WHEREAS, Short-Term Rentals (STR) is a relatively new rental housing market that has grown exponentially in recent years through rental hosting platforms such as AirBnB, VRBO, and others; and

WHEREAS, there is a need to understand this market to ensure the proper operation of the STR for the enjoyment of the renter and the neighborhoods in which they operate; and

WHEREAS, there is a desire to provide additional assurances that STR units meet current applicable provisions of the land use, fire, health and other applicable Anchorage Municipal Codes for the safety of renters and property owners; and

WHEREAS, there is a desire to provide additional assurances for the quiet and peaceful enjoyment of residents living near an STR; and

WHEREAS, the Municipality of Anchorage is facing a housing shortage and is working to increase housing supply in the Municipality through a variety of measures; and

WHEREAS, there is a need for the Municipality of Anchorage to proactively respond to the impact of Short-Term Rentals; now, therefore

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. An ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Title 10 to add a new chapter for the licensing and regulation of short-term rental operations in the municipality and amending AMC Section 14.60.030, the Municipal Fine Schedule, to add corresponding fines.

CHAPTER 10.90 LICENSING AND REGULATION OF SHORT-TERM RENTALS

10.90.005 – Purpose and Definitions.

A. Purpose. The purpose of this chapter is to establish the Short-Term Rental license and to facilitate the permitting of Short-Term Rental
units subject to appropriate restrictions and standards of this Code, to ensure the safety and enjoyment of the renter, and to allow for retaining the character of and quiet and peaceful enjoyment of residential neighborhoods.

B. Definitions. The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Advertisement:* A form of marketing communication that employs a non-personal message to promote the rental of a Short-Term Rental unit. This includes, but is not limited to, mailing, brochures, print, internet listing, e-mail publication, social media, other electronic means, or other means or methods regardless of the medium used.

*Bedroom:* A bedroom must meet the criteria set forth in Section 9 of this chapter.

*Occupancy limit:* The maximum number of persons permitted to occupy overnight in a Short-Term Rental unit.

*Rent:* is the monetary value of any consideration, whether money or property, given in exchange for the right to use or occupy an STR unit.

*Rental agent:* A management company, rental agent, or other person employed or engaged by the license holder to advertise the Short-Term Rental unit for rent, or to remit any required tax to the Municipality.

*Responsible Manager:* A management company, rental agent, or individual who is identified in writing to the Municipal Clerk as the person responsible for code complaints made about the Short-Term Rental unit.

*Short-Term Rental (STR) Unit:* A separate and distinct living unit, which may be a condominium, town home, house, studio unit, condominium unit, bedroom or any such other similar unit which is rented to any person, who, for consideration, uses, possesses or has the right to use or possess such Short-Term Rental Unit for a period of less than thirty (30) consecutive days, regardless of the number of days during a license year such unit is rented.

*Studio:* A Short-Term Rental unit which does not contain a separate and distinct bedroom.

*To rent or rent* (in any conjugation of the verb form) an STR means to provide or obtain the right to use or occupy an STR unit in exchange for rent.
10.90.010 – Short-Term Rental Unit License required.

A. It shall be unlawful for any person to operate any Short-Term Rental unit without a valid Short-Term Rental unit license, as approved by the Municipality. This license requirement shall be effective beginning May 1, 2024.

B. The Short-Term Rental unit license does not reside with the property but is issued to the specific owner of the property. The license shall expire upon sale or transfer of the property. The license shall not be transferred or assigned to another individual, person, entity, or address but may be managed by a third party on behalf of the owner.

C. The initial Short-Term Rental unit license for a property shall have a term duration no greater than two years. The municipal clerk may determine the license term for the initial license with an end date of April 30.

D. A license may be renewed for additional two-year periods with a term that begins May 1 and ends two years later on April 30.

10.90.015 – License application.

A. Applications submitted for licenses and license renewals shall set forth the following information on the forms obtained from the Municipal Clerk’s Office and shall pay all fees required for a license application.

B. The license application or renewal application shall include:

1. the completed application form;

2. Owner Safety self-Inspection certification;

3. Owner Affidavit: a statement under penalty of unsworn falsification that the owner has read and understands the rules and regulations for a Short-Term Rental unit set forth in this chapter, including that the owner is in compliance with criteria in section 10.90.;

4. A description specifying how each required license review criteria will be met;

5. A copy of the licensee’s room tax certificate of registration, if required to obtain one under chapter 12.20;

6. Proof of property liability insurance in the amount of not less than five hundred thousand dollars ($500,000.00) or provide proof that property liability coverage in an equal or higher amount is provided by any hosting platforms through which the owner will rent the Short-Term Rental unit. Proof of liability
insurance is not required if Short-Term Rental reservations are handled exclusively by hosting platforms (websites) that extend liability coverage of not less than five hundred thousand dollars ($500,000.00) under terms acceptable to the Municipal Risk manager.

