

STR Task Force Matrix Feedback

By Dan Coleman

Thank you for the opportunity to provide feedback on our matrix of possible regulations for STRs in CBJ. This document outlines my specific feedback and suggestions for consideration by the Mayor's Task Force. It is based on all the information we have received and my own thoughts as an owner/operator of 3 STR units in Juneau.

Permit/License Requirements

CBJ should continue the current license requirements.

I would not use the term "permit". Wasilla uses permits that are part of their zoning code and I would not want CBJ to implement a similar system. Wasilla's compliance is effectively zero. CBJ is already doing better and should work to keep compliance high.

If CBJ works with the platforms like Airbnb, VRBO and Booking.com, to collect and remit sales tax, then they can also put in place a required license number field for a property to operate on those platforms. This could encourage compliance and simplify sales tax collection/remittance for STR owner/operators.

Whatever regulations are adopted should be simple for STR owners and easy to enforce for CBJ staff if CBJ wants to keep regulation compliance high. San Francisco currently only has 10-15% compliance. Many communities around the US have compliance of 5% or less [according to Granicus](#).

Zoning Restrictions - Neighborhood and/or Building Restrictions - Density Limits

These ideas do not seem to be of high priority for the Task Force at this time. I would not recommend pursuing any of them at this time.

STR Bans

Based on feedback received so far, this does not seem to be a viable option. I would not recommend pursuing this.

Cap on STR Units

Capping the number of STR units places a significant burden on CBJ staff and discourages compliance by operators. If CBJ wants to maintain high compliance, the Assembly should be careful about overly restrictive regulations and the high burden on staff for enforcement and monitoring.

Many operators also switch between long/medium-term rentals and short-term rentals, depending on the season and demand. This regulation would likely require more staff resources and could be extremely challenging to enforce since operators can move in and out of STR operation at any time.

I don't like the lottery option because it disincentivizes long-term investment and planning. I would not recommend pursuing this.

Minimum Rental Periods

This would be too time intensive for CBJ staff to enforce consistently. The market often sets its own minimums based on the cost and challenge for visitors to travel to Juneau. I would not recommend pursuing this.

Maximum Number of STR Permits per Person

Proxy ownership and LLC ownership is a real threat to bypassing this type of regulation. If CBJ wants to maintain high compliance and not increase the staff burden, I would not recommend this regulation.

Owner Occupancy Requirements

Based on the decline in STRs in Juneau over the past 2 years, and the low number of units relative to the market (2.7% according to member Schijvens data), I don't think this type of regulation is worth considering at this time. If CBJ implements this regulation at this time, the compliance will likely decrease. Even the most progressive STR regulations in Anchorage in 2023/24 did not include this type of restriction. I would not recommend this regulation at this time, but it could be an

option in the future if there is a significant increase in the number of STR units relative to the overall housing market, or there is a substantial increase in owners from outside Juneau.

Residency Requirements

The Commerce Clause creates some legal questions/complications regarding requiring Juneau or Alaska residency to be an STR owner/operator. However, local owners have a far greater interest in investing in their properties and the community. They often donate money and time volunteering in the community. If CBJ wants to encourage an industry that gives back to the community, the Assembly should seriously consider requiring STR owners/operators to be Juneau or Alaska residents. I agree with this regulation, assuming there is a way to do it legally.

Platform Data Sharing

I strongly encourage CBJ to work with the platforms to gather data and find a way to enforce regulatory compliance through licensing and registration numbers required to list properties on the platform. I included additional details in the MOU recommendation at the bottom of this document.

Additional Ideas for Consideration

These ideas are based on the [Anchorage Assembly's work from October 2023 - March 2024](#). These ideas were not included in our recommended guidelines, but they could help meet the goals of the task force.

License Fee

\$400 Annual fee for each STR property licensed. This fee is waived where the STR is the applicant's primary residence, resides on site or the premises, or resides in immediately adjacent property. This is a way to encourage owner/operators to be local and places a larger financial burden on out-of-town operators who are using their STR as a larger commercial venture. Other options could be a sliding scale of fees based on how many units an operator owns.

Fines/Penalties

Fines and penalties for non-compliance, operating without a license, or advertising violations help encourage compliance and offset CBJ enforcement costs. Anchorage set their fees to:

- 1st offense - warning
- 2nd offense - \$100
- 3rd and subsequent offense - \$300

Owner Affidavit

Requiring an owner/operator to sign an affidavit agreeing to minimum insurance and safety requirements encourages safer operation and ensures protections for visitors. Examples of requirements can include:

- Minimum liability insurance
- Smoke detector
- Carbon monoxide detector
- Fire extinguisher
- Trash & garbage storage
- Noise nuisance

Biennial Renewal

This may lower the level of burden on staff and businesses, encouraging higher compliance.

Automatic Renewal

To reduce enforcement burdens, CBJ could automatically renew STR registrations unless a host decides to stop hosting short-term stays, or the short-term rental is the subject of multiple local code violations.

License Transfer Limitations

The license shall expire upon sale or transfer of the property. The license shall not be transferred or assigned to another individual, person, entity, or address but may be managed by a third party on behalf of the owner. This ensures accurate registration and safety information for the guests and owners.

MOU with platforms

The Task Force has already recommended that the Assembly consider a Voluntary Collection Agreement with Airbnb for collecting sales/lodging taxes. However a Memorandum of Understanding (MOU) typically focuses on issues such as disclosing data, posting property registration numbers and removing illegal listings. CBJ should pursue this with other platforms as well, including VRBO and Booking.com.

In the City of Portland, OR's MOU with Airbnb, the two parties share duties: Airbnb is responsible for regularly reporting data about hosts and properties, and Portland is responsible for using the information it receives to verify that hosts have properly registered. This is recommended on page 29 of the [Short-Term Rental Regulations: A GUIDE FOR LOCAL GOVERNMENTS by the NATIONAL LEAGUE OF CITIES](#)