definitions

* * *

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

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

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

* * *

"Short-term rental operator" or "operator" means any person who is the owner of a dwelling unit established under Title 23, or portion thereof, who offers or provides that dwelling

Attachment 4 – Amendment 4 to CB 119081

unit, or portion thereof, for short-term rental use or a person who is the tenant of a dwelling unit, or portion thereof, who offered or provided a short term rental as set forth in subsection 6.600.040.B.~~2~~.

* * *

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 ~~two dwelling units, or portions thereof, for short term rental use, 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 them 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.

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, 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 ~~two~~ one additional dwelling units for short-term rental use, or a maximum of two dwelling

Attachment 4 – Amendment 4 to CB 119081

units, if one of the units is the operator’s primary residence, subject to the requirements of subsection ~~6.600.040.B.3~~ 6.600.040.B.4.

~~3~~ 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 ~~two~~ 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.3~~ 6.600.040.B.4.

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

- a. A business license tax certificate issued by the Department of Finance and Administrative Services for the short-term rental use, in effect on prior to September 30, 2017; and
- b. Records demonstrating collection and remittance of all applicable local, state and federal taxes within the 12-month period prior to September 30, 2017; and
- c. A registry identifying the dates the dwelling unit was used as short-term rental within the 12-month period prior to September 30, 2017.

* * *

Attachment 5 – Amendment 5 to CB 119081

Full Council Amendment 5 to CB 119081

November 13, 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, an operator could obtain a license to operate up to two dwelling units as short-term rentals. Units that short-term rental operators offer today within the Downtown, Uptown or South Lake Union Urban Centers would be exempt from this limit. This amendment would reduce that area to apply online 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 two dwelling units, or portions thereof, for short-term rental use, except for the following:

1. 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 two additional dwelling units for short-term rental use, subject to the requirements of subsection 6.600.040.B.3.

2. 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

Attachment 5 – Amendment 5 to CB 119081

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 two additional dwelling units for short-term rental use, subject to the requirements of subsection 6.600.040.B.3.

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

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

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

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

* * *

Full Council Amendment 6 to CB 119081

November 13, 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. The ordinance would allow the Director to adjust fees annually to achieve cost recovery of the Director's administrative, enforcement and other regulatory costs and no more.

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.

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

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

D. The Director may adjust annually any of the licensing fees in subsections 6.600.090.A, 6.600.090.B and 6.600.090.C in the Director's Rules after consideration of the following factors:

Attachment 6 – Amendment 6 to CB 119081

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.

Attachment 7 – Amendment 1 to CB 119083

Full Council Amendment 1 to CB 119083

November 13, 2017

Sponsor: Councilmember Johnson

This amendment would:

1. Modify the proposed tax rate to apply a different per night tax to a private room versus and entire dwelling unit; and
2. Modify the language outlining Council’s intent for use of future tax revenue.

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~~.

Section 1. A new Chapter 5.54 is added to the Seattle Municipal Code as follows

* * *

5.54.020 Definitions

The definitions contained in Chapter 5.30 and Chapter 6.600 shall be fully applicable to this Chapter 5.54 except as may be expressly stated to the contrary. The following additional definition shall apply throughout this Chapter 5.54:

"Guest room" means a private or shared room offered or provided to a guest or guests by a short-term rental operator for sleeping purposes and that may share common bathrooms and cooking facilities.

5.54.030 Tax imposed; rates

There is imposed a tax on every person engaging within Seattle in the business of being a short-term rental operator. The amount of the tax due for each short-term rental shall be ~~\$10 per night for each short-term rental in Seattle~~ \$10 per night for each dwelling unit, and \$5 per night for each guest room, in Seattle.

* * *

Section 12. Services funded by the proceeds of the short-term rental tax are intended to support ~~investments in affordable housing~~ debt service payments on the bonds issued for

Attachment 7 – Amendment 1 to CB 119083

[affordable housing](#) and to support community-initiated equitable development projects, including but not limited to projects described in Resolution 31711. Eligible expenditures include:

A. Resources necessary to (1) fund one-time expenditures to administer the tax and ongoing administration of assessing and collecting the tax, and (2) to offset the cost of implementing and administering Chapter 6.600.

