

Chelan County
and
Short-Term Rentals

A Cooperative Approach

by

Chelan County Vacation Rental Professionals

Table of Contents

Our Vision	3
Long or Short-Term: Rentals Are Residences	4
A View from the Courts	
Concerns Regarding County’s Illegal Efforts to Regulate	
Short-Term Rentals Have Always Benefited Chelan County	6
The Economic Benefits of Short-Term Rentals	
Nuisances Do Not Discriminate	
Enforcing the Existing Codes Will Take Care of the Issues	
Host Compliance is Not the Solution	
Short-Term Rentals Are Not Causing a Housing Shortage	
Government Should Support Market Forces	
Chelan County’s Second-Home Residents	
Short-Term Rental Opponents’ Arguments Addressed	
Housing Stock and “Dead Capital”	
Short-Term & Long-Term Markets Are Distinct	
Summary: Short-Term Rentals Not Responsible for	
the Lack of Affordable Housing:	12
Our Solution:	14
A Responsible Person on Call	
Conclusion	14
Addendum's:	
US Conference of Mayors	15
Responsible Person Declaration	16

Our Vision

As a group of professional property managers of short-term rentals, we want to work with the county to ensure the county continues to enjoy a wonderful quality of life, a vibrant tourism industry, and people can use their property in a safe and responsible manner. We are recommending a self-regulatory structure where short-term rental owners or operators file a form to have a responsible person designated who can respond to issues within a specific time frame. We believe this is a reasonable approach that addresses the concerns regarding short-term rentals while also allowing owners to use their properties as courts have stated they have the right to do.

As professional property managers of the short-term industry in Chelan County who manage a large segment of the short-term rentals in the county, we have set a standard for excellence in our industry. With the changes that have occurred in travel over the last decade, families want to vacation in the beautiful areas of Chelan County AND many prefer to stay in homes. As such, short-term rentals (STRs) are a vital and necessary part of the growing tourism industry in Chelan County.

In this paper we will first outline court cases that affirm a homeowner's right to rent his or her property on a long or short-term basis and that there is no difference between long-term rentals and short-term rentals. We will then provide some data regarding the benefits of short-term rentals before we address some of the arguments against short-term rentals. Finally, we will outline our suggested approach for working together to ensure the visitors to and residents of Chelan County enjoy the wonderful beauty and living standards that make our county unique.

Long- or Short-Term: Rentals Are Residences

Our country was founded on the concept that people had the right to use their property as they saw fit. Both the federal and state constitutions contain express provisions protecting property. Short-term rental owners have the right to rent their property for residential purposes. This right has regularly been upheld by Washington courts.

A. A View from Our Courts¹

Washington Courts have long held that homeowners have the right to rent their homes, and that the rental of a home for less than a month is no different than renting a home for more than a month. The Court in *Ross v. Bennett*, 148 Wn. App. 40 (2008), expressly held that an owner's use of property as a residence, long-term rental, or short-term rental are identical. To quote the Court: "The owners' receipt of rental income, either from short- or long-term rentals, in no way detracts or changes the residential characteristics of the use by the tenant."

The Washington Supreme Court in *Wilkinson v. Chiwawa Communities Ass'n*, 180 Wn.2d 241 (2014), confirmed the *Bennett* rulings. The Supreme Court explained that "residential use," without more, has been "consistently interpreted as meaning that the use of the property is for living purposes, or a dwelling, or a place of abode." *Id.* at 252, quoting *Lowden v. Bosley*, 395 Md. 58, 909 A.2d 261, 267 (2006). The Court continued by stating that if a vacation renter uses a home for the purposes of eating, sleeping, and other residential purposes, this use is "residential, not commercial, no matter how short the rental duration." The Court rejected any argument that the receipt of money changed the nature of the property:

The owner's receipt of rental income either from short- or long-term rentals in no way detracts or changes the residential characteristics of the use by the tenant. Nor does the payment of business and occupation taxes or lodging taxes detract from the residential character of such use to make the use commercial in character. *Id.* At 252-53.²

¹ See Wright Noel, Letter to the Leavenworth City Council on Behalf of Vacation Rental Managers Association Washington, now Northwest Vacation Rental Professionals, June 14, 2016.

