

**CITY OF RUSTON
REGULAR COUNCIL MEETING
Tuesday, September 4, 2018**

MEETING CALLED TO ORDER

At 7:00PM Mayor Hopkins called the Regular Council Meeting to order. Councilmembers present were: Jim Hedrick, Lyle Hardin, Lynn Syler, Bradley Huson. Councilmember Kristovich was excused. Following the flag salute, Mayor Hopkins called for approval of the agenda. Councilmember Hedrick moved to approve the agenda, with a second from Councilmember Hardin, passed 4-0.

MINUTES

Councilmember Hedrick moved to approve the minutes for the Regular Council meeting of August 21, 2018. Councilmember Huson moved to amend page 5, line 7, to replace the second word from has to have. As amended, with a second from Councilmember Hardin, passed 4-0.

STAFF REPORT – Nothing at this time.

GENERAL PUBLIC COMMENTS –

Jennifer Jensen – See attached.

BUSINESS –

ORD 1506 – Update to Ch.9.23 – Alarm Permits (2nd reading) – The City adopted the alarm system chapter since in June of 2009. There have been false alarms that summoned fire or medical emergency response in recent days. As written, Chapter 9.23 RMC only address false alarms for law enforcement. In order to ensure that the chapter covers alarms for all types of emergency services, updates are necessary to include fire and medical emergency services. In the process of updating this chapter to account for fire and EMS, housekeeping amendments were also made to change “town” to “city.” The reactivation fee (RMC 9.23.040) is being increased from \$20 to \$50. Finally, as technology has evolved, there are systems in place that should be prohibited as they create a problem for the emergency system. These are described in new section 9.23.055. The revisions in this chapter were prompted by the Fire Chief. All changes were developed with both the Fire Chief and the Police Chief, both of whom support these revisions. The permit fees are unchanged with the exception of the reactivation fee, which is increased to \$50. Councilmember Hedrick moved to approve Ordinance 1506, with a second from Councilmember Hardin, passed 4-0.

ORD 1507 – Update to Ch.5.05 – General Business Licensing (2nd reading)

ORD 1508 – New Chapter 5.05A – Annual Business License (2nd reading)

ORD 1509 – New Chapter 5.05B – Door to Door Sales License (2nd reading)

ORD 1510 – New Chapter 5.05C – Temporary Business License (2nd reading)

ORD 1511 – New Chapter 5.05 D – Short Term Rental License (2nd t reading)

State law requires all cities with business licensing to update codes by the end of the year as set forth below.

Business license and city B&O tax simplification.

In the 2017 session, EHB 2005 (RCW 35.90) passed requiring three actions by cities with business licenses and local B&O taxes. This law does the following:

1. Requires cities with business licenses to establish a workgroup to create a model business license with a licensing threshold by July 2018 for adoption by all business license cities by January 1, 2019;
2. Requires all cities with business license to administer their business license through the state's Business Licensing System (BLS) by 2022 or file local by 2020; and
3. Establishes a task force on local B&O tax service apportionment under RCW 35.102.130 to report to the Legislature by October 2018.

Final model ordinance for local business licenses – minimum threshold.

Cities were required to develop a model ordinance for business licensing by July 1, 2018. The ordinance includes a mandatory definition of “engaging in business” and a minimum threshold (or occasional sale) exemption to establish when out-of-town or transient businesses are required to be licensed. All business license cities must adopt it by the end of the year (RCW 35.90.080).

What is in the model?

The model threshold has two pieces: a model threshold and a definition of “engaging in business.”

1. The model business license threshold language would:
 - a. Apply a minimum threshold of \$2,000 per year in the city for businesses that do not have a location in the city;
 - b. Require a license for businesses with a location in the city without regard to the threshold;
 - c. Allow cities the option to require registration with no fee for businesses under the threshold; and
 - d. Only apply to general business licenses, not regulatory licenses or local taxes.
2. The definition of “engaging in business” includes examples of what constitutes business activities in cities that would subject a business to license requirements, as well as those activities that would not. The model language is adapted from the definition that the 45 cities with local B&O taxes have already adopted for the definition of “engaging in business” in the B&O tax model ordinance.

