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(S) Prepared by: Assembly Member Sulte
(S) Reviewed by: Assembly Counsel's Office
(S) For reading: January 23, 2024

ANCHORAGE, ALASKA AO No. 2023-110(S)

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.

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 provide for appropriate and adequate financial protection, such as insurance coverage, for unexpected incidents and resulting damage or injury; and

WHEREAS, there is a desire to provide additional assurances for the quiet and peaceful enjoyment of residents living near an STR <u>who do not have input into</u> <u>rental platform ratings</u>; and

WHEREAS, it is not the intent of this ordinance to raise funds for other purposes, only the administration of the Short Term Rental licensing program, enforcement and other related expenses reasonable and necessary for the purposes of the program, such as third party verification of STR properties; 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 Short Term Rentals have shown to be a factor in the housing crisis in some communities in the United States both for the positive and for the negative; and

 WHEREAS, there is a need for the Municipality of Anchorage to proactively respond to the impact of Short-Term Rentals <u>by first gathering data, that is currently</u> <u>considered proprietary information by platform hosts and is not provided to</u> <u>the level required, to understand the market and whether a problem exist;</u> now, therefore

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THE ANCHORAGE ASSEMBLY ORDAINS: 1 2 3 Anchorage Municipal Code Title 10 is hereby amended to add a new Section 1. chapter 10.90 for Permitting and Regulation of Short-Term Rentals, to read as 4 5 follows: 6 CHAPTER 10.90 LICENSING AND REGULATION OF SHORT-TERM 7 8 RENTALS 9 10.90.005 – Purpose and Definitions. 10 11 Α. Purpose. The purpose of this chapter is to establish the Short-Term 12 Rental license and to facilitate the permitting of Short-Term Rental 13 units subject to appropriate restrictions and standards of this Code, to 14 ensure the safety and enjoyment of the renter, and to allow for 15 retaining the character of and guiet and peaceful enjoyment of 16 residential neighborhoods while respecting individual property 17 owner rights in alignment with this code. 18 19 Β. 20 Definitions. The following words, terms and phrases, when used in 21 this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning: 22 23 24 Advertisement: A form of marketing communication that employs a 25 non-personal message to promote the rental of a Short-Term Rental 26 27 unit. This includes, but is not limited to, mailing, brochures, print, internet listing, e-mail publication, social media, other electronic 28 means, or other means or methods regardless of the medium used. 29 30 [BEDROOM: A BEDROOM MUST MEET THE CRITERIA SET 31 FORTH IN SECTION 9 OF THIS CHAPTER. 32 33 OCCUPANCY LIMIT: THE MAXIMUM NUMBER OF PERSONS 34 PERMITTED TO OCCUPY OVERNIGHT IN A SHORT-TERM 35 **RENTAL UNIT.]** 36 37 *Rent* is the monetary value of any consideration, whether money or 38 property, given in exchange for the right to use or occupy an STR unit. 39 40 *Rental agent:* A management company, rental agent, or other person 41 employed or engaged by the license holder to advertise the Short-42 43 Term Rental unit for rent, or to remit any required tax to the Municipality. 44 45 46 Responsible Manager: A management company, rental agent, or individual who is identified in writing to the Municipal Clerk as the 47 person responsible for code complaints made about the Short-Term 48 Rental unit and shall be capable of responding, or directing 49 someone with management authority to respond, within a 50

1 2		<u>reasonable time and at least daily by person, phone, e-mail or other means.</u>
3 4 5 6 7 8 9 10 11		<i>Short-Term Rental (STR) Unit:</i> 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.
12 13		[STUDIO: A SHORT-TERM RENTAL UNIT WHICH DOES NOT CONTAIN A SEPARATE AND DISTINCT BEDROOM.]
14 15 16 17		<i>To rent or rent</i> (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.
18 19	10.90	0.010 – Short-Term Rental Unit License required.
20 21 22 23 24 25 26 27	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 on <u>a date to be determined by the municipal clerk and no less than</u> <u>180 days and no more than 540 days from [insert date of passage</u> <u>of this AO]</u> [May 1, 2024].
28 29 30 31 32 33	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.
33 34 35 36 37 38 39 40	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, and renewal date. Other than the initial term, the license period for renewed licenses may be annual or biennial, as determined by the clerk [with an end date of April 30].
41 42 43 44	D.	Chapter 10.10 shall not apply to Short-Term Rental unit licenses unless specifically made applicable by provisions of this chapter. [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.]
45 46 47	10.90	0.015 – License application.
47 48 49 50	A.	Applications submitted for licenses and license renewals shall set forth the following information on the forms prescribed and furnished by [obtained from] the Municipal Clerk's Office and shall pay all fees

