



Applicant:  City of Seattle  Department of Finance and Administrative Services	Page:  1 of 2	Revises:  New
	Publication:  10/2/2018	Effective:  1/1/2019
Director's Rule:  STR-1, Primary Residence	Code and Section Reference:  SMC 6.600.030	
	Type of Rule:  Code Interpretation	
	Ordinance Authority:  SMC 6.600.100	
Approved:  <hr/>		
Calvin W. Goings, Department Director		Date

**City of Seattle Rules for Short-Term Rentals**  
**Director's Rule STR-1, Primary Residence**  
**SMC 6.600.030**

This rule defines a primary residence as the term applies to a short-term rental (STR) operator and describes evidence that may be used to document the operator's primary residence. An operator may only have one primary residence as specified in the Seattle Municipal Code (SMC).

**Overview**

The STR license is designed to limit the number of and regulate the operation of STR properties.

**Definition and Application**

Primary residence means a person's usual place of return for housing where one makes their home and conducts their daily affairs, including, without limitations, paying bills and receiving mail. A primary residence is generally the dwelling unit with the residential address used on documentation related to identification, taxation and insurance purposes, including, without limitation, income tax returns, medical service plans, voter registration, pay check stubs, lease or rental agreement, mortgage agreement, bank statements, driver's license, valid state identification, and/or vehicle registration.

As part of the license application or renewal process (e.g., to validate an operator meets and does not exceed restrictions on the number of allowed units), the Director will require that an operator provide two supporting documents verifying the address of the primary residence. Supporting documents include, but are not limited to, the documentation described above.

In some instances, a business entity may offer a unit for short-term rental use. Each principal, as defined by SMC 6.600.030, in the business entity may have a property interest in no more than two short-term rental units, one of which is the principal's primary residence or the primary residence of one of the principal's members listed on the same short-term rental license. SMC 6.600.040.B.1, 6.600.040.B.2 and 6.600.040.B.3 provide the exceptions to this.



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Director's Rule:	Code and Section Reference:	
STR-2, Monitoring Listings for Compliance	SMC 6.600.060.C	
	Type of Rule:	
	Code Interpretation	
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	SMC 6.600.100	
Approved:		
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Calvin W. Goings, Department Director		Date

**City of Seattle Rules for Short-Term Rentals**  
**Director's Rule STR-2, Monitoring Listings for Compliance**  
**SMC 6.600.060.C**

This rule describes the process for monitoring short-term rentals (STR) and bed and breakfast listings for compliance and notifying STR platforms of any noncompliant listings as specified in the Seattle Municipal Code (SMC).

**Monitoring Listings**

Periodically, but at least monthly, FAS will review the listings on each STR platform for compliance with SMC 6.600. After the reviews, FAS will provide the STR platforms with a spreadsheet identifying which listings are noncompliant and including the following information, if available:

1. The STR platform's license number (issued by the City)
  - a. For the same unit listed on multiple platforms, FAS will notify each platform of the noncompliant listing
2. The operator's license number (issued by the City)
3. The STR listing's Uniform Resource Locator (URL)
4. The reason for listing ineligibility, which may include:
  - a. The operator lacks a valid STR license;
  - b. The operator lacks a valid City of Seattle business license and/or
  - c. The operator has failed to comply with the requirements listed in SMC 6.600.070 or SMC 6.600.080.

FAS will send this spreadsheet via electronic mail ("email") at the email address provided by the STR platform or via an application programming interface (using the technology system from which FAS will manage STR licensing and enforcement). FAS will deliver the spreadsheet by a mutually agreed upon date or the date selected by the Director.

STR platforms will be responsible for providing FAS an email address that will accept delivery of the spreadsheet. Notice that is sent via email to the designated address will be deemed effective and complete at the time it is sent.

STR platforms will inform FAS within 48 hours after receipt of FAS's spreadsheet whether the STR platform will take action against the listings identified in FAS's spreadsheet and the timeline for taking such action.

