

New Vacation Rental Permit Requirements

I have reviewed the County's new Vacation Rental Permit requirements and I found them most reasonable, I think they did a good job.

As a REALTOR, working in the field, I only noted two areas that may be difficult for some property owners to adapt to.

1. Management plan on file at the County and with neighbors within 300 feet. The management plan must contain contact information of owners and a local representative if the owner lives off island. This person shall respond to emergencies and complaints, hence the neighbors within 300 feet having a copy of the plan. In most cases, the professional property managers will be this contact person and will develop the management plan and code of conduct for the property. If someone is a self-managed VRBO they will need to create these items and submit them to the county. This part of the regulation may reduce the number of self-managed homes, unless one lives on island, as it will be difficult to find a relative or acquaintance willing to be on call 24 hours a day and be able to explain to a frantic guest how to turn off the septic high water alarm at 2:00 am. This part of the regulations highly suggests that a professional property manager be hired by the property owner which in our market will run around 30-35%. Using a professional is a good thing; however, some property owners may not welcome the expense to their vacation rental business.

2. I am also wondering how the buyer of a vacation rental home will be advised that they must **submit their certification of compliance and updated management plan within 90 days of their purchase.** I am not sure if the county will be monitoring the excise tax desk and sending out letters or whether it is up to the REALTOR, if one is used, to disclose this requirement to someone new to the island. Hopefully the fines for a violation of this portion of the regulation will be lenient in case their REALTOR overlooks the disclosure.

It may be that the Brokerage offices amend the San Juan County General Addendum to add this disclosure to aid the County.

As I mentioned above, the rest of the changes are prudent, reasonable and protect the consumer and island communities. I offer a reader's digest version of the changes below:

- One vacation rental is allowed on a property, either in the principal residence or an accessory dwelling unit. Detached accessory dwelling units constructed after June 29, 2007 are not allowed to be vacation rentals.
- Occupancy is changed from three persons per bedroom to two, plus three guests. Guest is defined as person over the age of 2. *The number of bedrooms is dictated from the septic permit, not what is actually built on site or what appears to be a den with closet.*
- The definition of "unreasonable disturbance to area residents" includes trespassing, noise, speeding and off-site parking issues.
- Solid waste must be removed every two weeks and that it is to be stored securely while on site. Visitors to the island do not recognize the damage and mess that a raccoon can cause.
- Educate the guests about water conservation, outdoor burning and burn bans. The details must be in the owner's rules of conduct and posted.
- On-site parking adequate for 1 vehicle per bedroom.
- No food service. That is allowed only if the owner has a B&B permit.
- Allows for a small sign to aid in location identification. Address must be clearly visible.
- B&O tax and licenses are required. The property management plan must include the UBI numbers. If the County determines that a property owner is operating an illegal rental, their option includes turning this person into the State of Washington along with local fines.
- Management Plan on file with the County and neighbors within 300 feet. Local representative on call 24 hours a day.
- Property boundaries must be marked and a map provided if there is access to the shoreline. Guests must be provided a copy plus the boundary maps are posted on site. The address must be visible from the street and contained in the rules of Conduct. Visitors are told not to trespass.

- Vacation Rental Permit number and UBI numbers be included in all ads. This regulation change will aid in determining if the rental is legal by our compliance officers.
- New owners of Vacation Rental permitted properties must submit their certification of compliance with permit conditions within 90 days of a sale or transfer of the property.
- Permit holders must annually certify compliance with their permit conditions and fire and life safety requirements including CO and smoke alarms and post the certification on site for all guests to read. Fire extinguishers must be located in all the proper areas and serviced annually.
- New permits will expire in 2 years unless a certification of compliance is submitted each year. This provision would not apply to permits vested or approved prior to the effective date of the ordinance.
- The monetary penalty for operating or advertising an unpermitted vacation rental is \$2,300 on the date the notice of violation is issued and \$100.00 each consecutive day of operation thereafter. Ouch, these fines should insure compliance.

Bottom line: Owners must be licensed, pay their taxes and be permitted by San Juan County. They must have a management plan, local representation, rules of conduct including water conservation and certify annually that they are in compliance with permit conditions and safety issues. The compliance is effective December 31, 2018. It all makes total sense, as the property owner is running a business that serves the public.

Standard town water regulations still apply, if you are hooked up to town water, no vacation rental would be allowed unless the zoning is commercial. This is applicable to town limits as well as subdivisions nearby.

Several plats have voted in a change to their CC&Rs which prohibit vacation rentals so it is important to make sure there are no plat restrictions prior to applying with the county for your vacation rental permit.

The application fee is either \$1000 for a provisional use permit or \$2300 for a conditional use permit depending on what the land use code requires for the land use designation for the County. If you hire a professional land use consultant, that is usually another \$700-\$1000.

The county has a great checklist for the annual certification and an outline of compliance details.

I believe the country moved swiftly to address the concerns over vacation rentals. These changes are far better than a moratorium that could have been placed while they ponder the issues for a few years as some other counties chose to do.

As in all of my articles, this article is for informational purposes only and isn't intended to reflect all of the components of the code. If you have questions about the code you should contact San Juan County at 360-378-2116 or email <u>dcd@sanjuanco.com</u>.

Written by:

Merri Ann Simonson Coldwell Banker San Juan Islands Inc simonson@sanjuanislands.com 360-317-8668