What are the deadlines for all cities with business licenses to adopt the model?

Cities with a business license must adopt the model by January 1, 2019. However, cities that currently partner with the state's Business Licensing Service (BLS) for business licensing administration have a deadline of October 17, 2018, because they must provide BLS 75-day notice of any changes to their business licenses (including this mandatory change).

The City is already using the State to administer its business licenses. Thus the deadline is October 17, 2018.

Revisions to the Ruston code.

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, alarm 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. The five ordinances addressed in this package of amendments are:

ORD #	Chapter Name/Number	Purpose
1507	Chapter 5.05 – General License Provisions	General provisions for business licensing code
1508	Chapter 5.05A – Annual Business License	Requirements for an annual business license
1509	Chapter 5.05B – Sales – Door-to-Door Soliciting	Sets forth requirements for certain door to door sales
1510	Chapter 5.05C – Temporary Business License – Sales or Shows	Sets forth requirement for occasional or special event business licensing
1511	Chapter 5.05D – Short Term Rental License	Set forth the procedures and requirements for short term rental uses (i.e. AirBnB and the like)

Ordinance No. 1511 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 dovetails nicely timing-wise with the upcoming zoning code change to regulate this use. The package of amendments to the business licensing code will result in additional licenses and the related licensing fees as set forth in Section 4 of the draft Master Fee Resolution.

Master Fee Resolution # 690.

Updating the licensing code also requires an update to the City’s Master Fee Resolution. The updated business license fees match what the City of Tacoma is charging and are found in Section 4 of the Master Fee Resolution. In addition, an update to the City’s overweight truck regulations in Chapter 16.07 will be forthcoming and these fees are contained in Section 7.

Deadline for adopting updates to business licensing code.

The last Council meeting in which the business license code updates required by the State can be adopted is October 16th as these need to be transmitted to the State no later than October 17th for collection starting on January 1, 2019. All of the new business license ordinances take effect on January 1, 2019. The package of amendments to the business licensing code will result in additional licenses and the related licensing fees as set forth in Section 4 of the draft Master Fee Resolution. Councilmember Hedrick moved to approve Ordinance 1507, 1508, 1509, 1510, with a second from Councilmember Hardin, passed 4-0. After discussion, Council agreed to move Ordinance 1511 to third reading at the Council Meeting of October 2, 2018.

ORD 1512 – Update to Ch. 16-07 – Overweight Vehicles (2nd t reading) - Certain streets within the City limits have been damaged by heavy truck traffic. In most instances, there are alternate routes for heavy truck traffic on streets that can better handle the load. State law allows the City to restrict certain types of trucks from using certain streets within the City. In 2013, the City Council adopted Ordinances #1394 and #1413 to update Chapter 16.07 of the Ruston Municipal Code (“RMC”) to restrict large trucks on certain streets in the City. Since that time, the correct signage has been installed with Police issuing citations to vehicles in violation. This has been effective in reducing damage to the City’s streets. When there has been requests to use the City streets in violation of this chapter, the City has issued street excavation permits to allow such use with the conditions to repair the streets. Recently, a developer doing construction outside the City balked at obtaining a permit and has been hauling overweight vehicles on the City’s streets claiming the construction exemption under RMC 16.07.030(a)(6) which allows servicing of construction sites as an exempt use when alternate routes do not exist. In that case, the parties disputed whether alternate routes existed (the City believed they did, the developer claimed that the cost was too high and needed to use the City’s streets). In order to increase the protection for the City’s roads, a new permit system is being established to require permits and roadway repairs when hauling for a nonexempt use or for a use related to construction type permits. This permit system will require a street survey and other information to be provided prior to the hauling. A performance bond will be required to ensure street repair. The applicant then will need to repair any damage that has occurred as a result of the hauling after the hauling is completed in order to obtain a release of the bond. The fees for an overweight vehicle permit range from \$360 to \$720 depending and the weight of the vehicle. Councilmember Hedrick moved to approve Ordinance 1512, with a second from Councilmember Hardin, passed 4-0.

