



Legislation Text

File #: CB 119081, Version: 4

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

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.

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

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

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

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

Chapter 6.600 SHORT-TERM RENTALS

6.600.010 Scope and purpose

This Chapter 6.600 applies to all short-term rental operators and short-term rental platforms that facilitate short-term rental operators to offer a dwelling unit, or portion thereof, for short-term rental use within The City of Seattle, and to all bed and breakfast operators who list a bed and breakfast unit on a short-term rental platform. The ordinance enacting this Chapter 6.600 is an exercise of the City's police power to license short-term rental platforms, short-term rental operators and bed and breakfast operators. The purpose of the ordinance is to preserve the City's permanent housing stock, 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, reduce any indirect negative effects on the availability of affordable housing, create a level playing field for all parties engaged in the business of providing lodging, and protect the livability of residential neighborhoods.

6.600.020 Application of other provisions

The licenses provided for in this Chapter 6.600 are subject to the general provisions of the new Seattle License Code set forth in Chapter 6.202 as now or hereafter amended. In the event of a conflict between the provisions of Chapter 6.202 and this Chapter 6.600, the provisions of this Chapter 6.600 shall control.

6.600.030 Definitions

"Bed and breakfast" means a lodging use where rooms within a single dwelling unit are provided to transients by a resident operator for a fee by prearrangement on a daily or short-term basis. A breakfast and/or

light snacks may be served to those renting rooms in the bed and breakfast.

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

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

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

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

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

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

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

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

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

"Operate a short-term rental platform within Seattle" means that a short-term rental platform is engaged in business in Seattle, including having agreements with short-term rental operators or other customers in

Seattle who provide dwelling units, or portions thereof, located in Seattle for short-term rental use, regardless of whether the short-term rental platform is physically present in Seattle.

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

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

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

and/or their family members is not a short-term rental.

"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 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.

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

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

6.600.040 License required

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

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

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

of operations, the operator may obtain a license allowing that operator to: continue to operate the two units; and add a third dwelling unit if the unit is the operator's primary residence.

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

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

4. If the license applicant wishes to continue operating a short-term rental in a location described in subsections 6.600.040.B.1, 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.

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.

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

6.600.050 License applications

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

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

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

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

6.600.060 Short-term rental platforms general provisions

All platforms operating in Seattle shall comply with the following:

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

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

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

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

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

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

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

F. Provide a copy of the summaries prepared by the Director pursuant to Section 6.600.065 to all operators, including bed and breakfast operators, for which the platform provides booking services. When notified to do so by the Director, provide written notification to all short-term rental operators and bed and breakfast operators of changes to local regulations. Upon request, the platform shall provide documentation to the Director demonstrating that the required notification was provided.

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

6.600.065 Summaries of short-term rental regulations

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

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:
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.
 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.
 5. Comply with all standards provided in Section 23.42.060.
 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.
 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.
 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.
 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;

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.

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

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.11.

6.600.080 Bed and breakfast operator general provisions

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

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

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

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

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

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

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

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

6.600.100 Enforcement and rulemaking

The Director will adopt rules pursuant to Chapter 3.02 to implement the provisions of this Chapter 6.600. The Director is authorized to enforce, promulgate, revise, or rescind rules and regulations deemed necessary,

appropriate, or convenient to administer the provisions of this Chapter 6.600, providing affected entities with due process of law and in conformity with the intent and purpose of this Chapter 6.600.

6.600.110 Short-term rental platform - Violations and enforcement

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

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

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

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

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

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

B. Enforcement

1. Investigation and notice of violation

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

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

c. The notice of violation shall state the provisions violated, necessary corrective

action and the compliance due date.

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

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

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

2. Review by the Director

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

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

1. Sustain the notice of violation;
2. Withdraw the notice of violation;
3. Continue the review to a date certain for receipt of additional information;

or

4. Modify the notice of violation, which may include an extension of the compliance date.

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

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

4. Penalties

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

- 1) \$500 per day for each violation for the first ten days, and
- 2) \$1,000 per day for each violation for each day beyond ten days of non-

compliance until compliance is achieved.

