



Short Term Rental Technical Memo

To: City Council, City of Tenino

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Date: July 15, 2026

Project: Short Term Rental Code | City of Tenino

Subject: Request for Authorization to Develop Short-Term Rental Regulations

Introduction:

The City of Tenino Planning Commission has begun discussing whether the City should develop regulations addressing short-term rentals, including rentals advertised through platforms such as Airbnb and VRBO.

At its July 7th, 2026 meeting, the Planning Commission reviewed the City's existing regulations, discussed potential policy approaches, and expressed support for further development of a short-term rental ordinance. The Commission requested that the matter be forwarded to the City Council for authorization before staff and the City's planning consultant proceed with additional research and code development.

The requested Council action is limited to authorizing staff and the City's planning consultant to begin preparing potential short-term rental regulations for future public review. Authorization would not establish a final policy or commit the Council to allowing short-term rentals in any particular zoning district or housing type. Any proposed regulations would return to the Planning Commission and City Council through the City's normal legislative review process before adoption.

Background:

Tenino's current development regulations do not recognize short-term rental units as conventional lodging, the code does not identify short-term rentals as an allowed use, assign them to particular zoning districts, or establish an approval process or operating standards.

The City's lodging regulations generally address residential or sleeping units rented for periods of less than 31 days. However, the definition of "conventional lodging" expressly excludes short-term rental units. Short-term rentals are also not separately included in the City's zoning use tables.

RCW 64.37.010 specifies the following:

(9)(a) "Short-term rental" means a lodging use, that is not a hotel or motel or bed and breakfast, in which a dwelling unit, or portion thereof, that is offered or provided to a guest by a short-term rental operator for a fee for fewer than thirty consecutive nights.

(9)(b) "Short-term rental" does not include any of the following:

- (i) A dwelling unit that is occupied by the owner for at least six months during the calendar year and in which fewer than three rooms are rented at any time;
- (ii) A dwelling unit, or portion thereof, that is used by the same person for thirty or more consecutive nights; or
- (iii) 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, or is classified by the federal 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, or their family members.

Under TMC 108.40.020.D, uses that are not listed within a zoning district are considered prohibited unless the City staff determines through an interpretation that the use may be allowed. As a result, the code currently lacks a clear and predictable process for reviewing a proposed short-term rental.

This does not necessarily mean that the City must allow short-term rentals. It means that the City's current code does not clearly state whether, where, or under what conditions they may operate.

State Regulatory Framework

Washington law does not require the City of Tenino to allow short-term rentals. The City retains discretion to determine whether short-term rentals are permitted, the zoning districts or housing types in which they may operate, and the local permitting and operating standards that apply. However, if short-term rentals are allowed, operators must comply with the statewide requirements in Chapter 64.37 RCW. The City must also follow applicable Growth Management Act and State Environmental Policy Act procedures when adopting the code amendments.

RCW/WAC	Requirement or Authority	Who Must Comply?	Implication For Tenino
RCW 64.37.010	Defines a short-term rental as a dwelling unit or portion of a dwelling offered for a fee for fewer than 30 consecutive nights, excluding hotels, motels, bed and breakfasts, and certain other arrangements. The statutory definition also excludes an owner-occupied dwelling in which fewer than three rooms are rented when the owner occupies the dwelling for at least six months of the calendar year.	Applicable to operators, platforms, and enforcement agencies.	The City is not expressly required to use the state definition word-for-word. However, aligning the local definition with RCW 64.37.010 would reduce ambiguity. The City should carefully address hosted room rentals because some arrangements are excluded from the state definition even though the City could still regulate them under another local use category.
RCW 64.37.020	Requires short-term rental operators to remit all applicable local, state, and federal taxes unless a rental platform collects and remits those taxes on the operator's behalf. This includes applicable sales, lodging, occupancy, and similar taxes or assessments.	Short-term rental operators and platforms.	The City does not need to duplicate state tax administration in the zoning code. The local regulations could require applicants to acknowledge responsibility for applicable taxes and obtain required business licenses. The City should coordinate any local licensing provisions with its existing business-license procedures.
RCW 64.37.030(1)	Requires operators to provide guests with contact information, comply with carbon monoxide alarm requirements, and conspicuously post the rental address,	Short-term rental operators.	Operators must comply whether or not these requirements are repeated in the City code. Incorporating them into the local application checklist or permit conditions would make the