RES 690 – Master Fee Resolution - The City updates its Master Fee Resolution from time-to-time. Generally, at least once per year. The last update was December 19, 2017 with the adoption of Resolution #664. Recently, the Council has been engaged in updating the City’s business licensing chapters as well as updating the City’s overweight vehicle rules. The changes proposed by this body of legislation necessitate changes to the City’s Master Fee Resolution. Updating the licensing code also requires an update to the City’s Master Fee Resolution.

The updated business license fees match what the City of Tacoma is charging and are found in Section 4 of the Master Fee Resolution. In addition, the update to the City's overweight truck regulations in Chapter 16.07 creates a new permit process and the permit fees also requires an update to the Master Fee Resolution. These fees are contained in Section 7 of the Resolution. Councilmember Hedrick moved to approve Resolution 690, with a second from Councilmember Hardin, passed 4-0.

CLAIMS/PAYROLL – Councilmember Hedrick moved to approve Payroll, with a second from Councilmember Hardin, passed 4-0.

MAYOR'S TIME – Nothing at this time.

COUNCIL TIME –
Councilmember Hedrick – Nothing at this time.

Councilmember Hardin – Thanked Mayor for his comments on Ordinance 1511 and the Mayor's understanding of insurance and B&B's. It was nice to have someone with insurance experience. Councilmember Hardin thanked City Attorney Robertson for providing overview, comments and City Attorney Robertson's work on the ordinances presented.

Councilmember Kristovich – Was excused.

Councilmember Syler – Nothing at this time.

Councilmember Huson – Wanted a better understanding of Ordinance 1511 and Ms. Jensen's concerns. Councilmember Huson looked forward to Ms. Jensen's letter submission to the City and City Attorney Robertson. Councilmember Huson asked the City Attorney to review and weigh in on Ms. Jensen's concerns and present her comments at the Council meeting on October 2, 2018. Councilmember Huson asked the Planning Commission to present their additional comments or concerns to Council before the Council meeting of October 2, 2018 meeting. Councilmember Huson would like to have something in writing before the next Council meeting.

MEETING AJOURNED -

At 7:34PM Councilmember Hedrick moved to adjourn, with a second from Councilmember Hardin, passed 4-0.

Mayor Bruce Hopkins

ATTEST:

Judy Grams

Jennifer Jensen, 5330 N Highland St

As part of the planning commission, I have been researching and reviewing Short term Rental Codes in preparation for our recommendation to you. But, we meet again on this topic in 2 weeks – so

Speaking on behalf of myself tonight, I have 2 comments on ORD 1511, Chapter 5.05D, short term rental license

1) 5.05D.050 License requirements.

Last sentence pertains to Liability Insurance. I recommend striking last sentence requiring proof of liability insurance.

- Many STR owners use online platforms such as VRBO and ABnB
- Platforms do much of the work, providing services for owners such as liability insurance and data collection
- Town does not really need burden of data collection – copy of owners insurance
- Recommend change language on last sentence to “Owner shall maintain liability Insurance appropriate to cover short term rental use OR conduct each short term rental transaction through a PLATFORM that provides insurance coverage.”

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;

2) 5.05D.070 Record requirements.

Excessive information collection requirement for the scale of a short term rental business

- Short Term Rental = small scale business, 1 or 2 units rented
- Vs TRANSIENT ACCOMODATION = 3+ lodging units (defined by Wa Administrative Code 246-360; much more stringent rules for obtaining and maintaining license with state
- Language in this section of the License ORD before you is consistent with larger scale, Transient Accommodation rules
- Recommend strike this Paragraph
 - o Burden on City to collect / retain data with potential privacy implications
 - o Burden on licensee to collect and retain same data

- **Refer to previous comments about renting through on line platforms – they have collected and vetted renter; owner might never even meet renter, makes it challenging to photo-copy ID, etc**
- **In my research, I have found no reference to requirement for record keeping in WA Admin Code; I am waiting on return call from WA Transient Accommodation office**
- **Perhaps take it out of licensing language and request the planning commission to consider inclusion in planning code – more time to research**

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 permanent 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.