B. The remainder of net proceeds shall be ~~split equally to support investments in affordable housing and to~~ [first applied to the debt-service on bonds issued for affordable housing. The remainder shall](#) support [investments in](#) community-initiated equitable development projects, [including the affordable housing component of those projects.](#)

C. In the annual City budget or by separate ordinance, the City’s legislative authority shall from year to year determine the services and funding allocations that will most effectively achieve the goals and outcomes in accordance with chapter 35.32A RCW.

Attachment 8 – Amendment 2 to CB 119083

Full Council Amendment 2 to CB 119083

November 13

Sponsors: Councilmember O'Brien & Councilmember Herbold

This amendment would:

1. Modify the proposed tax rate to apply a different per night tax to a private room versus an entire dwelling unit; and
2. Modify the language outlining Council's intent for use of future tax revenue.

Note:

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Section 1. A new Chapter 5.54 is added to the Seattle Municipal Code as follows

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The definitions contained in Chapter 5.30 and Chapter 6.600 shall be fully applicable to this Chapter 5.54 except as may be expressly stated to the contrary. The following additional definition shall apply throughout this Chapter 5.54:

"Guest room" means a private or shared room offered or provided to a guest or guests by a short-term rental operator for sleeping purposes and that may share common bathrooms and cooking facilities.

5.54.030 Tax imposed; rates

There is imposed a tax on every person engaging within Seattle in the business of being a short-term rental operator. The amount of the tax due for each short-term rental shall be ~~\$10 per night for each short-term rental in Seattle~~ \$14 per night for each dwelling unit, and \$8 per night for each guest room, in Seattle.

* * *

Section 12. Services funded by the proceeds of the short-term rental tax are intended to support investments in affordable housing and to support community-initiated equitable

Attachment 8 – Amendment 2 to CB 119083

development projects, including but not limited to projects described in Resolution 31711.

Eligible expenditures include:

A. Resources necessary to (1) fund one-time expenditures to administer the tax and ongoing administration of assessing and collecting the tax, and (2) to offset the cost of implementing and administering Chapter 6.600.

B. The remainder of net proceeds shall be ~~split equally to support investments in affordable housing and to support community-initiated equitable development projects.~~ used as follows:

1. The first \$5,000,000 of net proceeds, after monies spent pursuant to subsection A of this section, shall be applied to investments in community-initiated equitable development projects;

2. The next \$2,000,000 of net proceeds shall be applied to investments in affordable housing;

3. The remainder of net proceeds shall be used to support community-initiated equitable development projects, including the affordable housing component of those projects.

C. In the annual City budget or by separate ordinance, the City’s legislative authority shall from year to year determine the services and funding allocations that will most effectively achieve the goals and outcomes in accordance with chapter 35.32A RCW.

Attachment 9 – Amendment 3 to CB 119083

Full Council Amendment 3 to CB 119083

November 13, 2017

Sponsor: Councilmember Johnson

This amendment would modify the language in Section 11 of CB 119083.

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~~.

Section 11. The Council expresses the following intent as to the application of Seattle Municipal Code Chapter 5.54. To maintain a level playing field for the short-term rental industry and other lodging businesses, the Council intends to monitor proposals for any taxes imposed by the Washington State Convention Center Public Facilities District, King County, or the State of Washington, on the short-term rental industry. The City will work with ~~the State and County~~ such jurisdictions to ensure that short-term rental businesses are not subject to a short-term rental tax at the State or County level in addition to a City of Seattle short-term rental tax. In the event any short-term rental tax is imposed by any such jurisdiction and the jurisdiction imposing such tax enters into a legally binding agreement with the City to provide to the City proceeds equivalent to the City's collections from tax authorized under this ordinance, the City may commit in such agreement with the other jurisdiction to suspend collection of the City's tax for the duration of the term of such agreement.