

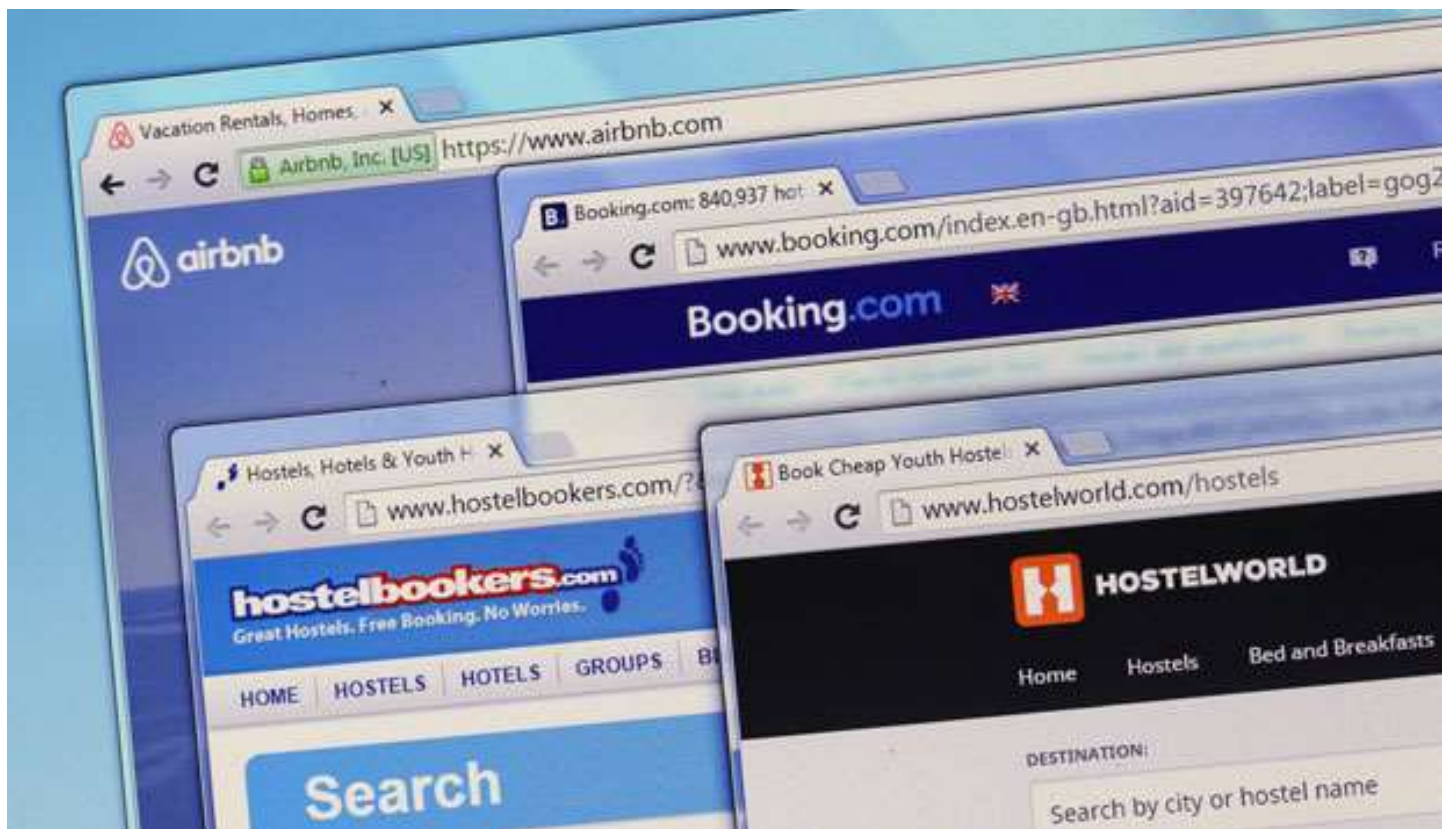
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# 12 Examples of Short-Term Vacation Rental Regulations

November 22, 2017 by [Steve Butler](#)

Category: [Tourism, Licensing and Regulation](#)



The issue of internet-based, short-term vacation rentals has been in the news for a few years now. From the consumers' perspective, they are more popular than ever, but many local governments are still wres [Back to top](#) :stions about whether this industry should be regulated and, if so, how?

For communities in Washington State (and elsewhere) without an active tourist market, short-term rentals are not a major issue and those local governments don't usually have regulations addressing them. For those local governments with a significant number of tourists or transient visitors, however, these jurisdictions either already have regulations in place or are contemplating adopting them.

[Kirkland](#) and [Walla Walla](#) recently adopted new regulations on short-term rentals. Other cities, such as [Seattle](#) and [Bellingham](#), are currently developing regulations for these types of rental properties. A [recent public radio feature segment](#) highlighted a referendum placed on Gearhart, Oregon's November 7, 2017, ballot by vacation rental property owners that would've repealed and replaced that town's short-term vacation rental regulations with less restrictive ones. The referendum was defeated by a [reported vote tally](#) of 77% against and 33% in favor of repeal.