required for a license application. Section 10.10.015 applies to the 1 2 application content and the authority of the municipal clerk to review and verify the information therein. 3 4 5 Β. The license application or renewal application shall **also** include: 6 7 1. **T**[t]he completed application form; 8 2. 9 Owner Safety self-inspection certification; 10 3. Owner statement [Affidavit]: a statement under penalty of 11 unsworn falsification that the owner has read and understands 12 the rules and regulations for a Short-Term Rental unit set forth 13 in this chapter, and [including] that the owner and Short-14 Term Rental unit is in compliance with criteria and 15 requirements of this chapter [in section 10.90.]; 16 17 18 4. [A description specifying how each required license review criteria will be met; 19 20 21 5.] A copy of the licensee's room tax certificate of registration, if required to obtain one under chapter 12.20; 22 23 24 5[6] Proof of property liability insurance in the amount of not less than an amount required for a bed and breakfast of 25 comparable size within the municipality or five hundred 26 thousand dollars (\$500,000.00), whichever is less, or provide 27 proof that property liability coverage in an equal or higher 28 amount is provided by any hosting platforms through which the 29 owner will rent the Short-Term Rental unit. Proof of liability 30 insurance is not required if Short-Term Rental reservations are 31 handled exclusively by hosting platforms (websites) that extend 32 33 liability coverage of not less than the amount required by this section [five hundred thousand dollars (\$500,000.00)] 34 under terms acceptable to the Municipal Risk manager. 35 36 37 **6[7]**. The name, address, email address and other contact information, including a 24-hour contact phone number for the 38 owner or the owner's Responsible Manager. and an alternate 39 person in the event of an absence of the owner or 40 Responsible Manager from the municipality. The owner or 41 Responsible Manager, and/or the alternate, shall reside 42 within the municipality, [who] can be contacted in the event of 43 an emergency or immediate concern at the property, and 44 shall be capable of [can] physically responding, or directing 45 someone with management authority to respond, at the 46 Short-Term Rental unit to address immediate issues or 47 concerns on a daily basis [within one hour]; 48 49 7[8]. The name, address, telephone number, and email address of 50

any current Rental Agent for the Short-Term Rental unit; and 1 2 3 Such other information as the Municipal Clerk may 8. reasonably require. 4 5 6 License holder shall designate in writing a Responsible [9. Manager. The person may be the license holder/owner, 7 and the license holder may designate one or more 8 alternate Responsible Manager(s) at the time of 9 application. The Responsible Manager or an alternate shall 10 be able to physically respond to the Short-Term Rental unit 11 in no more than one hour at all times the unit is rented. 12 Responsible Manager and Rental Agent may be one and 13 the same.] 14 15 C. License holder shall notify the Municipal Clerk in writing within thirty 16 (30) days of any change in the information set forth in the current 17 application on file with the Clerk. [However, the license holder shall 18 notify the Municipal Clerk within three (3) days in writing of any 19 change in Rental Agent or Responsible Manager by including the 20 21 name, address, telephone number, and email address of the 22 license's replacement Rental Agent or Responsible Manager.1 23 D. 24 The application shall be reviewed administratively by the Municipal Clerk for completeness and compliance with application 25 requirements in this chapter. The municipal clerk shall circulate 26 27 the application only to the Finance Department in accordance with [chapter 10.10, License 28 subsection 10.10.020A.1.a. Administration. If any provision of chapter 10.10 is inconsistent 29 30 or conflicts with this chapter 10.90, this chapter shall govern.] 31 10.90.020 - Short-term rental unit license review criteria. 32 33 Α. The Municipal Clerk may approve or approve with conditions an 34 application for, or renewal of, a Short-Term Rental unit license if the 35 following criteria and specific regulations are met: 36 37 [Sleeping quarters for Short-Term guests shall not be in 38 1. 39 non-residential areas within buildings or accessory structures (e.g., shed, garages, closets, etc.) that do not 40 41 contain finished living space; or in commercial (office/retail) or industrial (warehouse) spaces; or in a 42 43 recreational vehicle.] 44 Sleeping quarters for Short-Term Rentals shall meet 45 [2.-46 applicable Municipal Code for a sleeping area. 47 3.] The license fee has been paid and the applicant shall not be 48 49 indebted or obligated in any manner to the Municipality. 50

