

M E M O R A N D U M

To: Howard Tipton, Town Manager
From: Allen Parsons, AICP
Director, Planning, Zoning & Building Department
Report date: January 11, 2024
Meeting date: January 22, 2024
Subject: Residential Rental Registration Program Update

Recommended Action

None, informational only.

Background

The Town Commission (Commission) adopted a new Town Code, Chapter 115, Residential Rental Registration (RRR) Program on March 6, 2023. The program became effective on October 1, 2023. The purpose of the RRR Program is to more safely and compatibly address the rentals of residentially zoned properties within the Town. The intent of the Registry is to preserve the public health, safety, general welfare, and aesthetics within the Town's neighborhoods where an increasing number of rentals of residences are occurring.

The Town has had a longstanding and ongoing ordinance dating back to 1982 (via Ordinance 82-10) that limits the duration of rentals of residentially zoned properties to generally be for periods of a month or more. There are approximately only 30 other locations where rentals of residentially zoned properties are allowed for periods of less than a month. Those properties that were "grandfathered" are those that were provided an opportunity in 1995 (via Ordinance 95-07) to identify themselves as having been a legally conforming tourism use as of October 6, 1982, and which were subsequently made nonconforming by the virtue of Ordinance 82-10.

As a reminder, the RRR Program contains a number of requirements designed to protect residential neighborhoods. The program is applicable to all residentially zoned rentals within the Town that are rented for periods of less than 6 months. This includes those residential properties that have been grandfathered as a legally nonconforming tourism use. The RRR Program does not apply to existing legally zoned tourism properties (such as the Zota Beach Resort, Sand Cay, Four Winds Beach Resort, St. Regis, etc.) as they are regulated by the Florida Department of Business of Professional Regulation.

The primary RRR Program components include:

- Registering with the Town those properties rented for periods of 6-months or less. Such properties are currently required to remit Tourist Development Taxes to Manatee or Sarasota Counties and are required to obtain a Business Tax Receipt with the Town (per Sec. 111.02(2)(c)). Issuance of Residential Rental Certificate of Registration will require demonstration of remittance of applicable sales taxes, transient rental taxes and any other taxes required by law to be submitted to the Florida Department of Revenue; and a current and active account with the County Tax Collector for the purposes of collecting and remitting tourist development taxes and any other taxes required by law to be remitted to the County Tax Collector.
- Providing contact information for a Designated Responsible Party who can be called upon to answer for the maintenance of the Residential Rental Unit and to respond to inquiries or complaints regarding the conduct of the occupants of the Residential Rental Unit and their guests.
- Requiring all vehicles associated with a residential rental unit to be parked on site or in a designated area. Residential rental units on Jewfish Key, which are only accessible by boat, have to provide vessel parking such as a boat dock.
- Requiring posting of information within the residential rental unit to include items such as: owner/responsible party contact information; maximum number of vehicles that can be parked at the residential rental unit; the minimum stay requirement (1-month or longer, unless the unit is a recognized legally nonconforming tourism property); emergency contact information; notice regarding the Town's Noise Ordinance requirements; the days/times of solid waste/recycling/yard waste pick-up; and copies of building emergency evacuation maps.
- Advertising (print or internet-based) requirements that include: inclusion of the residential rental certificate of registration (RRCR) number that will be provided by the Town and the minimum stay requirement.
- A safety inspection requirement. Note: Grandfathered properties that have a current and active license, for a transient public lodging establishment, from the Florida Department of Business and Professional Regulation (DBPR) will not be subject to a Town inspection, as they are currently subject to inspection by the DBPR. Such properties will pay a lower registration fee.

Residential rental units that: meet the above listed and applicable criteria; that do not have any violations with the Town or subject to any unpaid fees, fines, or civil penalties or liens; and pass an inspection will be issued a Residential Rental Certificate of Registration (RRCR). A RRCR is valid for two years from the issue date. Violations of the requirements of these provisions is enforceable by citations or Code Enforcement proceedings.

Staff has received approximately 1,000 RRR program applications to date and has completed 750 inspections. We believe this to be approximately 83+% of the total RRR certificates that should be in the Town. This is based on the number of active applicable 'D1' (i.e., the residentially zoned Hotels, Motels, or other tourism units that are legally allowed to be rented for less than 30 consecutive days) & total 'D2' (i.e., Residential apartments, condos, homes rented for more than 30 consecutive days) Business Tax Receipts (BTRs) that are registered with the Town. This percentage is similar to typical BTR renewal rates (that receive renewal notices in July & August), which last year were: September (55%), October (74%), November (78%), and December (82%). In addition to maintaining a full schedule of inspections of the properties, staff has been identifying the applicable properties that have not yet applied for a RRR certificate and has begun reaching out. Following additional prompting in January staff will begin pursuing Code Enforcement actions on identified properties similar to Code Enforcement actions pursued on properties that are required to obtain a BTR.

In terms of outreach about the program, staff held two well-attended workshops (March 22nd and April 27th via Zoom) for the public to learn more about the Program. Outreach has also occurred via: Social Media, Town Website Notices, eBlasts to all current holders of Rental Business Tax Receipts (BTRs), outreach to the Community Stakeholders List, overview articles in the Observer, notice included in Utility Bills and as part of BTR renewal notices and via numerous meetings with individuals and vacation rental companies to go over the Program.

Staff Recommendation

None, informational only.

End of Agenda Item