7. The name, address, email address and other contact information, including a 24-hour contact phone number for the owner or the owner's Responsible Manager within the municipality who can be contacted in the event of an emergency and can physically respond at the Short-Term Rental unit within one hour;

8. The name, address, telephone number, and email address of any current Rental Agent for the Short-Term Rental unit; and

9. License holder shall designate in writing a Responsible Manager. The person may be the license holder/owner, and the license holder may designate one or more alternate Responsible Manager(s) at the time of application. The Responsible Manager or an alternate shall be able to physically respond to the Short-Term Rental unit in no more than one hour at all times the unit is rented. Responsible Manager and Rental Agent may be one and the same.

C. License holder shall notify the Municipal Clerk in writing within thirty (30) days of any change in the information set forth in the current application on file with the Clerk. However, the license holder shall notify the Municipal Clerk within three (3) days in writing of any change in Rental Agent or Responsible Manager by including the name, address, telephone number, and email address of the license’s replacement Rental Agent or Responsible Manager.

D. The application shall be reviewed administratively by the Municipal Clerk in accordance with chapter 10.10, License Administration. If any provision of chapter 10.10 is inconsistent or conflicts with this chapter 10.90, this chapter shall govern.

10.90.020 – Short-term rental unit license review criteria.

A. The Municipal Clerk may approve or approve with conditions an application for, or renewal of, a Short-Term Rental unit license if the following criteria and specific regulations are met:

1. Sleeping quarters for Short-Term guests shall not be in non-residential areas within buildings or accessory structures (e.g., shed, garages, closets, etc.) that do not contain finished living space; or in commercial (office/retail) or industrial (warehouse) spaces; or in a recreational vehicle.
2. Sleeping quarters for Short-Term Rentals shall meet applicable Municipal Code for a sleeping area.

3. The license fee has been paid and the applicant shall not be indebted or obligated in any manner to the Municipality.

4. The real property used for the STR unit shall not be delinquent in payment of property or other applicable municipal taxes.

5. The owner shall maintain or provide for regular trash collection services in compliance with this Code.

6. The owner shall maintain the insurance coverage required by and provide proof of

7. Short-Term Rental units must remain compliant with all Planning, Zoning, Building and other applicable Municipal Codes.

8. The owner shall not have had a Short-Term Rental unit license revoked or denied within the preceding twenty-four (24) months.

10.90.025 – License issuance.

A. The Municipal Clerk shall issue a license for a Short-Term Rental unit under this chapter only if the applicant has complied with the requirements of this chapter and paid the license fee, in addition to compliance with all other applicable business license and tax requirements under federal, state and municipal law. An initial license issued for a property may have a term shorter than two years, as described in section 10.90.035C.

B. A Short-Term Rental unit license issued pursuant to this chapter shall be valid for two years or until abandoned, voluntarily surrendered, suspended or revoked. A conveyance or transfer of title to the real property shall result in automatic revocation of the Short-Term Rental unit license effective the date of execution of the conveyance or transfer instrument.

C. Renewal shall not be unreasonably withheld.

D. Conditions of approval: In the licensing of such use, or in the renewal of a license, the Municipal Manager, Planning Director, or Anchorage Assembly shall have authority to require such reasonable conditions as necessary to protect the public health, safety and general welfare and to ensure that the use, value, and qualities of the neighborhood surrounding the proposed location will not be adversely affected.

10.90.030 – Licenses non-transferable.
A. Except as otherwise provided in this section, no license granted pursuant to this chapter shall be transferable from one person to another or from one location to another. No License shall be transferred as part of a like-kind exchange under Internal Revenue Code section 1031 or other federal law.

B. Exceptions to non-transferable license. If the real property for which a valid Short-Term Rental unit license has been issued is transferred by the licensee as a grantor pursuant to a conveyance meeting any of the following conditions, the Municipal Clerk may re-issue the Short-Term Rental unit license to the grantee named in such deed:

1. The transfer of title to real property if the grantee is a member of the grantor's immediate family. For purposes of this section, "immediate family" means the spouse, child (including a stepchild and an adoptive child), parent, sibling, grandparent, aunt, or uncle of the person, and a parent or sibling of the person's spouse.