1 2 3 4		<u>2</u> [4].	The real property used for the STR unit shall not be delinquent in payment of property or other applicable municipal taxes <u>, as</u> <u>certified by the Finance Department</u> .	
4 5 6 7		[5	The owner shall maintain or provide for regular trash collection services in compliance with this Code.]	
, 8 9 10		<u>3[</u> 6].	The owner shall maintain the insurance coverage required by <u>this chapter</u> and provide proof <u>there</u> of <u>with the application.</u>	
11 12 13 14 15 16 17 18		<u>4[7]</u> .	Short-Term Rental units must remain compliant with all <u>land</u> <u>use</u> [Planning], <u>z</u> [Z]oning, <u>b</u> [B]uilding and other applicable <u>m</u> [M]unicipal c[C]odes. <u>The owner's certification of self- inspection and statement of compliance shall be sufficient</u> to satisfy this paragraph, except for the status of taxes and obligations owed to the municipality, for application approval.	
19 20 21 22		<u>5[</u> 8].	The owner shall not have had a Short-Term Rental unit license revoked or denied within the preceding twenty-four (24) months.	
22 23 24 25		<u>6.</u>	Sleeping quarters for Short-Term Rentals shall meet applicable municipal code for a sleeping area.	
26 27 28		<u>7.</u>	The owner shall maintain or provide for trash and garbage from the Short Term Rental unit shall be stored and disposed in compliance with municipal code.	
29 30 21	10.90.	025 –	License issuance.	
31 32 33 34 35 36 37 38 39 40		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 <u>and[,]</u> state [and municipal] law. <u>The</u> <u>license term shall be in accordance with section 10.90.10C.</u> [An initial license issued for a property may have a term shorter than two years, as described in section 10.90.035C.]		
41 42 43 44 45 46 47 48	B.	be val licens surrer <u>munic</u> date	rt-Term Rental unit license issued pursuant to this chapter shall id for <u>a single Short-Term Rental unit and for the term of the</u> <u>a unless</u> [two years or until] abandoned, voluntarily idered, suspended or revoked <u>prior to expiration</u> . <u>The</u> <u>cipal clerk may extend the license term past the expiration</u> in accordance with section 10.10.030B. if a renewal cation is pending approval.	
49 50			wal shall not be unreasonably withheld. <u>If the STR unit was</u> cted to any notices of violation or a license suspension in	

the license term preceding the renewal application, the municipal 1 clerk shall circulate it to the department charged with 2 enforcement of such violation(s) for certification of compliance 3 in accordance with section 10.10.020A. The municipal clerk, in 4 5 consultation with such departments, has 6 [D. Conditions of approval: In the licensing of such use, or in the 7 renewal of a license, the Municipal Manager, Planning Director, 8 or Anchorage Assembly shall have] authority to require such 9 reasonable conditions as necessary to protect the public health, safety 10 and general welfare and to ensure that the use, value, and qualities of 11 the neighborhood surrounding the **STR unit's** [proposed] location will 12 not be adversely affected. 13 14 15 10.90.030 – Licenses non-transferable. 16 Except as otherwise provided in this section, no license granted Α. 17 pursuant to this chapter shall be transferable from one entity or 18 person to another or from one location to another. No License shall be 19 transferred as part of a like-kind exchange under Internal Revenue 20 Code section 1031 or other federal law. 21 22 Β. Exceptions to the prohibition on transfer of a [non-transferable] 23 license: permissible voluntary transfers. 24 If the title to or leasehold interest in real property for which a 25 1. valid Short-Term Rental unit license has been issued is 26 27 transferred by the licensee as a grantor or lessor pursuant to a conveyance meeting any of the following conditions, the 28 Municipal Clerk may re-issue the Short-Term Rental unit 29 license to the grantee or lessee named in such deed or 30 leasehold conveyance: 31 32 33 a[1]. The [transfer of title to real property if the] grantee or lessee is a member of the grantor's immediate family. 34 For purposes of this section, "immediate family" means 35 the spouse, child (including a stepchild and an adoptive 36 child), parent, sibling, grandparent, aunt, or uncle of the 37 person, and a parent or sibling of the person's spouse. 38 39 40 b[<u>2</u>]. The transfer is [of title to real property from a grantor] to a trust established by the grantor, and the grantor is 41 the trustee. 42 43 The transfer is [of title to real property from a grantor] c[3]. 44 to a limited liability company or another form of business 45 entity recognized by Alaska law so long as the grantor 46 or lessor has a controlling interest in such limited 47 liability company or other business entity. 48 49 **<u>d</u>[4]**. Any transfer of the property between the same parties 50

