

7 A BILL
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12 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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17 To require the Department of Consumer and Regulatory Affairs to license the operation of short
18 term rentals, to establish duties and enforcement powers for the Department, to establish
19 enforcement procedures for short term rental requirements, to require short term rental
20 operators to obtain a license to operate, to create a new license for short term rentals, to
21 create a new license endorsement for vacation rentals, to establish health and safety
22 requirements for operators, to establish restrictions for operators, to establish
23 requirements governing the listing of short term rentals, to permit limited vacation
24 rentals, to require short term rental operators and booking services to maintain records, to
25 require booking services to submit a monthly report of short term rental booking
26 information, to require operators to pay transient lodging taxes, to require booking
27 services to collect and remit transient lodging taxes, and to establish penalties for
28 violations of this act by the Department.

29 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
30 act may be cited as the “Short-term Rental Regulation and Affordable Housing Protection Act of
31 2017.”

32 TITLE I. SHORT TERM RENTAL REGULATIONS.

33 Sec. 101. Definitions.

34 For the purposes of this title, the term:

35 (1) “Booking service” means any person or entity that facilitates short term rental
36 reservations and collects payment for lodging in a short term rental.

37 (2) “Department” means the Department of Consumer and Regulatory Affairs or
38 its successor agency.

39 (3) “Operator” means a natural person who uses a booking service to provide a
40 short term rental to a transient guest.

41 (4) “Short term rental” means paid lodging for transient guests that is not a hotel,
42 motel, boarding house, rooming house, or bed and breakfast. A short term rental operates within
43 a portion of the operator’s primary residence, unless it is a vacation rental.

44 (5) “Vacation rental” means a short term rental that may or may not be a portion
45 of the operator’s primary residence. A vacation rental is subject to the additional restrictions of
46 subsections 104(d) and 106(e).

47 Sec. 102. Restrictions on short term rentals.

48 (a) Each short-term rental shall have a valid short-term rental license, in addition to any
49 other licenses required by law.

50 (b) Each short-term rental shall have current liability insurance of at least \$500,000,
51 which may be provided by the booking service. The Mayor may adjust the dollar amount of this
52 insurance requirement by rulemaking.

53 (c) For each short-term rental there shall be a 24-hour accessible telephone number,
54 answered by a person, who can be contacted in the event of an emergency.

55 (d)(1) The property at which the short-term rental is located shall be the operator’s
56 primary residence.

57 (2) For purposes of this subsection, the term “primary residence” means the
58 property is eligible for the homestead deduction pursuant to D.C. Official Code § 47-850.

59 (e) There shall be no limit on the number of short-term rentals provided by an operator on

60 a single property, such as a bedroom and an accessory dwelling unit.

61 Sec. 103. Short term rental license application.

62 An applicant for a short-term rental license shall:

63 (1) Provide evidence that he or she complies with the requirements of section 102;

64 (2) If the short term rental is on property within a condominium, cooperative, or
65 homeowner association, provide proof that the condominium, cooperative, or homeowner
66 association permits the operation of short term rental; and

67 (3) State the number of, and describe, the short term rentals to be provided by the
68 operator on the property.

69 Sec. 104. Short term rental license issuance.

70 (a) An inspection of the premises by the Department shall not be a prerequisite for initial
71 issuance of a short-term license.

72 (b) The Department shall not issue more than one short-term rental license to an operator.

73 (c) No short-term rental license shall be issued if prohibited by the Zoning Regulations of
74 the District of Columbia (11 DCMR).

75 (d) A vacation rental shall require an endorsement authorizing such use on a short term
76 rental license. The Department shall not impose an additional license fee for this endorsement.

77 (e) A short term rental license shall be valid for a period of 2 years from the date of
78 issuance. Renewal licenses shall be issued in the same manner as initial licenses.

79 Sec. 105. Suspension or revocation of short term rental license.

80 The Department shall promulgate by rulemaking the procedures for suspension,
81 revocation, and other licensing sanctions for violation of this title or other law.

