

**Subject: Ordinance 1511 – Update of City Business Licensing Code**

**Dept. Origin: Mayor’s Office**  
**Prepared by: Jennifer Robertson, City Attorney’s Office**  
**For Agenda of: October 2, 2018**  
**Exhibits: Ordinance 1511**

Initial & Date

**Proposed Council Action:**

This is on for Third Reading. Adopt Ordinance 1511.

**Concurred by Mayor:** \_\_\_\_\_  
**Approved by City Planner:** \_\_\_\_\_  
**Approved as to form by City Atty:** JSR 9-26-18  
**Approved by Finance Director:** \_\_\_\_\_  
**Approved by Department Head:** \_\_\_\_\_

**INFORMATION / BACKGROUND**

**A. General Overview.**

As the City started reviewing its business licensing code in order to comply with the state-mandated update, it became clear that the City’s code is in need of a major overhaul as it was quite out of date and lacking many procedures (such as revocation and appeal procedures) that are found in most business licensing codes. The City used the Tacoma Business Licensing Code as a model for many of the new chapters. Tacoma’s code, however, has many more additional chapters that were not included in the new ordinances either because Ruston deals with those issues already (i.e. adult entertainment, alarms permits) or because these are things the City has never specifically licensed with special licenses (i.e. food trucks, sign erectors, scrap metal dealers, gambling, septic and side sewer contractors) and thus any of these businesses would be covered under the general business license.

Ordinance #1511 which addresses licensing for short term rentals is a new type of license to Ruston. At the time the business license code was being re-drafted, the Planning Commission was taking up zoning regulations for short term rentals in the City. Therefore the drafting of the new Chapter 5.05D which requires licensing of this use dovetails nicely timing-wise with the upcoming zoning code change to regulate this use.

All business licensing ordinances, along with the Master Fee Resolution, were adopted on September 4, 2018 with the exception of the short term rental license (Ordinance #1511). This Ordinance is now back before Council for a Third Reading and potential adoption.

## **B. Third Reading Update.**

During the Second Reading of this Ordinance on September 4, 2018 the City Council received testimony from a Ruston Planning Commissioner regarding this Ordinance. That testimony was from that person in her individual capacity and not on behalf of the Commission. That testimony informed the Council that the Planning Commission had not had the opportunity to review the short term rental business licensing ordinance and suggested revisions to the Ordinance as well as requesting a delay to provide the Commission the opportunity to provide input.

In addition, the Council discussed the insurance provision requirement in Section 5.05D.050(d) as being unclear because it had no amount of required insurance.

The Council directed staff to provide the Planning Commission an opportunity to provide input and to bring the Ordinance back for Third Reading on October 2, 2018.

Following that meeting, the staff corrected an error in Ordinance #1511 and set the minimum insurance amount at \$300,000 in the Ordinance.

In addition, the City Attorney's office learned that the Planning Commission had, in fact, already reviewed Ordinance #1511 on August 8, 2018. At that time, the Commission only recommended slight revisions to Ordinance #1511 regarding the reference to the land use process. These changes were made prior to the Council having a First Reading on Ordinance #1511 on August 21, 2018. Nevertheless, the staff took Ordinance #1511 (as updated following Second Reading) back to the Planning Commission with the query as to whether the Commission wanted to revisit Ordinance #1511 and provide additional input to the Council. After a review and discussion, the Commission declined to recommend additional revisions to Ordinance #1511. They did point out a language clarity issue regarding record keeping in Section 5.04D.070 which has been corrected.

### **RECOMMENDATION / MOTION**

Adopt Ordinance #1511.

MOTION 1: I move to adopt Ordinance #1511 regarding business licensing, creating a new Chapter 5.05D of the Ruston Municipal Code, establishing processes and procedures for business licensing for short term rentals in the City of Ruston.