creating or terminating a [joint] tenancy in common or 1 2 by the entirety in such property. 3 The transfer of title or change of interest [in real 4 e[5] 5 **property**] by reason of death, pursuant to a will, the law of descent and distribution, a devise pursuant to these 6 occurrences, or otherwise. 7 8 9 <u>2.</u> Other exceptions to prohibition on transfer of a license. 10 The transfer [of title] required by order of a court of 11 a[6]. competent jurisdiction. 12 13 **b**[7]. A transfer of an interest in the property without 14 consideration for the purpose of confirming, correcting, 15 modifying, or supplementing a transfer previously 16 recorded: making minor boundary adjustments; 17 removing clouds of titles. 18 19 [; or granting rights-of-way, easements, or permits.] 20 21 22 10.90.035 - Fees. 23 24 Α. Purpose and Use of the License Fees: Funds collected by the Municipality from the Short-Term Rental unit fee established by this 25 section shall be used to defray the costs to the Municipality, including, 26 27 but not limited to, for staff and personnel required for the administration, [and] enforcement, and audit of the program, and for 28 data collection, analysis and research of the STR market and 29 trends in the Municipality. License fees [are not a tax, but] are for 30 the privilege of operating an STR unit in the municipality, they are not 31 32 a tax. 33 Β. Commencing with licenses for Short-Term Rental units issued for the 34 initial [on or after March 1, 2024,] licensing period there shall be 35 added to each Short-Term Rental unit license issued by the Municipal 36 Clerk pursuant to this chapter, and there shall be paid by the license 37 holder of such license, an annual Short-Term Rental unit license fee. 38 39 The amount of the [annual] Short-Term Rental unit fee [for 2024] shall be the equivalent of four hundred dollars (\$400.00) for one 40 41 year per Short-Term Rental unit; provided, however, 42 43 1. A portion of the fee is non-refundable to cover the costs of application processing and review, in the amount of \$50.00. 44 45 46 2. The license fee established in this section shall be waived where the Short-Term Rental unit is the applicant's primary 47 residence, resides on site or the premises, resides in 48 immediately adjacent property, or is rented out to a single 49 guest for an aggregate of more than 180 days of the previous 50

12 months[, none of which may be consecutive occupancy 1 2 of more than 30 days]. 3 3. The license fee established in this section shall be waived 4 5 where a Short-Term Rental unit is owned by an active-duty military service member whose permanent duty station is within 6 Municipality of Anchorage and receives orders to report to a 7 temporary duty station outside of the Municipality of Anchorage 8 (i.e. deployment), for the duration of the deployment for the 9 initial application and each annual renewal upon presentation 10 of orders. 11 12 4. [No Short-Term Rental unit license shall be issued until the 13 applicable Short-Term Rental unit fee has been received by 14 the Municipality. 15 16 Biannual License Fee Due Date: The Short-Term Rental unit 5.] 17 fee shall be due and payable to the Municipality at the time of 18 application. Failure to pay the fee in accordance with this 19 section will result in the non-issuance or nonrenewal of a 20 21 license. 22 Excess fees collected may be used broadly for affordable 23 [6.-workforce housing development as long as they do not 24 adversely affect the administration of the STR licensing 25 program or lead to license fee increase due to a program 26 27 short-fall.1 28 C. 29 Before September 1 of each year, the municipal clerk may recommend to the assembly an adjustment to the annual fee and 30 non-refundable application fee amount. The municipal clerk 31 shall evaluate the amount of the fee revenues and costs to 32 33 administer and enforce this chapter, and determine if the fee should be adjusted to cover the costs of the program. 34 35 License Fees shall not be prorated or refunded if STR License is 36 <u>D.</u> 37 revoked or suspended, or due to a sale of the property. The refundable portion of a license fees may be prorated by the Municipal 38 39 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 40 41 quarters. 42 43 **E**[**D**]. Administration of the Fund: 44 1. All sums of money collected by the Municipality per this section 45 46 are intended exclusively for use as outlined in this section. 47 2. The fees collected in accordance with this section shall be 48 49 accounted for in such a manner that the collection and expenditure of such fees can be separately tracked by the 50

