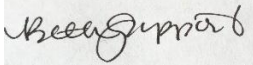




Director's Rule Template

Department: City of Seattle Department of Finance and Administrative Services	Rule No: STR-5	Supersedes: City Clerk File No. 321082
	Publication: 10/31/2022	Effective: 1/1/2023
Subject: Licensing Fees	Code and Section Reference(s): SMC 6.600.090	
Approved:  <hr/> Division Director  <hr/> Business Unit Officer  <hr/> Kiersten Grove, Deputy Department Director	 <u>December 16, 2022</u> Date <u>December 16, 2022</u> Date <u>12/21/2022</u> Date	

City of Seattle Rules for Short-Term Rentals
Director's Rule STR-5, Licensing Fees
SMC 6.600.090

Director's Rule STR-5, Licensing Fees
SMC 6.600.090

This rule describes the fees to be paid by short-term rental (STR) platforms and operators as a condition of licensing and as specified in the Seattle Municipal Code (SMC).

Overview

The licensing fees imposed pay for the administrative, enforcement and regulatory costs incurred by the City to regulate the STR industry, including all platforms and operators participating within it.

Review of Licensing Fees

The Department of Finance and Administrative Services (FAS) Director or his or her designee (the Department Director) will review annually, or as needed, the platform and operator licensing fee amounts and make any necessary adjustments to this rule to ensure the fees achieve full recovery of the City's administrative, enforcement and other regulatory costs.

In addition to the factors outlined in SMC 6.600.090.D, the Department Director will consider the appropriate level of staffing needed for enforcement against illegal activity and the resources needed to issue platform and operator licenses. As the actual number of platform and operator licenses issued may be higher or lower than the projected numbers used to set the initial fee amounts, upon the Director's review, the licensing fee amounts may increase or decrease.

Licensing Fees for Platforms

As a condition of licensing, each platform, as defined in SMC 6.600.030 and Director's Rule STR-3, will pay a quarterly fee based on the total number of nights booked for short-term rental use through the platform. Effective January 1, 2023, the booking fee will be \$4 per dwelling unit for each night booked. The City bases this fee amount on its projected 2023 and 2024 program revenue and expenditures costs

The per night booked fees will be calculated and paid on a quarterly basis. If a platform fails to provide complete data and information as required by SMC 6.600.060.D and Director's Rule STR-4 (Short-Term Rental Platforms General Provisions), the Department Director may estimate, based on available data, the quarterly licensing fee.

A platform's fee payment is due 30 calendar days after the end of each quarter. This schedule allows for a platform to submit its quarterly data report, the City to generate an invoice for the fee amount owed and the platform to remit payment (please refer to Director's Rule STR-4). If the due date for submitting a report and payment falls upon a Saturday, Sunday or legal holiday, the filing is timely if the report is either (i) received by the City (in the City's possession), or (ii) postmarked by the United States Postal Service, on the next business day.

The fee per night booked may apply to the same dwelling unit if that unit was booked using different platforms in the same quarter. For example, if dwelling unit A is booked through platform A for five nights in the first quarter and booked through platform B for five nights in the first quarter, platforms A and B are both responsible for remitting \$20 each for dwelling unit A as part of their fee payments to the City.

The per booked night fee will apply to all dwelling units used by the operator as a short-term rental primary, secondary and any additional allowed by SMC 6.600.

Licensing fees for platforms are non-refundable and non-transferable.

Licensing Fees for Operators

As a condition of licensing and effective January 1, 2019, a short-term rental operator (or a bed and breakfast operator) will pay a \$75 fee per dwelling unit annually. The fee must be paid at the time an operator submits a licensing application to the City.

The City will issue an operator one license, but the fee amount associated with that license will be based on the number of dwelling units or portions thereof the operator chooses, and is legally permitted, to operate.

Some examples:

1. If an operator's STR consists of multiple rooms (three) in one dwelling unit, the license fee would be \$75, assuming the operator has no additional STRs.
2. Accessory dwelling units (ADUs) and detached accessory dwelling units (DADUs) are dwelling units separate from the primary residence. An operator using an ADU or DADU as an STR would pay \$75 (in addition to fees for any other unit(s)).
3. Each unit within a duplex is a separate dwelling unit and would have a license fee of \$75 per separate unit (e.g., $\$75 \times 2 = \150 for a duplex). If the duplex operator can legally operate an additional STR, then the license fee would increase by \$75 for that unit.

Licensing fees for operators are non-refundable and non-transferable.