

Attachment 7: Jurisdictional Scan of Short-Term Rental Regulations **Overview of analysis of regulations in other jurisdictions**

City staff reviewed short-term rental regulations in a number of North American jurisdictions. As most jurisdictions are in early stages of implementation and enforcement, they have not yet been able to evaluate their efforts and determine areas of success or areas needing improvement. Below is a summary of approaches taken in regulating short-term rentals across a number of jurisdictions. See Tables 7-1 and 7-2 for further details.

The extent of short-term rental activity that is permitted varies across jurisdictions. Permissions may be rooted in zoning bylaw restrictions, through a cap on the number of nights rented, or principal residence versus investor/commercial type activity.

Night cap and principal residence

Denver, Los Angeles (proposed), New York City, Philadelphia, Portland, San Francisco, Santa Monica, and Vancouver (proposed) are amongst cities that have limited the operation of short-term rentals to only principal residences. Some jurisdictions attempt to do this by limiting the total number of nights a short-term rental may be rented in a year. The purpose behind a cap on short-term rental use may be to ensure that the operator is the principal resident (residing in the dwelling as their principal residence) and to reduce neighbourhood impacts by limiting the extent of the activity taking place in a residence. Some examples of jurisdictions that limit the number of days that short-term rental operations occur are San Francisco (90 days when operator is not present), Portland (95 days unhosted), and New Orleans (90 days for "temporary licence" category). Los Angeles has proposed 180 days within their draft regulations. The night cap poses some challenges for enforcement efforts. In order to proactively enforce such a rule, all short-term rental activity would have to be monitored across companies, to ensure that the number of booked nights does not exceed the prescribed cap.

Limiting short-term rentals to operators' principal residences without a night cap is intended to ensure a level of operator accountability and minimize impact to the availability of housing without relying on a night cap, which is difficult to enforce. Denver, Portland and San Francisco, are examples of jurisdictions that limit short-term rental activity to principal residences. Los Angeles and Vancouver have proposed this limitation in their draft regulations. In New York City and Santa Monica, short-term rentals are only permitted in a principal residence where the operator is present for a hosted stay.

While many jurisdictions reviewed did not permit commercial or investor driven short-term rentals, some permitted the activity with conditions, such as specifying areas of the city and requiring a licence to operate. For example, Austin, Chicago, and New Orleans have licensing systems that permit short-term rentals in principal residences and investor properties/commercial short-term rental activity.

Geographic and building restrictions

Some jurisdictions have regulated where short-term rentals may occur by geography or building type. Limiting short-term rental activity in this way can be used to contain what may be seen as commercial activity to areas in the city that are meant for commercial uses and where there is a reasonable expectation of increased activity and noise. This limitation could also be used as a way of preserving residential areas for long-term dwellers. For example, Chicago prohibits more than six (or one quarter – whichever is less) short-term rental units in a multi-residential building. Chicago also introduced a voluntary prohibited building list for those buildings and condos that prohibit short-term rentals. In Portland, multi-dwelling structures or triplexes with accessory short-term rentals would be limited to 1 unit or 25% of the total number of units in the structure, whichever is greater. The City of Austin limits the number of short-term rental permits issued to a percentage of dwellings within a census tract. Non owner-occupied short-term rentals in multifamily homes (buildings and condos) can only occur in 3% of dwelling units per census tract in residential districts and 25% in commercial districts. Non owner-occupied short-term rentals can only occur in 3% of single family homes, detached homes and duplexes within a census tract. Similarly, New Orleans contains commercial short-term rental activity to only non-residential zones.

Vancouver's proposed short-term rental regulations

In October 2016, staff in Vancouver reported on draft rules for regulating short-term rentals. Staff identified the protection of the supply and affordability of long-term rental housing for Vancouver residents as one of their key objectives. Staff recommended that short-term rental regulations in Vancouver allow owners and renters with a valid business licence to rent part or all of their principal residence on a short-term basis. In order to obtain a short-term rental business licence, staff proposed that an operator must provide proof of principal residence. Commercial or investment activity would be prohibited under this framework. Staff did not recommend a cap on the maximum number of nights rented per year as the proof of principal residence requirement is intended to achieve the same goal. Vancouver City staff will be reporting to Council in the third quarter of 2017 with an implementation plan for the proposed set of regulations.