2. The transfer of title to real property from a grantor to a trust established by the grantor, and the grantor is the trustee.

3. The transfer of title to real property from a grantor to a limited liability company or another form of business entity recognized by Alaska law so long as the grantor has a controlling interest in such limited liability company or other business entity.

4. Any transfer of the property between the same parties creating or terminating a joint tenancy in such property.

5. The transfer of title or change of interest in real property by reason of death, pursuant to a will, the law of descent and distribution, or otherwise.

6. The transfer of title required by order of a court of competent jurisdiction.

7. A transfer of an interest in the property without consideration for the purpose of confirming, correcting, modifying, or supplementing a transfer previously recorded; making minor boundary adjustments; removing clouds of titles; or granting rights-of-way, easements, or permits.

10.90.035 – Fees.

A. Purpose and Use of the License Fees: Funds collected by the Municipality from the Short-Term Rental unit fee established by this section shall be used to defray the costs to the Municipality, including, but not limited to, for staff and personnel required for the
administration and enforcement of the program. License fees are not a tax, but are for the privilege of operating an STR in the municipality.

B. Commencing with licenses for Short-Term Rental units issued on or after March 1, 2024, licensing period there shall be added to each Short-Term Rental unit license issued by the Municipal Clerk pursuant to this chapter, and there shall be paid by the license holder of such license, an annual Short-Term Rental unit license fee. The amount of the annual Short-Term Rental unit fee for 2024 shall be four hundred dollars ($400.00) per Short-Term Rental unit; provided, however,

1. A portion of the fee is non-refundable to cover the costs of application processing and review, in the amount of $50.00.

2. The license fee established in this section shall be waived where the Short-Term Rental unit is the applicant's primary residence or is rented out to a single guest for an aggregate of more than 180 days of the previous 12 months, none of which may be consecutive occupancy of more than 30 days.

3. The license fee established in this section shall be waived where a Short-Term Rental unit is owned by an active-duty military service member whose permanent duty station is within Municipality of Anchorage and receives orders to report to a temporary duty station outside of the Municipality of Anchorage (i.e. deployment), for the duration of the deployment for the initial application and each annual renewal upon presentation of orders.

4. No Short-Term Rental unit license shall be issued until the applicable Short-Term Rental unit fee has been received by the Municipality.

5. Biannual License Fee Due Date: The Short-Term Rental unit fee shall be due and payable to the Municipality at the time of application. Failure to pay the fee in accordance with this section will result in the non-issuance or nonrenewal of a license.

6. Excess fees collected may be used broadly for affordable workforce housing development as long as they do not adversely affect the administration of the STR licensing program or lead to license fee increase due to a program short-fall.

C. License Fees shall not be prorated or refunded if STR License is revoked or suspended. The refundable portion of a license fees may be prorated by the Municipal Clerk if the initial license is for a period of at least a calendar quarter less than two full years. The proration shall be in units of calendar quarters.
D. Administration of the Fund:

1. All sums of money collected by the Municipality per this section are intended exclusively for use as outlined in this section.

2. The fees collected in accordance with this section shall be accounted for in such a manner that the collection and expenditure of such fees can be separately tracked by the municipality.

3. The fees collected in accordance with this section shall not be used for general municipal or governmental purposes or spending. Nor shall the fund ever be transferred to or become part of the Municipality’s General Fund.

4. The amount of the fee shall bear a reasonable relationship to the direct and indirect costs of implementing the municipality’s regulatory program established by this chapter, including enforcement. The Municipal Clerk shall review the fee amount every two years and recommend adjustment to the chair of the assembly.

10.90.040. – Rules and regulations.

A. In addition to the rules set forth in this section, the Municipal clerk is authorized to adopt reasonable and necessary rules and regulations to implement the requirements of this Short-Term Rental unit license code.

B. It shall be a violation of this part for the owner or Short-Term Rental guests to fail to comply with the following rules and regulations under Municipal Code:

1. All Short-Term Rental guests shall abide by all applicable noise, housing and public health ordinances of the Municipality and with all other municipal fire and safety ordinances. Notices of violation for these may be issued to a guest under the relevant code provisions.

2. No meals shall be prepared for or served to the Short-Term guests by the owner or the owner’s agents.

3. The license with all local contact information and emergency safety information shall be prominently displayed within the Short-Term Rental unit. Care should be taken to not be viewable from outside of the STR.

