

ORDINANCE NO. 2018-7

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD AMENDING ARTICLE VI AND IX OF THE LAKEWOOD MUNICIPAL CODE PERTAINING TO STANDARDS FOR SHORT-TERM RENTALS OF RESIDENTIAL PROPERTIES AND REQUIRING A BUSINESS LICENSE AND TRANSIENT OCCUPANCY TAX FOR SUCH SHORT-TERM RENTALS.

THE CITY COUNCIL OF THE CITY OF LAKEWOOD DOES ORDAIN AS FOLLOWS:

SECTION 1. PURPOSE. The purpose of this ordinance is to create regulations that ban short-term whole home rentals for less than thirty (30) days and to continue to allow long-term whole home rentals for thirty (30) days or more. Furthermore, the ordinance will allow both the short-term home-share rentals of individual rooms for less than thirty (30) days within existing owner-occupied dwelling units, located within any residential zoning district and to continue to allow long-term rental of home-share rooms. All dwelling units used for home-share rentals shall be in full compliance with all adopted building codes and all provisions of the Lakewood Municipal Code. Furthermore, it is the purpose of this ordinance to create a system by which a business license and Transient Occupancy Tax is required and collected for such short-term home-share rentals.

SECTION 2. Chapter 9 of Title VI of the Lakewood Municipal Code, regarding Transient Occupancy Taxes is amended to read as follows:

**CHAPTER 9  
TRANSIENT OCCUPANCY TAXES**

**6901. TITLE.** This Chapter shall be known as the Uniform Occupancy Tax Ordinance of the City of Lakewood.

**6902. DEFINITIONS.** Except where the context otherwise requires, the definitions given in this section govern the construction of this Chapter:

**A. PERSON.** "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

**B. HOTEL.** "Hotel" means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, or other similar structures or portion thereof providing lodging.

**C. OCCUPANCY.** "Occupancy" means the use or possession, or the right to the use or possession of any room or rooms or portion thereof, in any hotel or home-share rental for dwelling, lodging or sleeping purposes.

**D. TRANSIENT.** "Transient" means any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of time less than thirty (30) consecutive calendar days, counting portions of calendar days as full days. Any such person so occupying space in a hotel or home-share rental shall be deemed to be a transient until the period of thirty (30) days has expired, unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy.

**E. RENT.** "Rent" means the consideration charged, whether or not received, for the occupancy of space in a hotel or home-share rental valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever.

**F. OPERATOR.** "Operator" means the person who is proprietor of the hotel or the property owner of an owner-occupied dwelling unit with a home-share rental, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee, or any other capacity. Where the operator performs his functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purpose of this ordinance and shall have the same duties and liabilities as his principal. Compliance with the provisions of this Chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.

**G. TAX ADMINISTRATOR.** "Tax Administrator" means the Director of Finance.

**H. WHOLE HOME RENTAL.** "Whole Home Rental" means the rental, host, lease, or use of an entire residential dwelling unit.

**I. HOME-SHARE RENTAL.** "Home-Share Rental" means the rental of one or more rooms within an owner-occupied residential dwelling unit. The residential dwelling unit owner rents, leases, or hosts any individual or individuals in their privately-owned dwelling unit, for compensation.

**6903. TAX IMPOSED.** For the privilege of occupancy in any hotel or home-share rental (short-term), each transient is subject to and shall pay a tax in the amount of a percentage of the rent charged by the operation at the rate of eight percent (8%). The tax constitutes a debt owed by the transient to the City of Lakewood on retail sales. The tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel or home-share rental (short-term) at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel or home-share rental (short-term). If for any reason the tax due is not paid to the operator of the hotel, the Tax Administrator may require that such tax shall be paid directly to the Tax Administrator.

**6904. EXEMPTIONS.** No tax shall be imposed upon:

- A. Any person as to whom, or any occupancy as to which, it is beyond the power of the City to impose the tax herein provided.
- B. Any officer or employee of a foreign government, who is exempt by reason of express provision of federal law or international treaty.
- C. No exemption shall be granted except upon a claim therefor made at the time rent is collected and under penalty of perjury upon a form prescribed by the Tax Administrator.

**6905. OPERATOR'S DUTIES.** Each operator shall collect the tax imposed by this Chapter to the same extent and at the same time as the rent is collected from every transient. The amount of tax shall be separately stated from the amount of the rent charged, and each transient shall receive a receipt for payment from the operator. No operator of a hotel or home-share rental (short-term) shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator, or that it will not be added to the rent, or that, if added, any part will be refunded except in the manner hereinafter provided.