² Washington is entirely consistent with other states on this issue. *Lowden v. Bosley*, 395 Md. 58, 909 A.2d 261, 267 (2006) (holding that as long as the property is used for living purposes, it does not cease being "residential" simply because such use is transitory rather than permanent); see also *Mullin v. Silvercreek Condo. Owner's Ass'n*, 195 S.W.3d 484, 490 (Mo. Ct. App. 2006); *Pinehaven Planning Board v. Brooks*, 138 Idaho 826, 70 P.3d 664, 667-68 (2003) (renting a property to people who used it for residential purposes, whether short or long-term does not change the nature of the use); *Slaby v. Mountain River Estates Residential Ass'n*, 100 So.3d 569, 579 (Ala. Civ. App. 2012) ("[P]roperty is used for 'residential purposes' when those occupying it do so for ordinary living purposes. Thus, so long as the renters continue to relax, eat, sleep, bathe, and engage in other incidental activities ... they are using the [property] for residential purposes."); and *Houston v. Wilson Mesa Ranch Homeowners Ass'n, Inc.*, 2015 COA 113, ¶ 18, 360 P.3d 255, 259 (2015) (using residence for ordinary living purposes does not change its function whether rented on a short-term or long-term basis.)

The above definitions do not apply to hotels, motels, and bed and breakfasts. In all those commercial enterprises, the occupancy is not like a residence. In most there is a full-time employee on site the oversees and regulates the activities of the guests. The guests do not have complete control of the property and their use is based on a license rather than a lease. As such the guests do not have exclusive use of the property. A short-term rental is exactly the same as a long-term rental in all respects with the exception of the length of the stay. A long-term renter uses the house as his or her own. That is the same with a short-term rental. As a result, any regulation regarding rentals should be analyzed in that context.

B. Concerns Regarding the County's Illegal Efforts to Regulate

We believe that recent attempts by the Chelan County Community Development to try and regulate short-term rentals are illegal. Examples include adding a checkbox to Building Permits to ask the applicant if they intend to make their home into a vacation rental,³ or attempts to shut down short-term rentals in the Peshastin UGA by classifying them as a B&B.⁴ Both of these attempted regulations are illegal for many reasons, the main one being there is no justification for the County's actions in the County code.

More recently, CCCD has sent out three Notices of Violations citing code violations by STR operators. In the one instance, the property owner is cited for using a single family residence for Recreation/Tourist Use within the Peshastin UGA. In another instance a property owner has been cited for violating City of Leavenworth codes, codes that the Mayor of Leavenworth was surprised to find out that they were being applied in the UGA of Leavenworth, a jurisdiction under the County of Chelan.

In each of these letters codes such as Bed and Breakfasts, Recreation/Tourism or Boarding Houses etc. are cited, but these codes do not apply to rentals. We believe the County is getting some bad advice by trying to apply extra-territorial code from another jurisdiction as well as citing owners for violations that don't even apply to rentals.

Rather than spend time challenging the County's illegal actions, we would rather work with the County to ensure our County receives the economic benefits of short-term rentals and becomes a model showcase for the nation for how a county, its residents, and non-residents can contribute alike to its economic well-being. This approach will free the County from potential lawsuits, and moreover showcase a way for property owners, residents, renters and neighbors to exist side-by-side in a healthy environment.

³ Chelan County Department of Community Development, Residential Building Permit Application, Revised June 26, 2017, http://www.co.chelan.wa.us/files/community-development/documents/apps_form/Building-Fire/RESIDENTIAL-BUILDING-PERMIT-APPLICATION.pdf.