**Emergency Situations**

Outside of the normal notification process, FAS will notify the appropriate platform(s) if FAS has reason to believe the building or unit(s) presents a threat to the health or safety of potential occupants, of the occupants of neighboring buildings or of the public. Such reasons may include, but are not limited to, scenarios in which FAS has received notification of:

1. Illegal activity at an STR unit;
2. An STR operator has been accused of committing a serious crime;
3. A complaint indicating immediate harm to guest from renting a unit or
4. The condition of the building or unit(s) poses an imminent threat as determined by the Director of the Seattle Department of Construction and Inspections.

In such instances, FAS will actively coordinate with relevant City departments as needed before notifying the appropriate STR platform(s). The STR platform(s) will provide FAS with a status update, within 24 hours, on whether the STR platform will take action against the listings identified in FAS' spreadsheet.

Nothing in this rule prohibits or restricts FAS from taking enforcement action against the platform pursuant to SMC 6.600.110.A.2.

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Director's Rule:  STR-3, Licenses and License Applications	Code and Section Reference:  SMC 6.600.040, .050, .070, .080 and .150	
	Type of Rule:  Code Interpretation	
	Ordinance Authority:  SMC 6.600.100	
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Calvin W. Goings, Department Director		Date

**City of Seattle Rules for Short-Term Rentals**  
**Director's Rule STR-3, Licenses and License Applications**  
**SMC 6.600.040, .050, .070, .080 and .150**

This rule describes the licenses required for short-term rental (STR) platforms and operators and the processes to apply for a new license and to renew an existing license as specified in the Seattle Municipal Code (SMC).

**License Required**

Both STR platforms and operators, including bed and breakfast operators using a platform to list a bed and breakfast unit, require an annual license to legally operate a dwelling unit(s), or portion(s) thereof, within the Seattle city limits.

All platform and operator licenses are non-transferable. Any change of ownership will require the new owner(s) to apply for a new operator license (should the new owner desire to continue operating the STR).

**Platform License Applications**

To obtain a license, a platform must complete an application form with the City's Department of Finance and Administrative Services (FAS) in a format prescribed by FAS' Director (the Director). This format could include a paper application form or an electronic application on a City website or some combination of the two. An applicant must also pay any applicable licensing fee at time of application submittal (please refer to Director's Rule STR-5 for information).

A platform will be issued a license number upon completion of the entire application process and approval of the application by the Director.

**Operator License Applications**

To obtain a license, an operator must complete an application form with the City's Department of Finance and Administrative Services (FAS) in a format provided by FAS' Director (the Director). This format could include a paper application form or an electronic application on a City website or some combination of the two. An applicant must also pay any applicable licensing fee at time of application submittal.

All operators applying for a license must declare that each dwelling unit, or portion thereof, offered for use as a short-term rental complies with the general provisions outlined in SMC 6.600.070 and SMC 6.600.080.

As part of the application process, all applicants will be asked to (1) self-certify that they are eligible to be an operator and possess all required documentation to establish eligibility and, if offering their primary residence for short-term rental use, (2) provide FAS with two (2) supporting documents demonstrating primary residence as described in Director's Rule STR-1. As applicable, an operator must always possess a physical copy of the evidence of prior short-term rental and primary residence and will present such evidence for inspection upon request of the Director.

An operator will be issued a license number upon completion of the entire application process and approval of the application by the Director.

The Director will require attestation of compliance for each section of SMC 6.600.070 or SMC 6.600.080 at the time a STR (or bed and breakfast) operator applies for and/or renews their operator's license. Operators must maintain hard-copy proof of compliance for each section of SMC 6.600.070 or SMC 6.600.080, and will

provide such documentation at the Director's request. Failure to provide proof as requested by the Director and within five (5) calendar days of the Director's request will be deemed noncompliance with the applicable SMC section(s).

The Director may choose to provide examples of best practices for compliance with applicable SMC sections and if so, will do so on a public-facing website.

Operators are obligated to keep their contact information current and must submit any changes in a manner specified by the Director within 10 calendar days of when the change occurs.

