

Dear Mayor and Council:

As directed at your last Council meeting, I have prepared a draft STR ordinance. As I indicated at the meeting, I tried to draft language to potentially enact all of the STR Committee's recommendations that reasonably could go into this ordinance. There are two basic groups of recommendations I left out:

1. I left the tax items out. There are two tax-related areas of the STR Committee report:
 - a. First, the STR transient occupancy tax piece with reluctant "accommodations intermediaries" is so messed up in law and practice (on a state and federal level and yes, locally) and we really don't know how the new state law (effective October 1) will affect this. I am hopeful this legislation will significantly improve the reporting and taxes paid by VRBO and AirB&B STRs.
 - b. Second, the final segment of the STR report discusses use of tax revenues, which is a discretionary one with the Council to be placed in the budget or in an appropriation act of Council... not something to put into an ordinance.

2. A number of the STR Committee recommendations had to do with the STR registry or registration process. Most if not all of these can go into the STR

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registration form, and did not need to be in this ordinance. Note, however, that I'll be looking to see if the STR registration/Business License Permit process ordinance to see if amendments of this ordinance recently adopted by Council needs to be amended.

On other note. All future STRs require a CUP, EXCEPT that current registered STRs are grandfathered. (See enactment paragraph 2 of the ordinance.) This grandfathering can expire or be revoked by Council as stated in the grandfathering clause. Those Inns, Hotels, Motels and Tourist Houses with CUPs are exempted from the cap of 35, so I understand from Laurel we are under the 35 number today. I will keep my ***fingers crossed*** we stay there.

This is still a first draft, but I wanted to give Council a chance to comment back to me, by email or by phone, so I can work on a second draft, if needed, before the next meeting.