⁴ Peshastin Community Council Meeting, September 15, 2017.

Chelan County Has Regularly Found Short-Term Rentals as Benefiting the County

Vacation or short-term rentals have existed for over 35 years in Chelan County—longer than most areas in the United States. In fact, it was Judge Chip Small, along with realtors in our county, who developed the original Guest Contracts for short-term rentals back in the early 1980's.

Over the last twelve years, on several occasions, both the Planning Committee and the County Commissioners looked at short-term rentals, holding hearings, and in all cases the commissioners voted to not regulate them.

On these occasions, the professional managers and independent owners in the short-term rental industry defended our industry, and each time were able to prevail on the commissioners to allow us to self-govern our industry.

Notwithstanding, about every four years, the same process takes place in Chelan County:

- A few complaints reach the County Commissioners;
- Hearings are held, either by the Commissioners or the planning commission, and two groups attend to make their case, complainers versus supporters;
- In each of these occasions, Community Development reports showed that there were only a few complaints recorded out of thousands of rentals that occur county-wide each year;
- Each time, our side made the case for the many benefits—income, jobs, property values that we bring to our communities, and we provided examples for how we self-regulated our industry, product and service.

It is important to look at short-term rentals on the basis of facts rather than individual complaints or biases that have no bearing in reality.

A. The Economic Benefits of Short-Term Rentals

Short-term rentals provide hundreds of thousands of dollars to Chelan County's annual economy. Short-term rentals cater to a segment of tourism that is different and generally not serviced by the hotel and bed-and-breakfast industry. Short-term rentals cater to families wanting to enjoy one house together. These can be family reunions or core nuclear families. They do not want to stay in a hotel, generally because hotels do not provide the familiar setting of a home. Hotels just do not provide the same comfort or convenience afforded families as homes do. In addition, homes allow families to feel what it is like to be a part of this beautiful community—living in homes or cabins near rushing rivers and with outstanding mountain views. We should welcome with open arms and be happy to extend this special privilege to guests of Chelan County. Hotels also do not allow guests to prepare meals and the types of family activities that are available when gathered in a home.

If short-term rentals are not available in Chelan County, the families will visit somewhere else. They generally will not switch to a hotel. Families going to more family friendly locations will cost Chelan County hundreds of thousands of dollars. The families staying in short-term rentals spend hundreds of thousands of dollars in the local economy each year. They shop at the local grocery store for their food. They take their families on excursions engaging local guides for white-water trips and local tours. They shop for souvenirs, clothes, and sporting equipment. And while they enjoy cooking at the house, they also regularly eat at local restaurants. In addition, the owners of short-term rentals employ housekeeping services, hot tub/pool services, and handyman services to maintain their properties.⁵

The following are some helpful numbers in looking at the issue:

- Currently, Northwest Vacation Rental Professional members in Chelan County have approximately 400 properties under management in Chelan County.
- It is estimated that there may be between 1500 and 1800 short-term rentals in the County.⁶
- Wenatchee Valley Chamber of Commerce estimated in their 2016 annual report that 18% of the 1,694,180 City of Wenatchee visitors stay in vacation rentals, which would be 304,952.4 people.⁷ If each of those individuals spends \$1,000 in the local economy, doing away with vacation rental could cost the county and its businesses more than \$300,000.

With 1.2 million paid listings on its sites (including VRBO.com), HomeAway is one of the leading brands for the short-term rental industry with access to extensive data. The data supports the assertion that short-term rentals economically benefit the local communities. Some key points from HomeAway are:

- Short-term renters typically stay longer and travel in larger groups than traditional travelers.⁸ As a result, they spend more in local businesses than the traditional traveler.
- “Sixty-two percent of [short-term] homeowners rely on income from short-term rentals to pay for household improvements”⁹
- “54 percent of [short-term] homeowners earn enough STR [short-term rental] income to cover 75 percent of their mortgage payments”¹⁰

The short-term industry has had tremendous growth in our nation, reaching \$16 billion in 2017– up from \$14.1 billion in 2016.⁵ Chelan County is among the areas experiencing successful growth in the short-term rental industry.