#### **Additional Application Requirements for Legacy Unit Operators**

- A. A legacy unit operator is an operator who offered or provided a short-term rental unit(s) prior to September 30, 2017, in a location described in SMC subsections 6.600.040.B.3 (a unit(s) in certain building types in the First Hill/Capitol Hill Urban Center), 6.600.040.B.2 (a unit(s) in the Downtown Urban Center south of Olive Way and north of Cherry Street) or 6.600.040.B.1 (a unit(s) in all other areas) and wishes to continue offering or providing that rental. Legacy unit operators must provide the Director with the following evidence of prior short-term rental use:
1. A business license tax certificate issued by FAS for the short-term rental use, in effect on prior to September 30, 2017; and
  2. Records demonstrating collection and remittance of all applicable local, state and federal taxes within the 12-month period prior to September 30, 2017; and
  3. A registry identifying the dates the dwelling unit was used as short-term rental within the 12-month period prior to September 30, 2017; and
  4. Certification that, if the applicant is a renter, the owner has authorized the tenant's operation of the dwelling unit as a short-term rental. If requested by the Director, the applicant will provide documentation demonstrating that the owner has provided that authorization.
- B. The following licensing requirements also apply to legacy unit operators:
1. The operator license application must be approved at the time of application. Required documentation outlined in SMC 6.600.040.B.4 must be provided at the time of application. Legacy unit operators must apply for their operator's license and register their legacy unit(s) within 12 months following the Ordinance's effective date of January 1, 2019.
  2. The operator license renewal application must be approved by the last day of the 10-day grace period for license renewal. Failure to renew operator's license will result in cancellation of units and loss of legacy status.
  3. The applicant must register all units the applicant intends to use as short-term rentals on the initial or renewal license application. Any omitted units cannot be used for short-term rental.
  4. The legacy unit operator status for a particular unit(s) permanently terminates if ownership and/or ownership structure of the unit(s) changes or if use of the unit(s) changes to something other than a



short-term rental. Exceptions to this requirement may be made at the Director's discretion when the ownership of the legacy unit transfers as part of an estate distribution.

5. A legacy unit operator cannot exceed the number of allowed units beyond the boundaries of the geographic areas described and cannot obtain more than one STR operator license.

#### **License Renewals**

Licensees will receive multiple reminders to renew starting at least sixty (60) calendar days prior to expiration of their annual license. A licensee may renew the license at any time after receiving the notification and up to ten (10) calendar days after the license expires without penalty. However, a licensee will pay a one-time late penalty of **\$10** for not renewing a license by the last day of the 10-day grace period. A legacy unit operator must be approved by the last day of the 10-day grace period for renewal. Failure to do so shall result in denial of the operator license and loss of legacy unit status.

The City will not renew a license unless all penalties and all past and current business, regulatory and STR license fees are paid in full. The Director will take reasonable means to investigate whether a licensee has applied for a new license to avoid paying outstanding penalties and/or license fees. An operator may apply to renew their license if they have a pending appeal for an enforcement action.

#### **Public Disclosure**

Please see Director's Rule STR-6 for more information on public disclosure.



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Director's Rule:  STR-4, Short-Term Rental Platforms General Provisions	Code and Section Reference:  SMC 6.600.060.D-G	
	Type of Rule:  Code Interpretation	
	Ordinance Authority:  SMC 6.600.100	
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Calvin W. Goings, Department Director		Date

**City of Seattle Rules for Short-Term Rentals**  
**Director's Rule STR-4, Short-Term Rental Platforms General Provisions**  
**SMC 6.600.060.D-G**

This rule describes the general obligations of short-term rental (STR) platforms.

**Providing Information to FAS (.060.D)**

STR platforms will submit the following information to FAS each quarter, beginning in 2019:

1. The total number of short-term rentals and bed and bed and breakfast units in the City listed on the platform during the applicable reporting period
2. The total number of nights all short-term rentals and bed and breakfast units rented (booked) through the platform during the applicable reporting period

The STR platform will provide this information to FAS 15 calendar days after the end of each quarter (i.e., January 15, April 15, July 15, and October 15), beginning April 15, 2019. The STR platform will provide this information in a format specified by the Director, which may be either an electronic or paper format. The Director will notify the STR platform of the format to be used.

