

# Short Term Rental Policies of California Municipalities

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Currently, there are more than a dozen municipalities in California that have short term rental policies in place. The municipalities contend that the short term rental policy is a part of their effort to streamline the permitting process while allowing the rentals to be compatible with surrounding uses and not be disruptive to the local neighborhoods. Most of these municipalities have also created a "good neighbor" brochure which is required to be available to renters so they are informed of the local policies and potential penalties.

Below are the most common policies for owners of short term rental properties:

- Establishes an annual application process for short term rentals and often requires a business license, unless the property is managed by a vacation management company.
- Requires Transient Occupancy Tax to be paid to the municipality.
- Requires posting of the issued permit in the rental unit and on advertisements for the property.
- Defines short term rental properties as less than 30 days (some define it as 28 or 27 days) and some municipalities require a minimum of two nights stay.
- Limits overnight occupancy (generally two adults per bedroom) and daytime occupancy (generally 2-10 guests depending on number of overnight occupants allowed).
- During the term each vacation rental unit is rented, there must be a local contact person available 24 hours a day to respond within 45/60 minutes to complaints.

Below are the most common guidelines listed in the "good neighbor" brochures. In general, these guidelines advise the renter(s) of specific policies such as:

- Occupancy limits.
- There must be a responsible person (over 18 or 21 depending on the city/county) who is an occupant of the unit and is legally responsible for ensuring compliance with all laws and regulations.
- Local noise/music/crowds ordinances and informs renters that those policies are strictly enforced.
- Informs the renters of the 24 hour hotline that surrounding neighbors are able to call to file a complaint.
- Local parking rules and regulations.
- Local dog and trash disposal rules and regulations.
- Advises the renter they may be cited, fined, and evicted from the property if the local policies are not adhered to.

According to the City of Palm Springs, they were the first city in the Coachella Valley to develop and implement a short term rental policy. Since implementation of the policy in Palm Springs in 2008, other cities in the area have implemented nearly the exact version of Palm Spring's short term rental policy. Some cities have made small changes to the policy based on specific local concerns, but by and large it seems others are using the City of Palm Springs policy as a model.

Currently, the municipalities which have implemented the short term rental policies include, but are not limited to: Palm Springs, Indio, Rancho Mirage, Palm Desert, City of Ventura, Solana Beach, Encinitas, La Quinta, County of Monterey, Sonoma County, Napa County, and San Bernardino County. The city of Manhattan Beach has implemented a similar ordinance which requires a permit for short-term vacation rentals during special events.