⁶ NWVRP estimation. Commissioner Keith Goehner stated an estimate of between 1000 to 2000 during a radio interview on March 31, 2017. See Commissioner Keith Goehner and Chris Hansen, Chelan County Commissioner Update—Keith Goehner, Koho 101, March 31, 2017, <http://koho101.com/2017/05/chelan-county-commissioner-update-keith-goehner-3/>.

⁷ Wenatchee Valley Chamber of Commerce, Annual Report 2016, at 4.

⁸ HomeAway, Leavenworth STRs at a Glance.

⁹ HomeAway, Short-Term Rentals: A Guide for Travelers, Homeowners, Policymakers, and Communities, 4

¹⁰ HomeAway, Short-Term Rentals: A Guide for Travelers, Homeowners, Policymakers, and Communities, 5; HomeAway, Leavenworth STRs at a Glance.

- Short-term rentals give “[i]ncentives to maintain homes that typically sit vacant”¹¹
- Short-term rentals provide local employment¹² Dean Runyan Associates state that, “if each resident household encouraged one additional overnight visitor,” 77 new jobs would be provided for in Chelan County.¹³

Short-term rentals are a part of the tourism industry in Chelan County. Tourism is a vital part of Chelan County’s economy:

- Visitors brought \$531.1 million in spending to Chelan County in 2016.¹⁴
- Tourism created \$177.9 million in earnings for Chelan County in 2016.¹⁵ A 13.4% increase from 2015.¹⁶
- In 2016, 6,640 jobs are attributable to tourism, an increase of 6.1% from 2015.

In addition, short-term rentals are a source of taxes for Chelan County:

- If short-term rentals are 18% of the tourism in Chelan County, they account for 18%¹⁷ of the \$19.4 million in tourism tax revenue Chelan County received in 2016.¹⁸
- A HomeAway study on Leavenworth, Washington showed Leavenworth short-term rentals increased 82% in projected tax revenue from 2014 to 2016.¹⁹

When compared to long-term rentals, short-term rentals provide a significantly higher amount of tax revenue due to the taxes generated by tourists who spend more money in restaurants and activities.

¹¹ *Id.*

¹² *See id.*

¹³ Dean Runyan Associates, Washington State County Travel Impacts & Visitor Volume 2000-2016p, April 2017, at 15.

¹⁴ Dean Runyan Associates, Washington State County Travel Impacts & Visitor Volume 2000-2016p, April 2017, at 17.

¹⁵ Dean Runyan Associates, Washington State County Travel Impacts & Visitor Volume 2000-2016p, April 2017, at 16.

¹⁶ *Id.*

¹⁷ Eighteen percent is the Wenatchee Valley Chamber of Commerce estimated as the percentage of visitors staying in short-term rentals in the City of Wenatchee. Wenatchee Valley Chamber of Commerce, Annual Report 2016, at 4.

¹⁸ *Id.*

¹⁹ HomeAway, Leavenworth SRTs at a Glance.

B. Short-Term Rentals Are Not a Nuisance

While some neighbors to short-term rental have complained,²⁰ the reality is that short-term rentals have fewer issues than long-term rentals or owner to owner complaints. The primary complaints related to noise, garbage, and parking.²¹

The reality is that the County already has codes dealing with noise, garbage and parking and those regulations should be enforced against all homeowners. If a neighbor is breaking the law, then the law can, and should be enforced whether the perpetrator is a short-term renter, long-term renter, or even a full-time resident owner. Adding more regulations will not solve these issues. Enforcing the existing codes will.

Reflecting on anecdotal incidents, Chelan County Sheriff, Brian Burnett, states that there appears to be fewer complaints against short-term renters than hotel guests or long-term residents. Based on his experience, Sheriff Burnett says that there are not enough substantiated complaints involving short-term rentals to warrant additional regulations.