82 Sec. 106. Requirements for short term rentals.

83 (a) An operator of a short-term rental shall, throughout the duration of occupancy by the
84 transient guest:

85 (1) conspicuously post a copy of the basic business license and the short-term
86 rental license within the interior of the short term rental unit;

87 (2) conspicuously post within the interior of the rental unit a 24-hour accessible
88 telephone number, answered by a person, who can be contacted in the event of an emergency;

89 (3) maintain a working smoke detector outside the sleeping area of the rental unit
90 and on all habitable floors of the operator's property, and provide a working carbon monoxide
91 detector on all habitable floors of the operator's property;

92 (4) provide unobstructed egress from the rental unit in case of a fire; and

93 (5) Clean the short-term rental unit between occupancy by different transient
94 guests, including the change of bed linens and towels.

95 (b) An operator shall not list a short-term rental by using a booking service that does not
96 include the assigned short-term rental license number (and vacation rental endorsement, if
97 applicable) clearly displayed in the listing; provided, that an operator shall not be held liable for
98 the failure of a booking service to display the short-term rental license number.

99 (c) An operator shall retain records of each short-term rental for 2 years, and shall make
100 the records available to the Department upon request during reasonable hours. Information
101 obtained by the Department pursuant to this subsection shall be confidential and shall not be
102 subject to disclosure under the Freedom of Information Act of 1976, effective March 25, 1977
103 (D.C. Law 1-96; D.C. Official Code § 2-531 et seq.); provided, that the Office of the Chief
104 Financial Officer and the Office of the Attorney General may inspect the information for
105 enforcement purposes.

106 (d) An operator shall pay all required transient lodging taxes, including those required by
107 D.C. Official Code §§ 47-2202 and 47-2202.01

108 (e) A vacation rental shall operate for no more than 90 nights cumulatively in any
109 calendar year.

110 (f) Occupancy in a short-term rental shall be limited to a maximum of 8 transient guests,
111 or 2 guests per bedroom, whichever is greater.

112 Sec. 107. Requirements for booking services.

113 (a)(1) A booking service shall include with each listing of a short-term rental in the
114 District of Columbia, a short-term rental license number. A booking service shall not prevent an
115 operator from including short term rental his or her short term rental license number;

116 (2) A booking service shall not book a short term rental in the District of
117 Columbia, within five (5) business days upon notice from the Department that the license for the
118 listed short term rental has been suspended or revoked.

119 (3) A booking service shall not republish a listing of a short term rental or book a
120 short term rental that was removed pursuant to paragraph (2), until notified by the Department
121 that the license has been reinstated.

122 (4) A booking service shall not book a vacation rental for more than 90 nights
123 cumulatively in a calendar year. For the purposes of complying with this paragraph, a booking
124 service may assume that an accommodation is a vacation rental, if and only if, the license
125 provided by the operator has a vacation rental endorsement.

126 (b)(1) A booking service shall submit to the Department a report itemizing transactions
127 for which the booking service charged or received a fee for short term rentals in the District.

128 (2) The report shall include the following information for each transaction:

129 (A) The name of the operator who provided the accommodation;
130 (B) The physical address of the accommodation;
131 (C) The short term rental license number of the accommodation;
132 (D) The url of which the short term rental unit is listed;
133 (E) The dates for which each transient guest procured use of the short term
134 rental using the booking service;
135 (F) Whether the short term rental was booked as a vacation rental; and
136 (G) The rate charged for each short term rental stay.

137 (3) The report shall be submitted in a time, manner and form established by the
138 Department, which may include, electronic submission in a format established by the
139 Department.

140 (4) The report shall be submitted on a monthly basis, or less frequently as
141 determined by the Department.