**6906. REGISTRATION.** Within thirty (30) days after the effective date of the ordinance adopting this Chapter, or within thirty (30) days after commencing business, whichever is later, each operator of any hotel or home-share rental (short-term) renting occupancy to transients shall register the hotel or home-share rental (short-term) with the Tax Administrator and obtain from them a "Transient Occupancy Registration Certificate" to be at all times posted in a conspicuous place on the premises. The certificate shall, among other things, state the following:

- A. The name of the operator;
- B. The address of the hotel or home-share rental (short-term);
- C. The date upon which the certificate was issued.
- D. "This Transient Occupancy Registration Certificate signifies that the person named on the face hereof has fulfilled the requirements of the Uniform Transient Occupancy Tax Ordinance by registering with the Tax Administrator for the purpose of collecting from transients the Transient Occupancy Tax and remitting the tax to the Tax Administrator. This certificate does not authorize any person to conduct any unlawful business or to conduct any lawful business in an unlawful manner, nor to operate a hotel or home-share rental (short-term) without strictly complying with all local applicable laws, including the zoning laws and including, but not limited to, those requiring a permit from any board, commission, department or office of this City. This certificate does not constitute a permit."

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**6915. GUEST REGISTRATION.**

- A. Every operator, manager or person in control of any hotel or home-share rental (short-term) in the City shall keep a register for the registration of transient guests. The guest register shall at all times be open and subject to reasonable inspection by City officials or by any law enforcement officer in the City.

**B. GUESTS MUST REGISTER.** No operator, manager or person in control of any hotel or home-share rental (short-term), in the City shall let or assign for temporary or transient occupancy any suite, room or bed in that hotel or home-share rental (short-term), to any person until after such person has registered their name and address in the register herein provided to be kept, and thereafter such register shall be made to show correctly the year, month, day and hour of the arrival of such person at the hotel or home-share rental (short-term) and the number of the suite or room let or assigned to such guest; and such person in control of such hotel or home-share rental (short-term) or the letting of any suite, room or bed therein shall at the time of the departure of each guest, endorse upon such register the date of such departure, nor shall any person erase or alter any name or address written in such register.

**1. REGISTRATION INFORMATION REQUIRED.** The operator of any hotel or home-share rental (short-term) shall keep a register, on forms approved by or supplied by the City, of the names and home or business addresses of all persons to be accommodated with the length of stay indicated. At the time of registration, the operator or their employee shall verify the identification of the registrant by requesting to see, and copying onto the registration form any of the following from the registrant and issued in the registrant's name: a valid driver's license number, a valid state-issued identification number, a valid military identification, a valid passport number and country of issuance, a valid credit card number, and/or a credit card verification of a credit card issued in the registrant's name. The operator or their employee must also include on the registration forms, where applicable, the make, type and license number of the registrant's automobile, trailer or other vehicle, and the state in which such vehicle is registered and the year of registration, for any vehicle that is parked on the premises. Hotels or home shares that can demonstrate that they take sufficient reasonable steps to control access to and from parking areas on the premises shall not be required to include this information on registration forms. Such sufficient reasonable steps to control access to and from parking areas shall include, but not be limited to, valet parking, automated access gates, and parking attendants.

**2. PRE-ARRIVAL REGISTRATION.** In the event that the hotel or home-share rental (short-term) utilizes a pre-arrival registration or approval procedure that obviates the requirement for an arriving guest to go to the front desk and provide information typically required as part of the hotel's customary registration process, the hotel or home-share rental (short-term) shall not be required to comply with subsection C of this section; provided, however, that the hotel's or home-share rental (short-term) pre-arrival registration or approval procedure must be submitted to and approved by the City Manager or their designee, and the facility must obtain such guest-related information of the type specified in subsection C as the City Manager or their designee might reasonably require.

**3. ILLEGAL REGISTRATION.** No person shall register at any hotel or home-share rental (short-term) in the City, under the name of any other person, or by any

assumed, false or fictitious name. No person placing any information required by this section shall falsely or inaccurately state such information.

SECTION 3. Subsection 6527.2.E of Title VI of the Lakewood Municipal Code, regarding tax rates for rentals is amended to read as follows:

**E. RENTALS.** Any person conducting, managing or carrying on the business consisting mainly of leasing or renting of: 1) one or more rooms within a home-share rental (short-term); 2) apartment units, 3) business rentals; or 4) rooms or suites in any apartment house, multiple dwelling, office building, guest or boarding home, hotel or motel will be classified in this category and shall pay the following business tax:

1. Hotels, Motels and Home-Share Rentals (short-term only)
    - Up to 8 rooms or units \$40.00 (a)
    - Each additional room or unit \$ 3.50 (a)
  2. Boarding House, Rooming Houses, Multiple Dwellings, and Business Rentals
    - Up to 4 rooms or units \$ 33.00 (a)
    - Each additional room or unit \$ 3.50 (a)
  3. Trailer Parks, Mobile Homes, Mobile Home Parks
    - Up to 10 spaces \$ 67.00 (a)
    - Each additional space \$ 5.00 (a)
    - Maximum Tax \$ 670.00 (a)
- (Note: (a) means annually each fiscal year.)