The Sheriff also noted that short-term residential disturbances are actually easier to deal with than long-term residents. The Sheriff explained that if his department gets a call to address a rowdy group in a short-term rental, once the group leaves the short-term rental, his department typically does not need to return to the location. In contrast, complaints about long-term residents often present the challenge of repeat offenders. Additionally, if a short-term rental group is behaving in such a way which violates their contract to use the premises, his department can work with property owners and property managers to remove the short-term renters for trespass should they refuse to leave on request. To be removed, long-term renters must go through a lengthy eviction process.

C. Enforcing the Existing Codes Will Take Care of the Issues

There are already regulations on the books that address the complaints people are making regarding short-term renters. Enforcing these regulations will take care of the issues for renters, both short and long-term, and obnoxious neighbors. There is no reason to add new regulations that will single out short-term rentals particularly when they are not the main source of the issues the Sheriff is having to deal with on a regular basis.

- **Noise.** Chelan County Code, Chapter 7.35.030 ("It is unlawful for any person to unreasonably cause or make, or for any person in possession of property to allow to originate from the property, sound which is a public disturbance noise."). If a renter or homeowner is making too much noise, the sheriff already has the tools to deal with noise.

²⁰ Chelan County Public Hearing May 23, 2017; *see also* Commissioner Kevin Overbay and Dan Langager, Chelan County Commission Priorities for 2018, Koho101, January 3, 2018, <http://koho101.com/2018/01/chelan-county-commission-priorities-for-2018/>; Commissioner Keith Goehner and Chris Hansen, Chelan County Commissioner Update---Keith Goehner, Koho 101, March 31, 2017, <http://koho101.com/2017/05/chelan-county-commissioner-update-keith-goehner-3/>.

²¹ *Id.*

- **Garbage.** Chelan County Code, Chapters 4.04.020 ("It shall be unlawful ... to deposit, throw, or place any garbage . . . upon any private property, regardless of ownership, except such places as are designated") and 4.16.100 ("The owner or person in control of any private residence or other private property shall at all times maintain the premises free of litter.").
- **Parking:** The current signs and parking regulations ensure that people do not park where it would cause safety concerns. For example, the current code addresses parking that would hinder access to a fire hydrant: Chelan County Code, Chapter 15.40.030(4)(R) ("Vehicles shall not be parked within fifteen feet of a fire hydrant or fire department connection or a fire protection system control valve."). In addition, signs keep individuals from parking in areas where it would cause a safety concern and in those instances where a person parks a car in an area that creates a hazard, the sheriff already has the tools and authority to deal with that issue.

D. Host Compliance is Not A Solution

We understand that the County desires potential contracting with Host Compliance, or like vendor, in order to identify all short-term rentals in the County, to make sure that each property is collecting and paying state and local taxes. Based on our recent research:

1. The two largest STR platforms, AirBnb and VRBO/Home Away/Expedia already collect all guest payments and then remit the tax portion to the respective tax authorities in our state, as do all property management companies. One or both platforms easily are used by 95%+ of STR owners to generate the bulk of their bookings. Thus, it is clear that very few bookings take place anywhere in this County without taxes being collected. Little additional revenue will be found through this costly process because practically all taxes are already being collected and paid.

2. Our recent informal polling of other professional managers in cities or counties in the western US that have already contracted with Host Compliance have not seen any real difference in typical issues surrounding STR's. The managers we spoke with all had a common theme which was that the sporadic reports of noise, garbage and traffic/parking issues still existed and homeowners were still not held accountable by the respective government entities for violating existing code.

3. Host Compliance is not a silver bullet for resolving the larger issue of code enforcement (specifically noise, garbage and parking) that already exists in our County. We believe that contracting with such a vendor represents a distraction from enforcing current code, is a waste of taxpayer money, and in the end will represent a net loss for the County.