142 (c) Information submitted to the Department pursuant to this subsection shall be
143 considered confidential and shall not be subject to disclosure under the Freedom of Information
144 Act of 1976, effective March 25, 1977 (D.C. Law 1-96; D.C. Official Code § 2-531 *et seq.*);
145 provided, that the Office of the Chief Financial Officer and the Office of the Attorney General,
146 may inspect the information for enforcement purposes.

147 (d) A booking service shall retain records of all short term rentals in the District for two
148 (2) years.

149 (e) A booking service shall obtain from each operator consent to provide the information
150 described in this section to the Department. Obtaining lawful consent may consist of providing
151 notice to the operator that use of such booking service constitutes consent to the Department

152 disclosure. It shall not be a defense to a violation of this section that the booking service did not
153 obtain consent.

154 (f) A booking service shall collect and remit on behalf of operators all required transient
155 occupancy taxes, as provided under section 205(d) of this act, pursuant to Section (2) of D.C.

156 Official Code § 47-2202 *et al.*

157 Sec. 108. Enforcement.

158 (a) The Department shall:

159 (1) Maintain records on licensed short-term rentals;

160 (2) Maintain statistics on short term rental activity and provide reports annually at
161 the request of the Mayor or the Council;

162 (3) Monitor short term rentals for compliance with this title and all applicable
163 regulations including the zoning regulations;

164 (4) Investigate suspected violations of this title by booking services or operators;

165 and

166 (5) Issue administrative penalties and orders to enforce the
167 provisions of this act.

168 (b) The Department may refer violations of this act to the Office of the Attorney General.

169 (c)(1) The Department shall monitor listings of short term rentals by booking services.

170 Upon discovery of a potentially non-compliant listing, the Department shall immediately notify
171 the relevant booking service and the operator.

172 (d) If any part of a listing for an accommodation claims or suggests that a short term
173 rental guest will have exclusive use of the operator's entire residence during the guest's stay, this
174 shall serve as prima facie evidence that the short term rental is a vacation rental, notwithstanding

175 the type of endorsement license actually issued.

176 Sec. 109. Penalties.

177 (a) Any operator found to have violated any provision of section 102 of this act shall be
178 liable for a civil penalty of:

179 (A) \$500 for the first violation;

180 (B) \$2,000 for a second violation; and

181 (C) \$6,000 for a third violation and a revocation of the related short term
182 rental license.

183 (b) Any booking service found to have violated any provision of section 106 shall be
184 liable for a civil penalty of \$1,000 for each booking transaction made in violation of this act.

185 (c) The Department may adjust these penalties by rulemaking.

186 (d) The penalties prescribed in subsection (a) and (b) of this section shall be applicable
187 only for violations occurring after June 30, 2019.

188 Sec. 110. Rules.

189 (a) The Mayor, pursuant to the District of Columbia Administrative Procedure Act, approved
190 October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*)

191 TITLE II. CONFORMING AMENDMENTS.

192 Sec. 201. Chapter 28 of Title 47 of the District of Columbia Official Code is amended as
193 follows:

194 (a) Section 47-2828 is amended by adding a new subsection (c-1) to read as follows:

195 “(c-1) “Licenses for short-term rentals in dwellings shall be issued under the basic
196 business license system as a Housing: vacation rental endorsement on a basic business license.”.

197 (b) Section 47-2851.03(6) is amended as follows:

198 (1) Subparagraph (A) is amended by striking the word “and”.

199 (2) Subparagraph (B) is amended by inserting the word “and”

200 (3) New subparagraph (C) are added to read as follows:

201 “(C) Housing: vacation rental.”.

202 TITLE III. FISCAL IMPACT STATEMENT.

203 Sec. 301. Fiscal impact statement.

204 The Council adopts the fiscal impact statement in the committee report as the fiscal
205 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
206 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

207 TITLE IV. EFFECTIVE DATE.

208 Sec. 401. Effective date.

209 This act shall take effect following approval by the Mayor (or in the event of veto by the
210 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
211 provided in section 602(c)(1) of the District of Columbia Home Act, approved December 24,
212 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
213 Columbia Register.