Table 7-1: Jurisdictional scan of Canadian municipalities*

Jurisdiction	Operator Licence or Registration	Operator Fees	Company Licence	Principal Res. Only	Night Cap	Safety Provisions	Nuisance Provisions	Hotel Tax Applied to STRs	STR Specific Tax
City of Toronto (Proposed)	✓ Operator registry	✓ Fee estimate: \$40 - \$150 annually	✓ Fee estimate: \$5,000 - \$20,000, plus fee per night or listing	✓	✗	✓ Emergency information (911, fire escape route) to guests. Comply with all laws, including Fire Code.	✓ Emergency contact that is reachable while operator is away.	✗	Currently under review.
Province of Quebec	✓ Classification Certificate	✓ \$247.78 annually + \$5.22 per unit annually	✗	✗	✗	✗	✗	✓ 3.5% Lodging Tax	✗
Vancouver (Proposed)	✓ Business Licence	✗ None yet stipulated	✗	✓	✗	✓ Fire and property standards/ building reqs.	✗	✗ 3% Municipal and Regional District Tax	✗

Table 7-2: Jurisdictional scan of American municipalities*

Jurisdiction	Operator Licence or Registration	Operator Fees	Company Licence	Principal Res. Only	Night Cap	Safety Provisions	Nuisance Provisions	Hotel Tax Applied to STRs	STR Specific Tax
Austin	✓ Short-Term Rental Licence 1. Owner occupied 2. Not owner occupied 3. Multifamily/commercial	✓ \$443 for initial application \$236 renewal fee	✗	✗ 3% cap on non-principal res. rentals by census tract	✗	✓ Property standards/building reqs.	✓ Regulations regarding noise Cap on number of adults in unit	✓ 9% Municipal Hotel Occupancy Tax 6% State Hotel Occupancy Tax	✗
Chicago	✓ Vacation Rental Licence	✓ \$250 every 2 years	✓ \$10,000 + \$60 per unit listed	✗	✗	✓ Fire and property standards/building reqs.	✓ Provide guest with contact information; renters must have landlord permission; occupancy limits; no hourly rentals	✓ 4.5% Municipal Hotel Tax 1% State Hotel Operators' Occupancy Tax	✓ 4% Shared Housing Surcharge (not applied to shared space within the unit of a permanent resident)
Denver	✓ Short-Term Rental Business Licence	✓ \$50 every 2 years for a Lodger's Tax ID + \$25 annually for the Short-Term Rental Business License	✗	✓	✗	✗	✗	✓ 10.75% Municipal Lodger's Tax 2.9% State Lodger's Tax	✗
Los Angeles (Proposed)	✓ Transient Occupancy Registration Certificate	✗ None yet stipulated	✗	✓	✓ 180 nights	✓ Fire and property standards/building reqs.	✓ The host shall be responsible for any nuisance violations	✓ 14% Municipal Transient Occupancy Tax	✗