E. Short-Term Rentals Are Not Causing a Housing Shortage

The County has expressed concern that short-term rentals adversely affect affordable housing stock.²² This is an assertion made by housing advocates but it is made without any basis in fact.

The short-term rental market is not at fault for the affordable housing issues in Chelan County for several reasons. Housing advocates want more affordable housing. As outlined below, doing away with short-term rentals will not fix any alleged housing shortage and will cost the County and local businesses hundreds of thousands of dollars in revenue.

1. Government Should Support Market Forces

The rising cost of rentals and affordable housing is linked to the unmet demand for more housing in a desirable location. This demand can only be met if the County loosens its regulations on the housing market and ensures investors are encouraged rather than discouraged from building.²³ In short, the County should focus on ensuring their regulations encourage builders to build houses of the type and quantity wanted to alleviate any housing shortage.

2. Chelan County's Second Home Residents

Our county's part-time residents are made up of families who own a second home specifically because they want to call Chelan County their second home. Often they will eventually make it their primary residence. In the meantime, some of these non-full-time residents will extend the opportunity to short-term rental guests which helps them pay part of the costs of owning property. Often, they return over and over, sometimes even to buy their own home and become a full-time resident.

3. Short-Term Rental Opponents' Arguments Addressed

Opponents of short-term rentals argue that short-term rentals adversely affect the affordable housing stock and drive up rental rates. Essentially, they view each short-term rental on the market as a house that could/should be used to meet long-term rental demand. They also argue that the higher short-term rental rates cause the long-term rental rates to rise. However, the issue is not as simplistic as one house used as a short-term rental means that there is one house that is not being used as a long-term rental (housing stock). It is also too simplistic to say that short-term rental rates cause long-term housing costs to rise (rental rates).²⁴

²² See Chelan County Comprehensive Plan: Housing Element, 1, 3, 6, http://www.co.chelan.wa.us/files/community-development/documents/comps_plan/2017%20Comp%20Plan/Attachment%20A%20-%202017-27%20Comprehensive%20Plan.pdf.

²³ See Edward Glaser, Joseph Gyourko, and Raven Saks, WHY IS MANHATTAN SO EXPENSIVE? REGULATION AND THE RISE IN HOUSING PRICES, University of Pennsylvania Scholarly Commons, 2005 https://repository.upenn.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=1007&context=penniur_papers; HomeAway, Short-Term Rentals: A Guide for Travelers, Homeowners, Policymakers, and Communities, 10.

²⁴ See Jefferson-Jones, Jamila, *Can Short-Term Rental Arrangements Increase Home Values? A Case for AirBNB and Other Home Sharing Arrangements*, Cornell Real Estate Review, Volume 13, at 12, <http://scholarship.sha.cornell.edu/cgi/viewcontent.cgi?article=1133&context=crer>.

a. **Housing Stock and “Dead Capital”**

The types of short-term rentals are extremely varied. For example, short-term rentals can include entire houses, one room of a house, or an apartment. Preventing someone from renting a room on a short-term basis to a mother-in-law, will not help an alleged housing shortage. Those units are not going to be rented on a long-term basis.

The amount of time a house is rented as a short-term rental also greatly varies. Some houses provide short-term housing all year. In other situations, an owner may use their house for a short-term rental as a one-time occurrence. Many times it falls in between where an owner wants the flexibility of using the house during certain times of the year, but when they are not using it, they prefer to rent it and create income.

To say that homeowners utilizing their otherwise vacant homes as short-term rentals are creating an affordable housing crisis is unfounded. Rather, these entrepreneurial homeowners are utilizing what would otherwise be dead capital²⁵ to bring in financial resources to numerous parties including:

- the owner directly;
- the local economy via spending money at restaurants, stores and other vendors;
- the County and State via lodging and sales taxes.

b. **The Short-Term Rental Market and Long-Term Rental Market Are Two Distinct Markets.**

Short-term rates do not cause an increase in the long-term rental rates. They are two separate markets, each with their own supply and demand which drive their markets.

