

Short Term Rentals

SUMMARY

A short-term rental (STR) is the use of a single-family residential home for less than 30 consecutive days by a person or group of people who pay the homeowner to stay in their house, apartment, condo, townhouse, etc. Currently, the City does not regulate STRs.

BACKGROUND

Websites like Airbnb and VRBO provide vacationers with a different lodging option, furnished with the comforts of home. But, while short-term rentals are great for travelers, they may create problems for municipalities, real and perceived.

Currently there are some STRs within Sequim's city limits, and occasionally the City receives complaints about them. In those situations, complainants are told to call the police if visitors are creating a disturbance. Staff is not aware of any complaints or citations issued by the police department.

In 2019, the Sequim City Council discussed whether formal action was necessary to address the City's STR market. However, after a thorough review and discussion regarding the matter, the City Council directed staff to informally monitor the STR market, and no formal STR regulation has been adopted by Council to date. There has been no new Council direction or discussion concerning STRs since 2019.

CURRENT STATUS

SMC 18.20.020 defines a residence as "...single dwelling units not physically connected to other living units, generally occupied by one family unit as an owner or **renter**;" The code clearly allows the rental of single-family units in zoning districts such as the R4-8 zoning district and provides no time limits for such rentals. Although there is a 30-day time limit for stays in hotels, motels, Bed and Breakfasts, and RV parks, but single-family homes are not identified.

The City's code was written at a time when STRs, as we know them, did not exist and, therefore, STRs were not considered when drafting the current code.

Washington State courts have decided that STRs are not commercial uses; if no other business or non-residential activities is occurring at the STR property, it's a residential use. This distinction is made clearer in 2019 when the Washington State legislature adopted STR regulations and defined STRs as "***a lodging use, that is not a hotel, motel, or bed and breakfast, and offers a guest by a short-term rental operator for a fee fewer than thirty consecutive nights.***" The law also provides some criteria as to what is not an STR, such as a dwelling unit rented by the same person for more than 30 consecutive nights. Under the 2019 law, STR operators must pay all applicable local, state and federal taxes, including occupancy and lodging taxes.

Because Council has not provided staff direction to regulate STRs, people with complaints about specific STR rentals and activities should contact the owner of the STR to discuss their concerns. Unless the City Council makes a different policy decision, the City will not get involved in private civil matters unless there is an actionable code violation, such as excessive trash, noise or a crime is alleged to have been committed.

CURRENT ZONING CONSIDERATIONS

STRs are prohibited in the following situations or zones:

- ◆ Accessory Dwelling Unit (ADU).
- ◆ Retail business renting out space designated for storage.
- ◆ Travel trailer or RVs.
- ◆ Commercial/warehouse zone.

STRs are allowed to operate in the following zones:

- ◆ Single-family residence R4-8
- ◆ Downtown
- ◆ Lifestyle
- ◆ Planned resort community

RESOURCES

[RCW 64.37](#) regulates short-term rentals, including taxes, consumer safety, short-term rental platforms, and liability insurance.