RCW/WAC	Requirement or Authority	Who Must Comply?	Implication For Tenino
	emergency contact information, a floor plan showing exits and escape routes, maximum occupancy, and operator or designated-contact information.		requirements easier to administer and communicate.
RCW 64.37.030(3)	Requires the city to issue a warning letter for a first violation of the state consumer-safety requirements. A subsequent violation is a class 2 civil infraction under Chapter 7.80 RCW.	City and short-term rental operator.	Yes, this provision applies to the City when enforcing RCW 64.37.030. Tenino should coordinate with the City Attorney before creating a local enforcement process so the ordinance distinguishes state consumer-safety violations from violations of local permit or operating standards.
RCW 64.37.040	Requires short-term rental platforms to register with the Washington Department of Revenue and provide operators with information regarding taxes, safety requirements, and potential insurance limitations.	Short-term rental platforms.	No direct City compliance action is required. The City would not be responsible for registering or regulating the platforms under this section. Local regulations may still require an operator to provide listing information or include a City permit number in advertisements if the City chooses to establish that requirement.
RCW 64.37.050	Requires an operator to maintain at least \$1 million in primary liability insurance for the short-term rental or conduct each transaction through a platform providing equal or greater coverage.	Short-term rental operators.	Operators must comply with this requirement. Tenino could require proof of coverage as part of an application or renewal process. The ordinance should not establish a lower standard that could be interpreted as replacing the state requirement.
RCW 36.70A.680	Cities may restrict ADUs from being used as short-term rentals, apply general applicable health, safety, building, environmental, and wastewater requirements, prohibit ADUs on lots not served by public sewer, and limit ADUs in low-density residential areas containing critical areas.	City of Tenino	The key point is that state law requires the City to allow and regulate ADUs consistent with RCW 36.70A.680 and RCW 36.70A.681, but it does not require the City to allow ADUs to operate as short-term rentals. The City may prohibit or condition that use separately through its short-term rental regulations.
RCW 35.21.682	Generally prohibits cities and towns from limiting the number of unrelated persons who may occupy a household or dwelling unit. The statute expressly allows occupancy limits for short-term rentals, as well as lawful occupant-load and generally applicable health and safety standards.	City of Tenino	The City may establish occupancy limits specifically for short-term rentals. Any limit should be clearly connected to the short-term rental use, building capacity, parking, wastewater capacity, or health and safety rather than operating as a general restriction on unrelated persons.
RCW 36.70A.106	Requires a city proposing permanent amendments to development regulations to notify the Washington Department of Commerce at least 60 days before final adoption. The City must transmit the adopted regulations to Commerce within 10 days following adoption. An expedited review may be requested.	City of Tenino	Yes. If the short-term rental ordinance amends zoning or other GMA development regulations, Tenino must complete the Commerce notice process before final adoption.

Local Regulatory Authority

Chapter 64.37 RCW establishes minimum statewide requirements for short-term rental operators and platforms, but it does not direct cities to permit short-term rentals or establish a uniform local zoning framework. Tenino may therefore decide:

- Whether short-term rentals are permitted at all;
- Where they may be located;
- Whether they may operate in principal residences, detached ADUs, or other dwelling types;
- Whether owner occupancy is required;
- Whether a registration, business license, land use permit, or combined approval is required;
- What parking, occupancy, garbage, noise, local-contact, inspection, and complaint-response standards apply; and
- Whether approvals may be suspended or revoked for repeated violations.

Purpose of Developing Short-Term Rental Regulations

The primary purpose of developing regulations would be to replace the current uncertainty with an explicit City policy. A code update would allow the City Council to determine whether short-term rentals should be allowed and, if so, establish standards appropriate for Tenino.

Development of an ordinance would provide an opportunity to address the following issues.

Clear Direction for Property Owners and City Staff

An express short-term rental use category would clarify whether the use is permitted, where it may be located, and what approvals are required.

Without specific standards, property owners may not know whether a proposed rental is lawful, and City staff may have to rely on case-specific interpretations. A code amendment could establish a consistent administrative process and reduce the potential for differing interpretations.

Proactive Regulation

A preliminary review conducted for the Planning Commission did not identify a significant concentration of active short-term rentals within Tenino. However, online listings change frequently, may not identify precise locations, and may include properties outside the city limits. The preliminary review should therefore not be treated as a complete inventory.

The apparent limited level of current activity gives the City an opportunity to consider the issue before short-term rentals become widespread. Establishing a policy in advance may be administratively easier than responding after multiple rentals have begun operating under unclear regulations.

Neighborhood and Operational Standards

Short-term rentals can create issues that differ from those associated with permanent residential occupancy. Depending on the type and intensity of the rental, these may include:

- Parking demand;
- Noise and quiet-hour compliance;
- Garbage and recycling;

- Maximum occupancy;
- Emergency and life-safety information;
- Identification of a responsible local contact;
- Response to complaints; and
- Enforcement against repeated violations.

Regulations could establish basic expectations for operators and guests while allowing the City to tailor requirements to the anticipated scale of short-term rental activity in Tenino.