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

5. Civil actions. Civil actions to enforce subsection 6.600.040.A, Section 6.600.060 and

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

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

6.600.120 Short-term rental operator and bed and breakfast operator - Violations and enforcement

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

1. Offer or provide a dwelling unit, or portion thereof, for short-term rental use without possessing a valid operator's license for that dwelling unit, or portion thereof, issued pursuant to this Chapter 6.600.
2. Offer a bed and breakfast unit on a platform without possessing a valid bed and breakfast operator's license issued pursuant to this Chapter 6.600.
3. Misrepresent any material fact in any license application or other information submitted to the Director pursuant to this Chapter 6.600.
4. Fail to comply with any requirements of Chapter 6.600 applicable to operators or bed and breakfast operators.

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

1. Citation. The civil citation shall include the following information: (1) the name and

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

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

3. Response to citations

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

- 1) Paying the amount of the monetary penalty specified in the citation, in which case the record shall show a finding that the person cited committed the violation; or
- 2) Requesting in writing a mitigation hearing to explain the circumstances surrounding the commission of the violation and providing an address to which notice of such hearing may be sent; or
- 3) Requesting in writing a contested hearing specifying the reason why the cited violation did not occur or why the person cited is not responsible for the violation, and providing an

address to which notice of such hearing may be sent.

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

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

4. Hearings

a. Mitigation hearings

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

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

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

condition or circumstance beyond the control of the person cited.

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

b. Contested hearings

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

2) Hearing. Contested hearings shall be conducted pursuant to the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for hearing contested cases, except as modified by this Section 6.600.110. The issues heard at the hearing shall be limited to those that are raised in writing in the response to the citation and that are within the jurisdiction of the Hearing Examiner. The Hearing Examiner may issue subpoenas for the attendance of witnesses and the production of documents.

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

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

5) Evidence at hearing. The certified statement or declaration authorized by RCW 9A.72.085 shall be prima facie evidence that a violation occurred and that the person cited is responsible. The certified statement or declaration authorized under RCW 9A.72.085 and any other evidence accompanying

the report shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 9A.72.085 shall also be admissible without further evidentiary foundation. The person cited may rebut the Department of Finance and Administrative Services' evidence and establish that the cited violation(s) did not occur or that the person contesting the citation is not responsible for the violation.

6) Disposition. If the citation is sustained at the hearing, the Hearing Examiner shall enter an order finding that the person cited committed the violation and impose the applicable penalty pursuant to subsection 6.600.120.B.5. The Hearing Examiner may reduce the monetary penalty in accordance with the mitigation provisions in subsection 6.600.120.B.4.a.3. If the Hearing Examiner determines that the violation did not occur, the Hearing Examiner shall enter an order dismissing the citation.

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

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

5. Citation penalties

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

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

d. Collection of penalties. If the person cited fails to pay a penalty imposed pursuant to this subsection 6.600.120.B, the penalty may be referred to a collection agency. The cost to the City for the collection services will be assessed as costs, at the rate agreed to between the City and the collection agency, and added to the penalty. Alternatively, the City may pursue collection in any other manner allowed by law.

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

6.600.130 Alternative criminal penalty

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

6.600.140 Additional relief

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

6.600.150 Denial, revocation, or refusal to renew license

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

B. The Director may deny, revoke or refuse to renew the license of any operator or bed and breakfast operator for violating or failing to comply with any applicable provision of this Chapter 6.600 or for

any reason set forth in Section 6.202.230.

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

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

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

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

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

Passed by the City Council the _____ day of _____, 2017, and signed by me in open session in authentication of its passage this _____ day of _____, 2017.

President _____ of the City Council

Approved by me this _____ day of _____, 2017.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2017.

Monica Martinez Simmons, City Clerk

(Seal)