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 <u>regular</u> meals shall be prepared for or served to the Short-Term guests by the owner or the owner's agents. <u>However, a</u> <u>welcome snack or a sharing of cultural or local cuisine is</u> <u>permitted.</u>
 - 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 <u>Responsible</u> <u>Manager or alternate</u> [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 <u>by person, phone, email or other</u>

1 2 3 4 5 6	<u>means</u> regarding the condition or operation of the Short-Term Rental unit or the conduct of Short-Term guests. If the local <u>Responsible Manager or alternate</u> [contact person designated by the owner] changes, then the owner shall update the license on file within <u>thirty (30)</u> [three (3)] days.			
7 8 9 10 11	[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.			
12 13	a. Studios shall be limited to two (2) adults.			
14 15 16 17	b. Minors, <18 years of age, will not be counted as long as under the care and supervision of an adult on the premises.			
17 18 19 20	10.90.045 - Criteria for a bedroom under the Short-Term Rental regulations.			
20 21 22 23 24	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			
24 25 26 27 28 29 30	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.			
31 32 33	C. Advertising of the STR unit may not indicate a number of bedrooms greater than established by this section.]			
34 35	10.90.050. – Advertising requirements.			
36 37 38	A. An advertisement offering to rent a Short-Term Rental unit must prominently display:			
39 40 41	 The municipality's business license number in the advertisement as, "Municipality of Anchorage Short-Term Rental Unit License No. [insert number]"; and 			
42 43 44 45	2. The adult occupancy limit for the Short-Term Rental unit as, "Maximum overnight occupancy [insert number] adults."			
46 47 48	B. The license holder and/or owner of a unit shall be given written notice of an advertising violation of this section and <u>thirty (30)</u> [fifteen (15)] days within which to comply with the requirements of this section.			
49 50	10.90.055 - Mitigation of health, safety and secondary impacts.			

1 2 Α. Accommodation unit licensees shall be responsible for the safety of the occupants and welfare of the surrounding areas and residential 3 habitants. In so doing, the licensee or the Responsible Manger shall: 4 5 6 Β. Short-Term Rental unit license holders shall be responsible for the safety of the occupants and welfare of the surrounding areas and 7 8 residential habitants. In so doing, the license holder or the Responsible Manager shall: 9 10 Short-Term Rental units shall at all times be equipped with a 1. 11 functioning smoke detector, carbon monoxide detector, and fire 12 extinguisher. 13 14 15 2. [Motor vehicles used by occupants shall be parked only on the site of the Short-Term Rental unit or in a public 16 Municipality designated parking area located off of the site 17 of the Short-Term Rental unit. 18 19 3.1 20 Motor vehicles shall be parked in accordance with Municipal 21 Code. 22 Occupants shall not sleep in motor vehicles and further, 23 [4. shall cause motor vehicles parked at a Short-Term Rental 24 unit to comply with the requirements and be subject to the 25 limitations of this Code.] 26 27 3[5]. Trash and garbage from a Short-Term Rental unit shall be 28 stored and disposed of in compliance with Municipal Code. 29 30 Noise emanating from the Short-Term Rental shall be in 31 **4[6]** accordance with Municipal Code. 32 33 10.90.060. – Right of entry for inspections or investigations; 34 35 complaints. 36 37 Α. Inspections are authorized under section 10.10.050. In addition to the municipal clerk or law enforcement officials, code enforcement officers 38 as directed by the municipal clerk may enter and inspect the premises 39 of the Short-Term Rental unit as reasonable and necessary to ensure 40 and enforce compliance with this chapter and applicable provisions of 41 this code. 42 43 Β. 44 Complaints. 45 46 1. The Responsible Manager shall be available twenty-four (24) hours per day, seven (7) days per week, to respond to any 47 complaint filed with or through the Municipality, or a website 48 provided by the Municipality for such purpose, about the 49 operation or condition of the license holder's Short-Term Rental 50

unit.