**ORDINANCE NO. 1511**

**AN ORDINANCE OF THE CITY OF RUSTON, WASHINGTON, REGARDING BUSINESS LICENSING, CREATING A NEW CHAPTER 5.05D OF THE RUSTON MUNICIPAL CODE, ESTABLISHING PROCESSES AND PROCEDURES FOR BUSINESS LICENSING FOR SHORT TERM RENTALS IN THE CITY OF RUSTON, AND ESTABLISHING AN EFFECTIVE DATE.**

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WHEREAS, the State is requiring all cities with business licenses to make certain updates to its business licensing codes and the deadline for adopting these revisions for Ruston is October 17, 2018; and

WHEREAS, the City deemed it in the best interests to fully update its licensing code, including adoption of several new chapters under subtitle 5.05; and

WHEREAS, the City is also in the process of adopting applicable zoning regulations on locating and operating short term rentals in the City; and

WHEREAS, licensing of short terms rentals also needs to be addressed and this this new Chapter 5.05D accomplishes this goal while being consistent with the proposed new zoning regulations which will be adopted later this year; and

WHEREAS, on August 21, 2018, the City Council held the first reading on this Ordinance; and

WHEREAS, on September 4, 2018, the City Council held the second reading on this Ordinance and requested Planning Commission input given that the Planning Commission is currently working on the short term rental zoning code; and

WHEREAS, on September 19, 2018, the Planning Commission held a regular meeting and discussed this Ordinance; and

WHEREAS, on October 2, 2018, the City Council held the third reading on this Ordinance and considered input from the Planning Commission and staff; and

WHEREAS, on October 2, 2018, the City Council adopted this Ordinance during its regular meeting; **NOW, THEREFORE**

**THE CITY COUNCIL OF THE CITY OF RUSTON HEREBY ORDAINS AS FOLLOWS:**

**Section 1.** A new chapter is hereby added to the Ruston Municipal Code to read as follows:

**Chapter 5.05D  
SHORT TERM RENTAL LICENSE**

**Sections:**

- 5.05D.010 License required.**
- 5.05D.020 Definitions.**
- 5.05D.030 License fees.**
- 5.05D.040 Exemptions.**
- 5.05D.050 License requirements.**
- 5.05D.060 Record requirements.**
- 5.05D.070 Prohibited use of short term rental accommodation.**
- 5.05D.080 Revocation or suspension.**

**5.05D.010 License required.**

It shall be unlawful for any person, either as owner, lessor, lessee, manager, or agent, to conduct, keep, manage, or operate or cause to be kept, managed or operated, short term rental accommodations in the City without first obtaining a license pursuant to the provisions of this chapter.

**5.05D.020 Definitions.**

“Adult hotel” means a short term rental accommodation that offers a guest room for rent for any period of time less than 10 hours or allows a person to sub-rent the guest room for a period of time that is less than 10 hours.

“Guest” means any person occupying or registered to occupy a lodging unit at a short term rental accommodation.

“Guest room” means an individual room or group of interconnected rooms intended for sleeping that is for rent or use by a guest, and is individually designated by number, letter, or other means of identification. A guest room may or may not include areas for cooking and eating.

“Short term rental accommodation” or “short term rental” means a single-family residential dwelling unit or accessory dwelling unit used for short-term transient occupancy (for periods less than 30 days). Short term rentals must meet the requirements in Chapter 25.10 RMC in order to obtain a license under this chapter.

**5.05D.030 License fees.**

The license fees for a short term rental accommodation are established as adopted by resolution of the City Council.

**5.05D.040 Exemptions.**

This chapter shall not apply to those places where children, elderly persons, invalids, or convalescents are exclusively accommodated, or to those premises licensed as trailer camps or recreational vehicle parks.