STR platforms will submit the following to FAS each month, beginning in 2019:

1. All licensed operators using the platform to list STR units during the month and the units listed by those operators
  - o A licensed operator will be identified by either their City issued license number or by "City of Seattle license application pending" if the operator has applied for but not yet been issued a license number by the City
  - o A listed unit will be identified by an active and working uniform resource locator (URL) for the listing on the platform

The STR platform will provide this information to FAS 15 calendar days after the end of each month, beginning April 15, 2019. The report due April 15, 2019, will provide data for March 2019. The STR platform will provide this information in a format specified by the Director, which may be either an electronic or paper format. The Director will notify the STR platform of the format to be used.

An STR platform is obligated to keep its contact information current and must submit any changes in a manner specified by the Director within 10 calendar days of when the change occurs.

**Providing Information to STR Operators (.060.E and .060.F)**

*City Website*

The City will maintain a public-facing website to provide up-to-date information and summaries of the status of SMC Chapter 6.600, and all administrative rules pertaining to SMC 6.600. FAS will provide the link to the public-facing website at the time that the STR platform applies for their STR platform license, which will satisfy FAS's responsibility to provide a summary of the rules and regulations for STR platforms and operators. When changes are made to the ordinance or rules, FAS will notify STR platforms via email to the email address provided by the STR platform that the website has been updated.

*Taxes*

STR platforms will provide STR operators, in writing, with notice that the STR operators are responsible for collecting and remitting all applicable local, state, and federal taxes. STR platforms may choose whether this is done electronically or via postal service. STR platforms must retain proof that they provided the notice.

Should an STR platform collect and remit these taxes on behalf of operators, the STR platform will notify the Director of this decision.

Failure to provide the information as directed or failure to remit taxes, if the STR platform chooses to collect and remit taxes on operators' behalves, may result in penalties as described in SMC 6.600.110.

#### *Summaries of Regulations*

STR platforms will be responsible for providing STR operators with summaries of the City's STR regulations. STR platforms may refer operators to the City's website that will provide up-to-date information about SMC 6.600. STR platforms must provide the summary when an STR operator lists their property with the STR platform. STR platforms must retain proof that they provided the notice.

When City regulations change, FAS will provide the STR platforms with notice within 30 calendar days of the change of regulation. FAS will also update the public-facing website. Within 5 calendar days of receiving this notice, STR platforms will provide STR operators with notice that the regulations have been updated and may refer STR operators to the City of Seattle's public-facing website. STR platforms must retain proof that they provided the notice.

#### **Records Review (.060.G) and Public Disclosure**

STR platforms will make available all records required to be kept under SMC 6.600 and these Rules. Upon the City's request, STR platforms will coordinate presentation of the applicable records to City staff at a mutually convenient time and place and in a convenient format.

Please see Director's Rule STR-6 for more information on public disclosure.



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STR-5, Licensing Fees	SMC 6.600.090	
	Type of Rule:	
	Code Interpretation	
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	SMC 6.600.100	
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Calvin W. Goings, Department Director		Date

**City of Seattle Rules for Short-Term Rentals**  
**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.

**Review of Licensing Fees**

The 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, after consideration of the following factors:

1. The projected costs and annual budget allotted for administrative, enforcement and regulatory costs across the short-term rental industry;
2. The need for increased enforcement to reduce illegal activity;
3. The total number of nights booked in City limits across the short-term rental industry; and
4. The administrative burden of issuing additional platform or operator licenses.

**Licensing Fees for Platforms**

As a condition of licensing, each platform will pay a quarterly fee based on the total number of nights booked for short-term rental use through the platform. Effective May 1, 2019, platforms will pay **\$1** per unit per night booked. The City based this fee amount on its projected 2019 and 2020 costs for establishing the new regulatory program and a desire to balance fees between both operators and platforms.

