Seattle
Finance &
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Department: **City of Seattle** **Department of Finance and Administrative Services**	Rule No: STR-3	Supersedes: New
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Subject: Licenses and License Applications	Code and Section Reference(s): SMC 6.600.040, .050, .070, .080 and .150	
Approved:		
Division Director	Date: 12/6/18	
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City of Seattle Rules for Short-Term Rentals
Director's Rule STR-3, Licenses and License Applications
SMC 6.600.040, .050, .070, .080 and .150

This rule describes the licenses required for short-term rental (STR) platforms and operators and the processes to apply for a new license and to renew an existing license as specified in the Seattle Municipal Code (SMC).

License Required
Both STR platforms and operators, including bed and breakfast operators using a platform to list a bed and breakfast unit, require an annual license to legally operate a dwelling unit(s), or portion(s) thereof, within the Seattle city limits.

All platform and operator licenses are non-transferable. Any change of ownership will require the new owner(s) to apply for a new operator license (should the new owner desire to continue operating the STR).

Definition of a Platform and Platform License Applications
For purposes of licensing, a platform is: a person or entity that provides the means to (1) offer (i.e., advertise) a dwelling unit for short-term rental use and to (2) book (i.e., reserve and/or pay for) such a unit and (3) financially benefits from providing these services. The definition of platform does not depend on the person's or entity's scale of operations, possible simultaneous status as short-term rental operator or condition to limit access to the platform to certain operators or properties.

To obtain a license, a platform must complete an application form with the Department of Finance and Administrative Services (FAS) in a format prescribed by the FAS Director or his or her designee (the Department Director). This format could include a paper application form or an electronic application on a City website or some combination of the two. An applicant must also pay any applicable licensing fee at the time of application submittal (please refer to Director's Rule STR-5 for information).

A platform will be issued a license number upon completion of the entire application process and approval of the application by the Department Director.

Operator License Applications
To obtain a license, an operator must complete an application form with FAS in a format provided by the Department Director. This format could include a paper application form or an electronic application on a City website or some combination of the two. An applicant must also pay any applicable licensing fee at the time of application submittal.

All operators applying for a license must declare that each dwelling unit, or portion thereof, offered for use as a short-term rental complies with the general provisions outlined in SMC 6.600.070 and SMC 6.600.080. The applicant must register all units the applicant intends to use as short-term rentals on the initial or renewal license application. Any omitted units cannot be used for short-term rental without going through the license approval process.

As part of the application process, all applicants will be asked to (1) self-certify that they are eligible to be an operator and possess all required documentation to establish eligibility and, if offering their primary residence for short-term rental use, (2) provide FAS with two (2) supporting documents demonstrating primary residence as described in Director's Rule STR-1. As applicable, an operator must always possess a

physical copy of the evidence of prior short-term rental and primary residence and will present such evidence for inspection upon request of the Department Director.

An operator will be issued a license number upon completion of the entire application process and approval of the application by the Department Director.

The Department Director will require attestation of compliance for each section of SMC 6.600.070 or SMC 6.600.080 at the time a STR (or bed and breakfast) operator applies for and/or renews their operator's license. Operators must maintain hard-copy proof of compliance for each section of SMC 6.600.070 or SMC 6.600.080, and will provide such documentation at the Department Director's request. Failure to provide proof as requested by the Department Director and within five (5) calendar days of the Director's request will be deemed noncompliant with the applicable SMC section(s).

The Department Director may choose to provide examples of best practices for compliance with applicable SMC sections and if so, will do so on a public-facing website.

Operators are obligated to keep their contact information current and must submit any changes in a manner specified by the Department Director within 10 calendar days of when the change occurs.

Additional Application Requirements for Legacy Unit Operators

A. A legacy unit operator is an operator who offered or provided a short-term rental unit(s) prior to September 30, 2017, in a location described in SMC subsections 6.600.040.B.3 (a unit(s) in certain building types in the First Hill/Capitol Hill Urban Center), 6.600.040.B.2 (a unit(s) in the Downtown Urban Center south of Olive Way and north of Cherry Street) or 6.600.040.B.1 (a unit(s) in all other areas) and wishes to continue offering or providing that rental. Legacy unit operators must provide the Department Director with the following evidence of prior short-term rental use:

    1. A business license tax certificate issued by FAS prior to September 30, 2017[1]; and

    2. Records demonstrating collection and remittance of all applicable local, state and federal taxes within the 12-month period prior to September 30, 2017; and

    3. A registry identifying the dates the dwelling unit was used as short-term rental within the 12-month period prior to September 30, 2017; and

    4. Certification that, if the applicant is a renter (tenant), the owner has authorized the tenant's operation of the dwelling unit as a short-term rental. If requested by the Department Director, the applicant will provide documentation demonstrating that the owner has provided that authorization. This provision applies only to those applicants operating within the geographic area described in SMC 6.600.040.B.2

[1] Since a short-term rental operator license did not exist prior to January 1, 2019, proof of this regulatory license at the time of application is not required to demonstrate short-term rental use. However, anyone seeking to "engage in any business activity, profession, trade or occupation in the City" must first obtain a business license tax certificate (please see SMC 5.55.030).

B. Additionally, the legacy unit operator status for a particular unit(s) permanently terminates if the ownership and/or ownership structure of that unit(s) changes.

License Renewals

Licensees will receive multiple reminders to renew starting at least 60 calendar days prior to expiration of their annual license. A licensee may renew the license at any time after receiving the notification and up to 10 calendar days after the license expires without penalty. However, a licensee will be assessed a one-time late penalty of $10 for not renewing a license by the last day of the 10-day grace period.

The City will not renew a license unless all penalties and all past and current business, regulatory and STR license fees are paid in full. The Department Director will take reasonable means to investigate whether a licensee has applied for a new license to avoid paying outstanding penalties and/or license fees. An operator may apply to renew their license if they have a pending appeal for an enforcement action.

Public Disclosure

Please see Director's Rule STR-6 for more information on public disclosure.