**5.05D.050 License requirements.**

Each licensee of a short term rental in Ruston shall comply with the following:

- a) A short term rental license shall be obtained from the City of Ruston prior to using the dwelling unit as a short-term rental;
- b) The short term rental license shall be renewed annually;
- c) The short term rental license is non-transferable. If the property is sold, the new owner will need to re-apply for both the short term rental license and the underlying short term rental permit;
- d) At the time of initial short term rental license application, the owner of record shall demonstrate that the short term rental is registered as a business with the State of Washington and that a State Business License and Unified Business Identifier (UBI) number have been issued for the short term rental. The owner shall also certify that all applicable lodging taxes will be paid and shall provide proof of general liability insurance for use of the residential structure as a short term rental in the amount of \$300,000 or more;
- e) Satisfactory completion of a life/safety inspection performed by the City of Ruston Building Official shall be completed prior to the issuance of the initial license and/or any underlying land use permit;
- f) The owner shall obtain the required land use permit for operating the short term rental under Chapter 25.01 RMC prior to the commencement of operations;

- g) The City of Ruston short term rental license shall be prominently and permanently displayed inside the unit near the front entrance of the short term rental and shall list the following:
1. The name, address and phone numbers of the property owner or the designated local contact;
  2. The maximum occupancy for the short term rental unit;
  3. Identification and location of parking spaces available;
  4. A statement regarding how the parking standards are to be met;
  5. A statement that occupants are to respect adjoining property owners by adhering to quiet hours from 10 p.m. to 8 a.m., and refrain from trespassing, littering or parking on adjoining properties;
  6. A statement regarding how garbage removal is to be conducted;
  7. A statement identifying emergency procedures the occupants are to follow in case of an emergency;
  8. A statement that occupants, owners and managers of this short term rental are subject to civil penalties for violating this Ordinance; and
    - a. A statement that the license to operate this short term rental may be revoked for violations of these rules.

**5.05D.070 Record requirements.**

Every person operating or conducting any short term rental accommodation as defined herein shall at all times keep therein a register system which shall be kept in chronological order by date and include the time the guest checks into and out of the guest room, the name and mailing address of the person renting the guest room, and the names of all other persons occupying the guest room. The owner or operator shall also require valid photo identification for all guests, including those paying in cash, money order, traveler check or personal checks, or by voucher, at the time of registration. Such identification shall be in valid and current form issued by a governmental entity.

The operator of any short term rental accommodation shall keep a record of all reservations made for and on behalf of any guest and a copy of guest photo identification taken at the time of registration. Registration records are to be kept in chronological order by date and retained for a period of three years, and shall be open to inspection at all times by any police officer of the City or the state of Washington or other City official conducting official City business.

**5.05D.080 Prohibited use of short term rental accommodation.**

No person in charge of any short term rental accommodation, either as owner, agent, manager, clerk, or employee or in any other capacity, shall use, permit, or suffer to be used the short term

rental accommodation or any portion thereof for the purpose of an adult hotel; prostitution; the illegal manufacture, possession, sale, distribution, or use of narcotics or dangerous drugs as designated or defined by Chapter 9.21 RMC; or shall permit any fighting, boisterous conduct, or any other disorderly conduct therein.

**5.05D.090 Revocation or suspension.**

The license granted under this chapter may be suspended or revoked for noncompliance or more than three complaints in any 12-month period under the procedures contained in Chapter 5.05 RMC.

**Section 2. Severability.** If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

**Section 3. Publication.** This Ordinance shall be published by an approved summary consisting of the title.

**Section 4. Effective Date.** This Ordinance take effect on January 1, 2019, which is more than five days after publication as provided by law.

ADOPTED by the City Council of the City of Ruston and attested by the City Clerk in authentication of such passage on this 2nd day of October, 2018.

APPROVED by the Mayor this 2nd day of October, 2018.

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Bruce Hopkins, Mayor

ATTEST/AUTHENTICATED:

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Judy Grams  
City Clerk

APPROVED AS TO FORM:



Jennifer S. Robertson  
City Attorney's Office

FILED WITH THE CITY CLERK: \_\_\_\_\_

PASSED BY THE CITY COUNCIL: \_\_\_\_\_

PUBLISHED: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

ORDINANCE NO: 1511