The City would not necessarily need to adopt the more extensive regulatory systems used by larger or tourism-oriented communities. The code could instead establish a relatively simple registration, licensing, or permit process proportional to Tenino's needs.

Housing Supply Considerations

Short-term rentals can affect housing supply differently depending on the type of rental being operated.

An owner renting a room within an occupied home may have less effect on long-term housing availability than the year-round conversion of an entire dwelling into visitor lodging. Similarly, allowing a detached accessory dwelling unit to be used as a short-term rental may create a visitor accommodation and an income source for the property owner, but it could also remove that unit from the long-term rental market.

Tenino's existing accessory dwelling unit regulations state that the intent of ADUs is to provide workforce housing. Any short-term rental proposal involving ADUs should therefore consider how the regulations would relate to that stated purpose.

Developing an ordinance would allow the City to distinguish among different short-term rental models rather than applying the same rules to every type of rental.

Planning Commission Discussion and Preliminary Direction

During its initial discussion, the Planning Commission expressed support for moving forward with development of short-term rental regulations, subject to City Council authorization.

The Commission's preliminary discussion included consideration of the following:

- Clearly and expressly identifying whether short-term rentals are allowed;
- Establishing a defined application and approval process;
- Evaluating whether short-term rentals should be allowed in detached accessory dwelling units rather than principal single-family residences;
- Considering whether short-term rental allowances could provide an incentive for the development of detached ADUs;
- Reviewing available short-term rental data;
- Developing practical operating and enforcement standards; and
- Contacting Westport, Langley, and Olympia staff regarding implementation and code enforcement experience.

Potential Code Development Process

If authorized by the City Council, the next phase would generally include:

1. Review of applicable Tenino zoning, lodging, ADU, business licensing, nuisance, and enforcement provisions.
2. Review of short-term rental approaches used by selected Washington jurisdictions.
3. Outreach to municipal staff with experience administering short-term rental regulations.
4. Evaluation of potential permit, registration, licensing, inspection, and enforcement processes.
5. Preparation of regulatory alternatives for Planning Commission consideration.
6. Preparation of draft code amendments based on Planning Commission and City Council direction.
7. Planning Commission review and public hearing.
8. City Council review, public hearing, and consideration of adoption.

The process would provide multiple opportunities for the Planning Commission, City Council, property owners, residents, and other interested parties to comment before any regulations are adopted.

Recommended Compliance Approach

If the City proceeds with an ordinance, the application or approval process should require operators to certify compliance with Chapter 64.37 RCW. At minimum, the City could require:

1. Operator and local-contact information;
2. A floor plan identifying exits and escape routes;
3. A stated maximum occupancy;
4. Confirmation of required carbon monoxide alarms and other applicable life-safety measures;
5. Proof of the liability insurance required by RCW 64.37.050;
6. Acknowledgment of applicable business-license and tax obligations; and
7. Agreement to maintain the information required to be posted within the rental under RCW 64.37.030.

This approach would create a clear local permitting pathway while avoiding unnecessary duplication of state tax and platform-registration requirements. Because RCW 64.37.030 assigns a specific enforcement role to the city or county attorney for state consumer-safety violations, the final enforcement language should be reviewed by the City Attorney before adoption.

Policy Questions for Consideration

Authorization to proceed would begin the policy-development process. It would not resolve the following questions, which would require further discussion:

- Should short-term rentals be allowed within Tenino?
- In which zoning districts or housing types should they be allowed?
- Should the City distinguish between hosted rentals and rentals of an entire dwelling?
- Should short-term rentals be allowed only in detached ADUs?
- Should the principal residence or the ADU be required to remain owner-occupied?
- Should short-term rentals be prohibited within principal single-family residences?
- Should the City require registration, a business license, a land use permit, or a combination of approvals?
- What standards should apply to occupancy, parking, safety, local contacts, garbage, noise, and complaint response?
- Should the City monitor activity before considering numerical caps or additional limitations?

These questions would be evaluated during development of the ordinance and would return to the City Council before adoption.

Conclusion

Tenino's current code does not clearly establish whether or how short-term rentals may operate. Developing regulations would give the City an opportunity to establish an explicit policy, provide a predictable review process, address potential neighborhood and housing impacts, and determine what form of short-term rental activity is appropriate for the community.

The Planning Commission supports proceeding with further research and ordinance development. Staff is requesting City Council authorization to move forward with that work. Any draft regulations would be subject to additional Planning Commission and City Council review, public notice, and public hearings before adoption.

Recommended Motion

I move to authorize City staff and the City's planning consultant to proceed with research and development of potential short-term rental regulations for review by the Planning Commission and City Council. This authorization does not constitute approval of a particular regulatory approach or authorization of short-term rentals within the City.