2. The Responsible Manager shall be able to <u>reasonably</u> respond to a complaint within sixty (60) minutes of receiving notice of such complaint <u>in person, phone, email or other</u> <u>means</u>.

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.
- Β. 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 thirty (30) [fifteen (15)] 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 <u>recommend suspension or revocation of</u> [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 <u>without taking</u> <u>reasonable measures to respond and correct violations</u>; or
 - 3. The owner has violated the rules and regulations provided for in this part <u>without taking reasonable measures to respond</u> <u>and correct violations</u>.
- B. License suspension or revocation proceedings shall be in accordance
 with section 10.10.040 <u>and require Assembly action</u>.
 - C. A license suspension shall not exceed thirty (30) days, and for so long

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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:

Code Section	Offense	Penalty/Fine
***	*** ***	
<u>10.90</u>	Violation of provisions of 10.90 not listed below	1 st Offense: warning 2 nd Offense: \$100 3 rd and subsequent offenses: \$300
10.90.010	Operating STR unit without license	300.00 per overnight occupancy rented
10.90.050	Advertising violation	300.00
10.90 .040	Failure of Responsible Manager to respond to complaints or concerns [1 hour]	75.00
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(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. 1 2 2005-124(S-1A), § 33, 4-18-06; AO No. 2006-39, § 6, 4-11-06; AO No. 2006-3 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. 2008-4 5 84(S), § 5, 7-15-08; AO No. 2009-61, § 3, 7-7-09; AO No. 2009-82, § 5, 7-7-6 09; AO No. 2009-40(S), § 3, 7-21-09; AO No. 2009-112, § 4, 10-13-09; AO No. 2009-122, § 2, 12-17-09; AO-2010-35(S), § 7, 5-11-10; AO No. 2010-39, 7 8 § 2, 5-11-10; AO No. 2010-87(S), § 3, 12-7-10; AO No. 2011-46, § 4, 4-12-11; AO No. 2011-59, § 10, 5-24-11; AO No. 2011-106(S), § 3, 11-8-11; AO 9 No. 2011-112, § 4, 11-22-11, eff. 12-22-11; AO No. 2012-10, § 1, 1-31-12; 10 AO No. 2012-77, § 29, 8-7-12; AO No. 2013-109(S-1), § 5, 12-3-13; AO No. 11 2013-130(S-1), § 1, 1-14-14; AO No. 2014-42, § 31, 6-21-14; AO No. 2014-12 85, § 4, 8-5-14; AO No. 2014-110(S), § 2, 9-9-14; AO No. 2014-137(S), § 3, 13 11-18-14; AO No. 2015-23(S), § 20, 3-24-15; AO No. 2015-48, § 16, 5-14-14 15 15 ; AO No. 2015-54, § 1, 5-26-15 ; AO No. 2015-65, § 4, 6-9-15 ; AO No. 2015-111(S-1), § 2, 1-1-16 ; AO No. 2016-16(S), § 4, 2-9-16 ; AO No. 2016-16 76(S), § 7, 7-12-16 ; AO No. 2016-81(S), § 4, 8-25-16 ; AO No. 2016-83(S), 17 § 9, 7-26-16 ; AO No. 2016-82 , § 3, 8-9-16; AO No. 2016-116 , § 2, 10-18-18 16; AO No. 2016-115(S) , § 2, 11-15-16; AO No. 2016-124(S) , § 11, 12-20-19 16; AO No. 2017-26, § 2, 5-1-17; AO No. 2017-29(S), § 61, 6-1-17; AO No. 20 21 2017-30 , § 3, 3-21-17; AO No. 2017-31(S) , § 5, 5-26-17; AO No. 2017-119(S), § 4, 11-9-17; AO No. 2017-101, § 2, 2-5-18; AO No. 2017-161(S), 22 § 3, 2-27-18; AO No. 2017-16 , § 3, 2-14-17; AO No. 2017-129 , § 2, 1-23-23 24 18; AO No. 2018-63(S), § 2, 8-28-18; AO No. 2018-100(S), § 2, 1-1-19; AO No. 2018-110, § 2, 12-18-18; AO No. 2019-9(S), § 2, 2-12-19; AO No. 2019-25 12, § 2, 3-5-19; AO No. 2019-15(S), § 2, 3-19-19; AO No. 2019-34, § 5, 4-26 27 18-19; AO No. 2019-50(S), § 2, 6-6-19; AO No. 2019-66, § 26, 6-18-19; AO 28 No. 2019-74(S), § 2, 6-18-19; AO No. 2019-79(S), § 2, 7-9-19; AO No. 2019-90(S), § 7, 8-20-19; Ord. No. 2020-4(S), § 3, 6-24-20; AO No. 2020-65, § 29 2, 9-25-20; AO No. 2020-103 , § 2, 11-4-20; AO No. 2022-97 , § 1, 11-9-22; 30 31 AO No. 2023-27, § 2, 3-21-23) 32 33 The Municipality Assembly hereby finds, determines and declares that Section 3. this ordinance is necessary and proper to provide for the safety, preserve the health, 34 35 promote the prosperity, and improve the order, comfort and convenience of the Municipality of Anchorage and the inhabitants thereof. 36