Short-term rentals have higher rates than long-term rentals for many reasons. Examples of the variables and risks of short-term rentals include:

- 1) higher marketing costs to find more renters;
- 2) more time required from owner/manager to maintain the property and market a short-term rental;
- 3) more risk that there will not be 100% occupancy of a short-term rental;
- 4) higher turn-over rate for short-term rentals requiring more cleaning time and costs whether undertaken by the owner or whether it is outsourced;
- 5) higher costs relating to providing linens, toiletries, and other hospitable goods; and
- 6) higher costs in providing a furnished home and the cost to replace furnishings if broken.

²⁵ For a discussion on dead capital and the sharing economy see Benjamin Powell’s article *Will Airbnb’s lawsuit help open the door for renters and homeowners?* (August 16, 2016, 10:15 A.M.), <https://www.newsday.com/opinion/will-airbnb-s-lawsuit-help-open-the-door-for-renters-and-homeowners-1.12183053>.

Because of the significantly higher hassle factor and transaction costs associated with short-term rentals, short-term rental rates are typically higher than long-term rental rates.²⁶

Summary: Short-Term Rentals are Not Responsible for the lack of Affordable Housing:

- ***County Regulations Discourage Investors:*** *The County’s regulations and codes discourage investors from building adequate affordable housing. Thus to solve to affordable housing problem, Chelan County needs to ensure their regulations and requirements do not hinder investors.*
- ***“Dead Capital”:*** *STR opponents argue that STRs adversely affect the affordable housing stock and drive up rental rates. However, saying that one STR on the market takes away one long-term rental is unfounded. Many STR owners are entrepreneurs who use their own vacation homes as STRs when they are not using them. These homes, if not used as STRs would be “dead capital”—vacant homes no longer contributing to the Chelan economy.*
- ***STRs Cost More and Demand More Time to Manage Than Long-Term Rentals:*** *Furthermore, saying that higher STR rates cause long-term rates to rise is also unfounded. STR rental rates are higher than long-term rentals because STRs have many more costs for which they must account. For example, the higher STR turn-over requires more advertisement costs in addition to time demanded for marketing.*

²⁶ See <http://www.businessinsider.com/can-you-really-make-money-by-renting-out-your-beach-house-during-the-summer-2012-6> (highlighting the challenges of investing in a vacation rental rather than a long-term rental); <https://www.biggerpockets.com/renewsblog/2015/02/17/5-things-no-one-tells-you-vacation-home-rentals/> (discussing the economic reasons that vacation rentals may not be right for everyone).

Our Solution:

With over 100 years of combined property management experience among the Chelan County Vacation Rental Professionals, we have come up a proposed solution. Our solution addresses concerns that several commissioners have expressed and would avoid litigation over Community Developments plans to permit vacation rentals county-wide.

A Responsible Person is Assigned to Monitor Each Rental

Our recommendation responds to the noise, garbage, parking concerns. We recommend that a responsible person be designated for all rental properties. That person commits to responding, within 60 minutes, for all complaints relating to the property.

To implement this suggestion, similarly a new code would need to be added that requires that all residential properties rented as a long-term or as a short-term rental have an individual or a professional manager who can respond within 60 minutes to any issue that may arise. The *Responsible Person Form* would be kept by the Chelan County Sheriff. Again, the failure to comply would be subject to fines after notice and an opportunity to cure.

CONCLUSION

We are ready to defend the right of property owners to rent their property for any length or duration of stay, and are willing to litigate against unreasonable regulation, including the requirement of permits for short-term rentals. We have over a dozen property managers, many hundreds of property owners and hundreds of employees whose job depends on short-term rentals, who will make that stand! Yet, we are even more committed to providing simple solutions to address the concerns of commissioners and citizens alike and save us all from costly litigation.

