February 13, 2018

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: First Reading of Ordinance on posting short term rentals, payment of taxes, and business licenses

Dear Supervisors,

RECOMMENDATION:

Conduct a first reading of the proposed Ordinance on posting short term rentals, payment of taxes, and business licenses in preparation for the hearing on the merits of the Ordinance scheduled for March 13, 2018.

SUMMARY:

On July 18, 2017, the Marin County Board of Supervisors held a hearing to receive a report about short term rentals in the unincorporated areas of Marin and to consider next steps for creating a regulatory framework for short term rentals. After this hearing, a subcommittee of the Board comprised of Supervisors Rodoni and Sears was formed to meet on an ad hoc basis with staff members from the Marin County Department of Finance, the Community Development Agency, and the County Counsel’s office. These discussions led to a staff proposal for the full Board to consider a stand-alone Ordinance on posting signs identifying short term rentals, payment of taxes, and business licenses, with the signage requirements to be implemented on a pilot basis for a period of one year.

The proposed Ordinance would require that an identification sign be posted on the exterior of each short term rental and that a local contact person be publicly identified to respond to complaints about nuisance activities at the short term rental. The Ordinance will also reinforce other standard requirements of the Marin County Code, including the requirements to obtain a Business License and remit Transient Occupancy Tax (TOT) to the Marin County Department of Finance. Enforcement procedures are also established in the Ordinance.

The Marin County Department of Finance and Community Development Agency (CDA) would take steps to implement the Ordinance, including preparing an informational guide with instructions on how best to comply with the Ordinance and issuing signs to short term rental owners for posting.
FISCAL/STAFFING IMPACT:

The fiscal and staffing impacts related to the proposed Ordinance are uncertain, but would include the costs of implementation and enforcement for both the Department of Finance and the CDA. Department of Finance staff would be responsible for issuing Business Licenses, collecting TOT, and pursuing short term rental owners who fail to follow the sections of Marin County Code related to these requirements. CDA Code Compliance staff would be responsible for investigating complaints about a lack of signs and referring complainants to the appropriate County agencies to correct violations of County laws about noise, traffic, garbage and other issues that may arise.

Currently, there are no permit fees proposed to offset the additional workload for the Department of Finance and there are no permit fees proposed to offset the cost of the CDA’s code compliance efforts. Therefore, implementation and enforcement of the proposed Ordinance would increase net County costs during the one-year duration of the Ordinance. Staff will work with the Board subcommittee and the County Administrator to evaluate the appropriateness of offsetting the general fund impacts associated with this Ordinance using the additional revenue collected from the business license and TOT programs.

REVIEWED BY:

[ X ] Department of Finance   [ ] N/A
[ X ] County Counsel          [ ] N/A
[ ] Human Resources           [ ] N/A

SIGNATURES:

[Signature]
Jeremy Tejarian
Planning Manager

Reviewed By:

[Signature]
Brian C. Crawford
Director

Attachments:

1. An Ordinance on posting of Short Term Rentals, Payment of Taxes, and Business Licenses