Section 4. The Municipal Clerk shall not accept applications for an STR unit license under this ordinance sooner than **<u>120 days from the passage of this</u> <u>ordinance [March 1, 2024]</u>.**

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 _____, **2024** [**2023**].

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50 ATTEST:

Municipal Clerk



MUNICIPALITY OF ANCHORAGE ASSEMBLY MEMORANDUM

No. AM -2024

Meeting Date: January 23, 2024

From: Assembly Member Sulte and Vice Chair Zaletel

Subject: AO 2023-110(S): 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.

This supplemental memorandum is provided with the (S) version of the ordinance pursuant to AMC 2.30.050E. The original AO 2023-110 is modified by the (S) version in several ways, many of these changes further the objective of not being 13 overly burdensome to current owners and operators of Short-Term rental properties. 14 Many changes in the (S) are for clarity, to reduce redundancy, cross referencing of 15 Municipal Code, grammar and code integrity, and for accuracy of legal terminology; 16 these are not described in this memorandum and are clearly marked. The significant 17 18 and substantive changes in the (S) from the original version are summarized as 19 follows:

- Provisions to define or regulate the sleeping rooms are removed.
- The owner or Responsible Manager must be able to respond to complaints or concerns, or direct someone to respond, on at least a daily basis, in person or by phone, e-mail or other means.
- The purposes of the fees for an STR Unit license re restricted to only fund the administrative and enforcement costs for the program, including data collection, analysis, and market research of STRs in the Municipality. Moreover, the Municipal Clerk is directed to annually evaluate the license fee amount and the costs to administer the program, and recommend adjustments to the Assembly.
- Provides flexibility for when the STR licenses may begin to issue and when they will be required. After the effective date of the ordinance, the Municipal Clerk needs time to ramp up and prepare the licensing program, no more than 540 days after passage of the ordinance, and may not begin accepting applications sooner than 120 days, and may not require licenses sooner than 180 days.
- Allows the Municipal Clerk to determine the initial license period, and then to issue licenses on an annual or biennial basis. Proration of the license fee by quarterly periods will be allowed, but not when the license is surrendered or the property is sold.
- Establishes minimum insurance coverage requirements comparable to a bed and breakfast business in Alaska.
- The completed application includes a safety-self inspection form, and an owner's statement under penalty of unsworn falsification that the owner has

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read and understands the regulations in the Code, and that the STR unit property is compliant with the requirements of the chapter and the land use, health, building safety, and trash and garbage storage and disposal provisions of Municipal Code. Inspections and certifications by public officials will not be required, with one exception: the Finance Department is required to certify the owner and property do not owe taxes or other obligations to the Municipality. This streamlines the application process compared to other municipal licenses.

- However, if notices of violations are issued to the STR Unit, the next renewal application process may allow inspection for remedy of the violations and imposition of conditions.
- Removes limits on overnight occupancy.
- Establishes a general fine for any violation of new Chapter 10.90, graduated from a warning for the first offense, to a \$100 fine for the second, and \$300 for third and subsequent offenses.

We request approval of AO 2023-110(S).

Respectfully submitted:

Randy Sulte, Assembly Member District 6 – South Anchorage, Girdwood, and Turnagain Arm

Meg Zaletel, Assembly Vice Chair District 4 – Midtown Anchorage

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