We invite you the Commissioners to work in partnership with us to make Chelan County a model community for how short-term rentals can benefit the community economically and as a good neighbor. Let's work together to bring this common-sense solution to our County and to become a foundation that other communities can build on.

Daniel Eby, Destination Leavenworth
Marianne Brunner, Brunners Lodge
Sean Lynn, Love Leavenworth
Rebekah Kaylor, Riverside Properties
Joel Frank, Equilus
Andrea Watson, Vacasa
Nathan Newell, Mountain Springs Lodge
Kris Wellman, Sage Rentals
Zelda Holgate, Natapoc Lodging
Camie and Kevin Lynch, Leavenworth Properties

Addendum:

US Conference of Mayor Resolution²⁷

PROMOTION OF ECONOMIC DEVELOPMENT THROUGH THE VISITORS INDUSTRY

WHEREAS, communities throughout the United States rely on local hotel taxes to promote travel and tourism and support the local visitors industry; and

WHEREAS, local hotel taxes often fund convention and visitors bureaus, convention centers, sports arenas and sports teams; and

WHEREAS, local hotel taxes often support local cultural programs including music, film, gaming, visual arts, dance and more; and

WHEREAS, short-term rental of homes can often be subject to hotel taxes; and

WHEREAS, short-term rental of homes can provide a flexible housing stock that allows family travelers spending longer periods of time in a community a safe accommodation while contributing to the local economy; and

WHEREAS, short-term rental of homes can provide homeowners an opportunity to hold property as an investment, for a better sales market, or for future planning; and

WHEREAS, fair regulation of short-term rentals ensures greater compliance and greater receipt of local hotel taxes; and

WHEREAS, regulations of short-term rentals that establish a reliable way for a municipality to identify and contact the short-term rental owner, make the tax collection and remittance obligation clear and treat the short-term rental owner the same as long-term rental owners can achieve the highest level of compliance; and

WHEREAS, onerous regulations of short-term rentals can drive the industry underground, thus evading local regulations and local hotel taxes;

NOW, THEREFORE, BE IT RESOLVED, that the U.S. Conference of Mayors urges support for economic development opportunities through the visitors industry by encouraging regulations of the short-term rental industry that (1) establish a reliable way for the municipality to identify and contact the short-term rental owner; (2) make the tax collection and remittance obligations clear to the short-term rental owner; and (3) treat short-term rental tenants the same as long-term rental tenants. Regulations that accomplish all three can achieve a high level of compliance, and are highly effective.

²⁷ US Conference of Mayors.

CHELAN COUNTY RESPONSIBLE PARTY DECLARATION

The information provided on this “Responsible Party Form” is created so that the Chelan County Sheriff’s Office (Sheriff) has a mechanism to contact the responsible party, whether a homeowner, a responsible person or a property management company, including any long-term or short-term rentals, in the event of any issues, complaints, or other circumstances that occur at their home, or in the event of special evacuation notices that may occur.

Notices given to Homeowners, Responsible Persons, or Property Management companies, which will allow them the opportunity to investigate, or intervene, upon such notification, as necessary.

This form does not change the ability of the Sheriff to enforce the law, rather it offers the Sheriff the opportunity to communicate with the Responsible Party in order to expeditiously resolve any complaints or issues.

Each property owner is asked to complete this Responsible Person Form. The information provided will be entered into the Chelan County Sheriff’s Office database and will not be shared with anyone, or any other entity.

After completing this form, mail it to:

Chelan County Sheriff’s Office
401 Washington St., Wenatchee, WA 98801

Please Print:

Property Owner: _____

Property Address: _____

City: _____ State: _____ Zip Code: _____

Primary Telephone: _____ Secondary Phone: _____

Responsible Person (RP) or PM Company _____

RP or PM Phone: _____ Secondary Phone: _____

RP or PM Email: _____

Property Owner’s Signature: _____ Date: _____