4. The municipally issued license number shall be used in all rental marketing materials.
5. During the term that a Short-Term Rental unit is occupied by a Short-Term guest, the owner and/or the local contact person designated by the owner shall be available twenty four (24) hours per day, seven (7) days per week, for the purpose of responding within one hour to complaints regarding the condition or operation of the Short-Term Rental unit or the conduct of Short-Term guests. If the local contact person designated by the owner changes, then the owner shall update the license on file within three (3) days.

6. Maximum overnight occupancy of a Short-Term Rental unit, except studios shall be limited to two (2) adults per bedroom, plus an additional two (2) adults per dwelling unit.

   a. Studios shall be limited to two (2) adults.

   b. Minors, <18 years of age, will not be counted as long as under the care and supervision of an adult on the premises.

10.90.045 - Criteria for a bedroom under the Short-Term Rental regulations.

A. The number of bedrooms that exist in a Short-Term Rental unit shall be presumed to be as established by the municipal property tax information database; or

B. In order to establish a different number of bedrooms than in the municipal property tax information database, the licensee may request and pay for an inspection conducted by the municipality, and determine the number of bedrooms that meet the criteria in section 15.10.130.

C. Advertising of the STR unit may not indicate a number of bedrooms greater than established by this section.

10.90.050. – Advertising requirements.

A. An advertisement offering to rent a Short-Term Rental unit must prominently display:

   1. The municipality's business license number in the advertisement as, "Municipality of Anchorage Short-Term Rental Unit License No. [insert number]"; and

   2. The adult occupancy limit for the Short-Term Rental unit as, "Maximum overnight occupancy [insert number] adults."

B. The license holder and/or owner of a unit shall be given written notice
of an advertising violation of this section and fifteen (15) days within which to comply with the requirements of this section.

10.90.055 - Mitigation of health, safety and secondary impacts.

A. Accommodation unit licensees shall be responsible for the safety of the occupants and welfare of the surrounding areas and residential habitants. In so doing, the licensee or the Responsible Manager shall:

B. Short-Term Rental unit license holders shall be responsible for the safety of the occupants and welfare of the surrounding areas and residential habitants. In so doing, the license holder or the Responsible Manager shall:

1. Short-Term Rental units shall at all times be equipped with a functioning smoke detector, carbon monoxide detector, and fire extinguisher.

2. Motor vehicles used by occupants shall be parked only on the site of the Short-Term Rental unit or in a public Municipality designated parking area located off of the site of the Short-Term Rental unit.


4. Occupants shall not sleep in motor vehicles and further, shall cause motor vehicles parked at a Short-Term Rental unit to comply with the requirements and be subject to the limitations of this Code.

5. Trash and garbage from a Short-Term Rental unit shall be stored and disposed of in compliance with Municipal Code.

6. Noise emanating from the Short-Term Rental shall be in accordance with Municipal Code.

10.90.060. – Right of entry for inspections or investigations; complaints.

A. Inspections are authorized under section 10.10.050. In addition to the municipal clerk or law enforcement officials, code enforcement officers as directed by the municipal clerk may enter and inspect the premises of the Short-Term Rental unit as reasonable and necessary to ensure and enforce compliance with this chapter and applicable provisions of this code.

B. Complaints.

1. The Responsible Manager shall be available twenty-four (24)
hours per day, seven (7) days per week, to respond to any complaint filed with or through the Municipality, or a website provided by the Municipality for such purpose, about the operation or condition of the license holder’s Short-Term Rental unit.

2. The Responsible Manager shall be able to respond to a complaint within sixty (60) minutes of receiving notice of such complaint.

10.90.065. – Fines, penalties, and denial of license.

A. Penalties and remedies for violations of this chapter shall be as provided in the general provisions for this title. Fine amounts for specific violations may be set forth in section 14.60.030 of this code.

B. If a license application is denied, the municipal clerk shall return the refundable portion of the fee to the applicant. An appeal from a decision of the Municipal Clerk to deny an application for a license or deny renewal shall be within the jurisdiction of the administrative hearings officer as provided in Title 14, whom is hereby designated to hear and decide such appeals. Hearing procedures shall be conducted in accordance with chapter 3.60. A notice of appeal shall be submitted on a form provided by and filed with the municipal clerk, whom shall forward the notice to the administrative hearings office. A notice of appeal must be filed with the municipal clerk within 15 days after the decision. The final decision of the administrative hearing officer shall be made to the Superior Court, Third Judicial District, Anchorage, Alaska, no later than 30 days following service of that decision. Review by the court shall be limited to determining whether the decision of the hearing officer is supported by substantial evidence.

10.90.070 – License suspension or revocation.