## Summary of Local Government Issues/Concerns

Most local governments' concerns about short-term rentals fall into at least one of the following categories:

- Collection of lodging and sales tax on these short-term rental stays;
- Mitigation of traffic, parking, noise, and other impacts on the surrounding neighborhood; and
- Compliance with life/safety standards that are commonly applied to other types of lodging establishments (such as hotels, motels, and bed-and-breakfasts).

Another issue of increasing concern is the impact of short-term rentals on a community's affordable housing supply. In this case, the concern isn't necessarily about a homeowner renting out a room or backyard cottage to help with monthly mortgage payments. Instead, local governments fear that property owners will purchase residential units and rent them out on a short-term basis to out-of-town visitors, thereby taking them out of the year-round rental housing supply.

In fact, [Vancouver, BC](#), just passed regulations allowing homeowners or renters to rent out some or all of their principal home, but prohibits the rental of a secondary residence or a "laneway home" — what we in the U.S. would call a detached accessory dwelling unit (ADU) or a backyard cottage. A major driver for that action was the concern about the impact of short-term vacation rentals on the city's already tight rental housing market.

## Regulatory Examples

The following examples from local governments span the spectrum jurisdictions have taken on short-term rentals, from a strict approach to those that only lightly regulate them.

### Washington State Examples

[Clyde Hill's](#) Municipal Code addresses short term rentals in [Chapter 5.20](#), requiring that they be permitted, that the operator have a business license, and that rentals meet minimum standards in order to qualify.

**Ilwaco's** Municipal Code allows vacation rentals as a conditional use in single-family, residential zones and as a permitted use in other specified zones, and sets minimum standards for rentals to maintain in [Chapter 15.41](#).

**Leavenworth's** Municipal Code [Chapter 18.52, Section 120](#) allows “bed-and-breakfasts” as a conditional use, so long as the owner resides on the premises during a visitor’s stay, and the operation meets other standards.

**Poulsbo's** Municipal Code [Chapter 18.70 \(Residential Districts\), Section 070](#) states “an ADU may not be used as a short-term rental and must be rented for a minimum of 90 days or more.”

**San Juan County's** Municipal Code [Chapter 18.40, Section 270](#) establishes standards for use of single-family residences and ADUs as short-term rentals.

**Spokane's** [Short-Term Rentals webpage](#) describes that city’s standards for two categories of short-term rentals:

1. Type A, which requires an administrative permit, where bedrooms or an entire dwelling unit can be rented but commercial meetings are prohibited
2. Type B, which requires a type III conditional use permit, where bedrooms or an entire dwelling unit can be rented and commercial meetings are allowed

**Tacoma** offers a 1-page [Short-Term Rental Fact Sheet](#) while **Walla Walla's** regulations are highlighted on its [Short-Term Rental FAQ webpage](#).

Finally, **Westport's** Municipal Code [Chapter 17.22 on Vacation Rental Dwellings](#) addresses its standards and permitting requirements for short-term rentals.

### Out-of-State Examples

**Boulder's (CO)** [Short-Term Rentals webpage](#) includes a link to a [short-term rental license application packet](#).

**Durango (CO)** maintains a [Vacation Rental Information webpage](#) that details a relatively strict rental code, including a maximum number per block/intersection for designated residential areas. The city requires a rental license, which can be revoked if the Land Use Development Code is violated. The [Land Use and Development Code, Section 2-2-3-4, Subsection G](#) outlines the variety of standards vacation rental homes must meet. For more information on the city’s regulatory strategy, check out the following presentation made by Durango City Planner Phillip Supino: [Preserving Housing through Short Term Rental Regulation](#)

**San Francisco's (CA)** [Office of Short-Term Rentals webpage](#) includes a lot of links to good information about local requirements. In order to legally rent a home as a short-term rental (less than 30 nights), a prop

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- You must be the **permanent resident** of the unit that you wish to rent;
- You must register as a business;
- You must become a certified host; and
- You may rent a portion of your residence for an unlimited number of nights if you (the owner) are also present, but there is a maximum of 90 **unhosted** nights per calendar year.

In conclusion, if you are considering short-term rental regulations for one or more of the reasons described above, there are a lot of local government examples available for review.

## Questions? Comments?

If you have had experience with short-term rentals in your community or have developed an approach that has been working, please leave a comment below or contact me directly at [sbutler@mrsc.org](mailto:sbutler@mrsc.org). If you have questions about this or other local government issues, please use our [Ask MRSC form](#) or call us at **(206) 625-1300** or **(800) 933-6772**.

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### About Steve Butler

Steve joined MRSC in February 2015. He has been involved in most aspects of community planning for over 30 years, both in the public and private sectors. He received a B.A. from St. Lawrence University (Canton, New York) and a M.S. in Urban and Regional Planning from the University of Wisconsin-Madison. Steve has served as president of statewide planning associations in both Washington and Maine, and was elected to the American Institute of Certified Planner's College of Fellows in 2008.

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