



# CITY OF MARCO ISLAND

To: Marco Island City Council

From: Casey Lucius, Assistant City Manager

Date: October 18, 2021

Re: Vacation Rental Registration Discussion

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## Background

At the August 16, 2021 City Council meeting, the Council directed staff to place a vacation rental registration discussion item on a future agenda, in coordination with an updated noise ordinance and fining report.

City staff have provided vacation rental reports to the City Council on October 5, 2020, January 19, 2021, and May 17, 2021. These reports included research and strategies developed by the cross-departmental team of employees working on issues associated with vacation rentals. These reports also laid out the legal restrictions imposed on municipalities by Florida Statute 509.032.<sup>1</sup> Following these meetings, staff was directed to continue the existing communications and educational outreach strategy as well enforcing current codes associated with noise, parking and trash.

During our initial research of vacation rentals, we learned from the Collier County Tax Collector's Office that there are 2,931 individual tourist development tax (TDT) accounts for Marco Island. This means according to the Collier County Tax Collector's Office there are 2,931 dwelling units being used as vacation rentals on the Island. Staff also received a listing of licensed vacation rentals on Marco Island from the Department of Business and Professional Regulation (DBPR) totaling 1,347 dwelling units.

We also gathered information from various software companies that assist local governments with vacation rental compliance. According to data they collected, of the vacation rentals on

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<sup>1</sup> Statute 509.032(7)(b) states: "Local laws, ordinances, or regulations may not prohibit vacation rentals or regulate the duration or frequency of their rental." Statute 509.013(4)(a)1 and 509.242(1)(c) defines a vacation rental as any condo, single family home or multi-family home which is rented to guests more than three times in a calendar year for periods of less than 30 days or one calendar month, or which is advertised or held out to the public as a place regularly rented to guests.

Marco Island, approximately 36% are condominiums, 43% are single family homes, and 21% fall into an “other” category which may include timeshares or individual room rentals. Of note, Marco Island has approximately 8,582 single family homes and 10,309 condominium units. Of the 8,582 single family homes, 3,773 are homesteaded.

### **Vacation Rental Registration Objective:**

- A vacation rental registration will assist the City by:
  - Creating a local database of vacation rental addresses and owners;
  - The registration could provide a local point of contact when problems arise;
  - The City can ensure vacation rental property owners are licensed with DBPR and registered with the State of FL and Collier County for tax purposes;
  - Having the property owner’s information will assist the City in communicating and educating vacation rental owners on City codes and expectations;
  - Registration and inspections will ensure proper life safety and building codes are in compliance.

### **Considerations for City Council:**

The following sections of this report are areas for Council members to discuss and provide direction to staff regarding a vacation rental registration process. If the Council chooses to consider a vacation rental registration ordinance, staff will use the direction provided on the topics below to draft an ordinance for Council consideration.

#### **1. Criteria for Registration:**

- It is staff’s recommendation that Council consider a registration ordinance for single family homes only given that FL State Statute 718.110(13) allows condominium and homeowners associations to prohibit owners from renting their units, or allows them to place limits on rentals.
- Staff also recommends that registration should only apply to vacation rentals that meet the definition under FL State Statute 509.013(4)(a) as a dwelling rented more than three times in a calendar year for periods of less than 30 days or 1 calendar month, whichever is less, or is advertised or held out to the public as a place regularly rented to guests.
- Alternatively, Council may consider requiring registration for all vacation rentals including condominiums, or registration for all rentals.

#### **2. Considerations for What to Include in a Registration Ordinance:**

- Staff recommends that if the City Council chooses to implement a vacation rental registration program, the ordinance should include these key components:
  - 1) Address of the vacation rental property and proof of ownership,
  - 2) Name, address, phone number and email of the property owner,
  - 3) Name, address, phone number and email of an emergency contact,

- 4) A copy of the active DBPR license and tax receipts from Collier County and State of FL showing remittance of taxes,
  - 5) A statement signed by the owner agreeing to comply with the City's regulations and other applicable local, state, and federal regulations,
  - 6) A requirement to post information inside the home regarding the noise ordinance, evacuation, emergency phone numbers, trash/recycle pickup days, wildlife protection, and other important information for the renters,
  - 7) Penalties for not registering with the City of Marco Island (up to \$500 daily), and possible suspension,
  - 8) Registration fees (\$400 - \$800) and an effective date.
  - 9) Inspections to verify compliance with the Florida Building Code and the Florida Fire and Life Safety Codes (required by State law).
- The City Council may also consider any of the following requirements as part of a vacation rental registration ordinance:
    - A statement attesting the number of bedrooms and off-street parking spaces available on the property with affirmation that no on-street or swale parking will be allowed and identifying a maximum number of vehicles that can park at the vacation rental.
    - A landline telephone on the main level in a common area with the ability to call 911. The landline telephone number shall be registered with Marco Island Code Red.
    - A 30-day requirement to update the registration application if the property is sold, if the use of the property changes, or the emergency contact changes.
    - A requirement for swimming pools to meet the current safety standards.
    - An occupancy limit stated in the registration form that shall be limited to two occupants per bedroom, plus two occupants.
    - An occupancy with a maximum capacity, with an exception when the property is occupied by the owner.
    - A requirement that the emergency point of contact be willing and able to come to the vacation rental property within one hour following notification from the occupant, owner, or City officials.
    - A requirement to install a noise meter inside the home or on the lanai.
    - A requirement to place an identifying vacation rental sticker near the front door of the home to alert police and code enforcement of the status of the home as a vacation rental.

### **3. Implementation Process:**

- The City uses Energov for building permits and could use the same system for online vacation rental registration by purchasing additional software licenses. Additional staff resources would be required in Code, Building Department, Finance, and Fire

Department to manage the vacation rental program, conduct inspections, and enforcement.

**Next Steps and Recommendations:**

If the City Council chooses to direct staff to draft an ordinance, we recommend that staff take time to host a stakeholder meeting with local property management companies, as well as a Town Hall for local residents to provide input on the vacation rental registration process. This information would then be compiled and provided to City Council with a draft ordinance, a proposed timeline for implementation, estimated cost of additional staff and software, and proposed fees to cover the costs of the program.