A. The Municipal Clerk may suspend or revoke a license if it finds, by a preponderance of the evidence, that:

1. The operation of the Short-Term Rental unit no longer conforms with the review criteria of this part; or

2. The owner has violated a condition of approval; or

3. The owner has violated the rules and regulations provided for in this part.

B. License suspension or revocation proceedings shall be in accordance with section 10.10.040.

C. A license suspension shall not exceed thirty (30) days, and for so long
thereafter until reinstated by the Municipality upon proof that the cause of the suspension has been remedied. A shorter suspension period may be imposed considering a totality of the circumstances and the grounds for suspension.

D. Suspension or revocation of a license may be in addition to any other penalty or remedy provided for in this title.

E. The STR License Fee is forfeited in case of revocation and no credit shall be offered for time where the license is suspended.

Section 2. Anchorage Municipal Code section 14.60.030 is hereby amended to read as follows (the remainder of the section is not affected and therefore not set out):

14.60.030 Fine schedule.

The fine schedule under this chapter is as follows:

<table>
<thead>
<tr>
<th>Code Section</th>
<th>Offense</th>
<th>Penalty/Fine</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.90.010</td>
<td>Operating STR unit without license</td>
<td>300.00 per overnight occupancy rented</td>
</tr>
<tr>
<td>10.90.050</td>
<td>Advertising violation</td>
<td>300.00</td>
</tr>
<tr>
<td>10.90</td>
<td>Failure of Responsible Manager to respond within 1 hour</td>
<td>75.00</td>
</tr>
</tbody>
</table>

(AO No. 93-167(S-1), § 1, 4-13-94; AO No. 94-108, § 1, 10-5-94; AO No. 94-134, § 2, 9-8-94; AO No. 95-42, § 2, 3-23-95; AO No. 95-67(S), § 9, 7-1-95; AO No. 95-102, § 1, 4-26-95; AO No. 95-118, § 3, 9-1-95; AO No. 95-163(S), § 21, 8-8-95; AO No. 95-195(S-1), 1-1-96; AO No. 96-51(S-1), § 2, 8-1-96; AO No. 96-96(S-1), § 2, 2-1-97; AO No. 96-126(S), § 3, 10-1-96; AO No. 96-137(S), § 9, 1-2-97; AO No. 97-88, § 3, 6-3-97; AO No. 97-107, § 3, 11-17-97; AO No. 97-133(S), § 1, 11-11-97; AO No. 98-27(S-1), § 2, 11-11-97; AO No. 98-160, § 2, 12-8-98; AO No. 99-13(S), 2-9-99; AO No. 99-91(S), § 4, 7-13-99; AO No. 2000-64, § 1, 4-18-00; AO No. 2000-116(S), § 4, 7-18-00; AO No. 2000-127(S), § 2, 10-14-00; AO No. 2000-129(S), § 26, 11-21-00; AO No. 2001-48, § 1, 3-13-01; AO No. 2001-74(S), § 2, 4-17-01; AO No. 2001-4, § 2, 2-6-01; AO No. 2001-145(S-1), § 11, 12-11-01; AO No. 2003-68, § 1, 9-30-03; AO No. 2003-97, § 4, 9-30-03; AO No. 2003-117, § 2, 1-28-03; AO No. 2003-130, § 8, 10-7-03; AO No. 2003-152S, § 10, 1-1-04; AO No. 2004-1, § 2, 1-1-03; AO No. 2004-99, § 2, 6-22-04; AO No. 2004-100(S-1), § 6, 1-1-05; AO No. 2004-171, § 1, 1-11-05; AO No. 2005-160, § 9, 11-1-05; AO No. 2005-84(S), § 3, 1-1-06; AO No. 2005-185(S), § 35, 2-28-06; AO No. 2005-124(S-1A), § 33, 4-18-06; AO No. 2006-39, § 6, 4-11-06; AO No. 2006-54, § 1, 5-2-06; AO No. 2006-80, § 1, 6-6-06; AO No. 2007-50, § 4, 4-10-07; AO No. 2007-60, § 4, 11-1-07; AO No. 2007-70, § 3, 5-15-07; AO No. 2008-
Section 3. The Municipality Assembly hereby finds, determines and declares that this ordinance is necessary and proper to provide for the safety, preserve the health, promote the prosperity, and improve the order, comfort and convenience of the Municipality of Anchorage and the inhabitants thereof.

Section 4. The Municipal Clerk shall not accept applications for an STR unit license under this ordinance sooner than March 1, 2024.

Section 5. This ordinance shall be effective immediately after passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this __ day of _____, 2023.

______________________________
Chair of the Assembly

______________________________
Municipal Clerk