SECTION 4. Subsection 9320.F of Title IX of the Lakewood Municipal Code, regarding uses allowed in the Single-Family Residential Zone District is amended to read as follows:

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**F. RENTALS.**

1. LONG-TERM RENTAL (30 days or more).
  - (a) Whole Home Rental. An entire dwelling unit may only be rented for periods of time that are thirty (30) days or more.
  - (b) Accessory Dwelling Unit (ADU) Rental. An Accessory Dwelling Unit may only be rented for periods of time that are thirty (30) days or more and either the primary dwelling unit or the ADU shall be occupied by the property owner.
  - (c) Home-Share Rental (long-term). The renting of not more than two rooms to not more than two roomers, or the providing of table board to not more than two boarders or both, in a single-family residence may only be rented for periods of time that are thirty (30) days or more.
2. SHORT-TERM RENTAL (less than 30 days).
  - (a) Home-Share Rental (short-term). These rentals are allowed for periods of time less than thirty (30) consecutive calendar days and for no more than a collective maximum total of ninety (90) rental days and/or nights in any calendar year, subject to the following:
    - 1) The dwelling unit shall be owner occupied.

- 2) The dwelling unit shall fully comply with all building codes and all provisions of the Lakewood Municipal Code.
- 3) Parking for all guest vehicles shall be provide on-site. There shall be no guest vehicles parked on the public right-of-way. In the case of multiple room rentals to separate parties, one parking space per rented room shall be provided.

SECTION 5. Subsection 9326. E. of Title IX of the Lakewood Municipal Code, regarding uses allowed in the RA (Single-Family Residential – Limited Agricultural) zone is amended to read as follows:

**E. Rentals.** As specified in Subsection 9320.F of this Title.

SECTION 6. Subsection 9328.1.L. of Title IX of the Lakewood Municipal Code, regarding uses allowed in the MHP (Mobilehome Park) zone is added to read as follows:

**L. Rentals.** As specified in Subsection 9320.F of this Title.

SECTION 7. Subsection 9331.H. of Title IX of the Lakewood Municipal Code, regarding uses allowed in the M-F-R (Multiple-Family Residential) zone is added to read as follows:

**H. Rentals.** As specified in Subsection 9320.F of this Title.

SECTION 8. CEQA. This ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. This ordinance has no impact on the physical environment as it will only modify administrative procedures and not result in any changes to the physical environment.

SECTION 9. SEVERABILITY. If any section, subsection, subdivision, paragraph, sentence, clause, phrase or portion of this ordinance or its application to any person or circumstance, is for any reason held to be invalid, unenforceable or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance or its application to any other person or circumstance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraph, sentences, clauses, phrases, or portions thereof be declared invalid, unenforceable or unconstitutional.

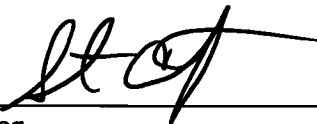
SECTION 10. CONTINUITY. To the extent the provisions of the Lakewood Municipal Code as amended by this ordinance are substantially the same as the provisions of that Code as they read immediately prior to the adoption of this ordinance, then those provisions shall be construed as continuations of the earlier provisions and not as new enactments.

SECTION 11. CERTIFICATION. The City Clerk shall certify to the adoption of this ordinance and shall post a certified copy of this ordinance, including the vote for and against same, in the Office of the City Clerk, in accordance with Government Code Section 36933. The City Council hereby finds and determines there are no newspapers of general circulation both published and circulated within the City and, in compliance with Section 36933 of the Government Code, directs the City Clerk to cause the ordinance within 15 days after its passage to be posted in at least three (3) public places within the City as established by ordinance.

SECTION 12. EFFECTIVE DATE. This Ordinance shall be posted or published as required by law and shall take effect thirty (30) days after its adoption.

APPROVED AND ADOPTED this 9th day of October, 2018, by the following roll call vote:

	AYES	NAYS	ABSENT
Council Member Piazza	<u>X</u>	_____	_____
Council Member DuBois	<u>X</u>	_____	_____
Council Member Rogers	<u>X</u>	_____	_____
Council Member Wood	<u>X</u>	_____	_____
Mayor Croft	<u>X</u>	_____	_____

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk