

TOWN OF TRUCKEE
California

ORDINANCE 2024-08

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF TRUCKEE, AMENDING
CHAPTERS 3.24 AND 5.02 OF THE TRUCKEE MUNICIPAL CODE PERTAINING TO
TRANSIENT OCCUPANCY TAX AND TRANSIENT RENTALS OF RESIDENTIAL UNITS**

WHEREAS, the Truckee Town Council has previously adopted Chapter 3.24 of the Truckee Municipal Code, pertaining to the Town's transient occupancy tax; and

WHEREAS, the Truckee Town Council has previously adopted Chapter 5.02 of the Truckee Municipal Code, establishing a regulatory structure for properties used as short-term rentals; and

WHEREAS, the Municipal Code establishes fines for violations of Chapters 3.24 and 5.02, which pertain to transient occupancy taxes and operating requirements for transient rentals, respectively; and

WHEREAS, the Truckee Town Council wishes to establish specific registration procedures and requirements and operating standards for hosted rentals by incorporating such standards into Chapter 5.02 of Truckee Municipal Code; and

WHEREAS, the Truckee Town Council wishes to establish the permissible fine amounts for hosted rentals for any violation of a Chapter 5.02, which is an infraction, to a maximum of \$500 for a first violation, \$1,000 for a second violation of an ordinance within one year, and \$1,500 for each violation of the same ordinance within one year of the first violation; and

WHEREAS, the Town Council wishes to amend various provisions of these ordinances in order to clarify them, make the Municipal Code more internally consistent, and facilitate the implementation of the ordinances by Town staff; and

WHEREAS, the Town Council does not intend, through the adoption of this ordinance, to amend Chapter 3.24 in any way that would increase the rate of taxation set forth therein or expand the incidence of taxation;

The Town Council of the Town of Truckee Does Ordain as Follows:

Section 1. The recitals above are incorporated herein.

Section 2. This ordinance does not qualify as a "project" subject to the California Environmental Quality Act ("CEQA") because the ordinance will not result in a direct or reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines, § 15060(c)(2)-(3), 15378.) Notably, the ordinance serves to establish a cap on the number of transient occupancy registration certificates issued for short-term rental properties, allows for some

transient occupancy registration certificates to be provided to developers of workforce housing, and harmonizes provisions of the Municipal Code relating to transient occupancy registration certificates. The ordinance will not result in any construction or any other physical change to the environment. Moreover, the ordinance does not change the land use designation or zoning for any site within the Town's boundaries. Thus, the ordinance will not result in direct or reasonably foreseeable indirect physical changes in the environment and is not a "project" within the meaning of CEQA.

In the alternative, if the ordinance is a project subject to CEQA, the ordinance is exempt from environmental review for at least two reasons. First, and for the same reasons the ordinance does not qualify as a "project," the ordinance falls within the "common sense" exemption because "it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." (State CEQA Guidelines, § 15061(b)(3).) Specifically, and as noted above, the ordinance will not result in any construction or any other physical change to the environment, and it will not change any land use designation or zoning for any site within the Town's boundaries. There is thus no possibility that the ordinance would have a significant effect on the environment.

Second, the ordinance falls within the Class 1 categorical exemption, which applies to the operation, permitting, and licensing of existing structures where the activity in question results in negligible or no expansion of use. (State CEQA Guidelines, § 15301.) Here, the ordinance relates to transient occupancy registration certificates issued for short-term rental properties for units that have already been constructed in the Town; accordingly, the ordinance relates to the operation, permitting, and licensing of existing structures as short-term rental properties, and the ordinance does expand the existing use of these properties. The ordinance does not authorize the construction of new uses and does not result in land use or zoning changes, which could alter the density of development on sites where short-term rental uses could occur. In fact, the ordinance seeks to limit the number of transient occupancy registration certificates that the Town issues going forward. To the extent that the ordinance incentivizes construction of workforce housing in other areas of the Town by making available transient occupancy registration certificates to those projects, the incentive would not intensify residential development in the Town. Any new housing projects will be fully evaluated for CEQA compliance and any future transient occupancy registration certificates that are issued would have to comply with the Town's existing regulations for short-term rental uses. The ordinance is thus categorically exempt from CEQA.

With regard to the Class 1 categorical exemption, none of the exceptions to the Class 1 exemption apply as the ordinance will not result in any physical change to the environment and will not result in any potentially significant impact. (State CEQA Guidelines, § 15300.2.)

Each of the foregoing justifications fully and independently exempts the whole of the action from environmental review under CEQA.

Section 3. Chapters 3.24 and Chapter 5.02 of the Truckee Municipal Code are hereby amended to read as set forth in Exhibits A and B, respectively, attached hereto and incorporated herein by reference.

Section 4. If any provision of this ordinance or the application thereof to any person or circumstances is held by a court of competent jurisdiction to be invalid, such invalidity shall not affect other provisions or applications, and to this end the provisions of this ordinance are declared to be severable.

Section 5. The Town Clerk is hereby directed to publish this ordinance or a summary thereof in accordance with the law.

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The foregoing ordinance was introduced at a regular meeting of the Truckee Town Council held on the 12th day of November 2024, and adopted at a regular meeting of the Truckee Town Council, on the ____ day of ____, 2024; _____ moved for the adoption, the motion was seconded by _____ and was carried by the following vote:

AYES:

NOES:

ABSENT:

David Polivy, Mayor

ATTEST:

APPROVED AS TO FORM:

Kelly Carpenter, Town Clerk

Andy Morris, Town Attorney