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 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 (i.e., January 30, April 30, July 30 and October 30) starting July 30, 2019. 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 5 nights in

the first quarter and booked through platform B for 5 nights in the first quarter, platforms A and B are both responsible for remitting \$5 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 units 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 triplex is a separate dwelling unit and would have a license fee of \$75 per separate unit (e.g.,  $\$75 \times 3 = \$225$  for a triplex). If the triplex operator operates an additional STR, then the license fee would increase by \$75 for each unit.

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



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Director's Rule:  STR-6, Short-Term Rental Regulations and Public Disclosure	Code and Section Reference:  SMC 6.600	
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Calvin W. Goings, Department Director		Date



**City of Seattle Rules for Short-Term Rentals**  
**Director's Rule STR-6, Short-Term Rental Regulations and Public Disclosure**  
**SMC 6.600**

This rule describes public disclosure requests as they apply to the City's administration of short-term rental regulations.

**Background**

The Public Records Act broadly defines public records as any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristic. It includes records prepared at the direction of a governmental agency or records used by an agency in connection with any governmental or proprietary function regardless of whether they are in the possession of the agency at the time a public records request is made.

**General Application**

If the City receives a public records request for records designated as confidential by the STR operator, bed and breakfast operator and/or STR platform that submitted those records ("submitting party"), the City will notify the submitting party in writing of the request and will postpone disclosure for up to ten (10) calendar days. During that time, the STR operator, bed and breakfast operator and/or STR platform will be allowed an opportunity to obtain and serve the City with a court order to enjoin the City from releasing the records.

**Third-Party Data Mining Service**

To help enforce short-term regulations and ensure operator compliance, the City may use the services of a third-party data mining vendor. Such a vendor would regularly provide City staff with aggregated data and information on short-term rental and bed and breakfast listings across various STR platforms. These aggregated data and information could include the following:

- Operator's name
- Operator's contact information (email address, phone number and mailing address)
- Property owner's name
- Property owner's contact information (email address, phone number and mailing address)
- Unit's address
- Screenshot of the unit's online listing
- Parcel number
- Land use compliance status
- Meets definition of a short-term rental (i.e., unit rents for fewer than 30 consecutive nights)
- Number of nights booked
- Booking price (weekday and weekend)
- Platform(s) on which unit is listed
- City issued license number

Data and information received from a third-party vendor are subject to public disclosure.

**Audit**

All records required to be maintained under SMC 6.600 are subject to inspection, copying and audit by the Director, with reasonable prior notice, during regular City business hours.



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Director's Rule:	Code and Section Reference:	
STR-7, 120-Day Implementation Period	SMC 6.600.060.B and .090.A	
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Calvin W. Goings, Department Director		Date

**City of Seattle Rules for Short-Term Rentals**  
**Director's Rule STR-7, 120-Day Implementation Period**  
**SMC 6.600.060.B and .090.A**

This rule describes two actions the City will take to allow for an efficient transition during the first 120 days of the new short-term rental (STR) regulatory program (i.e., January 1 through April 30, 2019).

**City Issued Operator License Numbers Posted on Listings**

During this period, if an STR operator has yet to be issued a license number, the City will allow an STR operator to include, in lieu of the license number, the following statement "City of Seattle license application pending" in the operator's listing. Beginning May 1, 2019, the operator must have a valid short-term rental operator license to offer or operate a short-term rental and must include the license number on all short-term rental listings.

**Collection and Remittance of Per Booked Night Fees**

During this period, the City will not require a platform to collect and remit the \$1 fee for nights booked for short-term rental use through an STR platform. Beginning May 1, 2019, the platform's obligation under Director's Rule STR-5 to collect and remit this fee will take full effect.

**Expiration Date and Extension if Circumstances Warrant**

This rule will expire on May 1, 2019, unless the Director determines the need to extend the rule's provisions. Such an extension could occur, for example, if the City cannot timely process license applications and a backlog is created. The Director will communicate the extension (and a new expiration date) via a City website.