Jurisdiction	Operator Licence or Registration	Operator Fees	Company Licence	Principal Res. Only	Night Cap	Safety Provisions	Nuisance Provisions	Hotel Tax Applied to STRs	STR Specific Tax
Nashville	✓ Short-Term Rental Property Use Permit: 1. Owner-Occupied 2. Not Owner-Occupied 3. Not Owner-Occupied Multifamily	✓ \$50 annual fee	✗	✗ Only 3% of single-detached and two-family units may be short-term rentals within each census tract	✗	✓ Fire and property standards/building reqs.	✓ Abide by noise restrictions and regulations regarding the public peace and welfare	✓ 6% Municipal Hotel Tax \$2.50 per night/unit fee (municipal)	✗
New Orleans	✓ Short-Term Rental Licence: 1. Temporary 2. Accessory (secondary suite or room) 3. Commercial (change of use)	✓ 1. Temporary: \$50 for principal residents, \$150 without 2. Accessory: \$200 3. Commercial: \$500	✗	✗ Principal residents pay lower fee	✓ 90 days for temp. license	✓ Fire and property standards/building reqs.	✓ Notify neighbours; occupancy limits; noise; odours, glare; vibrations, etc.	✓ 4% Municipal Hotel/Motel Sales Tax \$0.50 Hotel Occupancy Tax per night/unit	✓ \$1 per night fee for Housing Improvement Fund
New York City	✗ Short-term rentals are illegal except when owner occupied (Class A multiple dwellings)	✗ No fee	✗	✓	✗	✓ Fire and property standards/building reqs.	✗	✓ 5.875% Municipal Hotel Room Occupancy Tax \$2 Municipal charge per day/room (charge graded based on room rental price) \$1.50 State fee per day/unit	✗

Jurisdiction	Operator Licence or Registration	Operator Fees	Company Licence	Principal Res. Only	Night Cap	Safety Provisions	Nuisance Provisions	Hotel Tax Applied to STRs	STR Specific Tax
Philadelphia	✓ 1. Limited Lodging, Short Term: Primary resident, fewer than 91 nights rented annually 2. Limited Lodging, Home: Primary resident, 91 to 180 days 3. Visitor Accommodation Permit: 180+ nights per year	✓ 1. Limited Lodging, Short Term: no fee 2. Limited Lodging, Home: \$125 annually 3. Visitor Accommodation Permit: \$150 annually	✗	✓ Limited Lodging licences only for primary residents	✓ 90 days for Short Term, 180 days for Home Licence	✓ Fire reqs.	✓ May not disturb neighbours; guests of lodgers only permitted between 8am and 12pm	✓ 8.5% Municipal Hotel Room Rental Tax 6.39% Municipal Business Income Tax	✗
Portland (OR)	✓ Accessory Short-Term Rental Permit: Type A: No more than 2 bedrooms rented to guests Type B: 3 or more bedrooms rented to guests	✓ For permits in 1 or 2 dwelling structures: \$178.08 fee and \$62 renewal annually For permits in multi-dwelling structures, \$100 fee and \$62 renewal annually	✗	✓	✓ Principal resident must occupy dwelling for 270 days annually	✓ Fire and property standards/ building reqs.	✗	✓ 11.5% City of Portland and Multnomah County Transient Lodging Tax 1.8% State Lodging Tax	✗
San Francisco	✓ Business Registration Certificate	✓ \$50 annually + Business Registration Certificate ranging from \$91 to \$251 annually based on income	✗	✓	✓ Principal resident must occupy dwelling for 275 days annually	✓ Fire and property standards/ building reqs.	✗	✓ 14% Transient Occupancy Tax	✗

Jurisdiction	Operator Licence or Registration	Operator Fees	Company Licence	Principal Res. Only	Night Cap	Safety Provisions	Nuisance Provisions	Hotel Tax Applied to STRs	STR Specific Tax
Santa Monica	✓ City Business Licence	✓ \$76 annually	✗	✓	✗	✓ Fire and property standards/ building reqs.	✓ Resident must take responsibility for and prevent any nuisance activities	✓ 14% Municipal Transient Occupancy Tax	✗
Seattle (Proposed)	✓ Short-Term Rental Operator Licence	✓ \$55 to \$110 for a Business License Tax Certificate based on income (under \$500,000 revenue)	✓ Short-Term Rental Platform Licence	✗	✗ Only one short-term rental unit permitted	✓ Fire and property standards/ building reqs.	✗	✓ 0.215% Retail Business Licence Tax	✗

* In some jurisdictions, sales taxes are also applied to short-term rental accommodations. These taxes are remitted by either individual operators or the short-term rental company.