

Short Term Lodging Program

Information Night
September 20, 2024
4:30p.m.- 6:30p.m.

#### **Presenters**

Heather Nichols, Assistant Management Analyst

hnichols@newportbeachca.gov

Ellen Brenan, Senior Fiscal Clerk

ebrenan@newportbeachca.gov

Jacob Dopudja, Code Enforcement Officer

jdopudja@newportbeachca.gov

# Agenda

- Important Dates and Reminders
- Completing the Short-Term Lodging Permit Renewal
- Completing the Uniform Transient Occupancy Tax (UTOT) Form
- Owner/Agent Declaration
- Code Enforcement
- Q & A Session

# **Important Reminders**

- Full payment and completed forms are due at the City on or before October 31st
- Postmark dates are not accepted
- Incomplete forms or partial payment can result in penalties and interest
- Report all taxable rent, including fees

### **Renewal Documents**

- Permits are valid November 1st through October 31st
- Report any changes to contact information
- Owners MUST review and acknowledge the conditions of short term lodging

# Changes for 2024 Renewals

Permit fee

2023: \$92.00

• 2024: \$214, per permit

Marking NO CHANGES

Confirming your 24/7 contact information

# Changes for 2024 Renewals

- Updated conditions
  - Junior Accessory Dwelling Units (JADU) were added to all sections referencing Accessory Dwelling Units
- New conditions
  - Compliance with SB1383 (Trash, Recycle, & Organic)
  - Agent declaration box (Agents only)
  - Address where citations will be mailed
- Agents and Owners must complete declarations. If they have not completed agents can not complete paperwork for owners.
- Those properties with outstanding debit will not have permits renewed

#### **OWNER RESOURCES**

Print

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Owner Declaration Form



Agent Declaration Form



Nuisance Response Plan



Update 24/7 Contact Information



- заправотного выбото полицент.

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Good Neighbor

Permit Conditions

# **Owner Declarations**

#### **Owner Information** First Name \* Last Name \* Phone Number \* Email Address \* **Property Information** Number of Permitted Units on Property \* Business License Number: \* Permit #1 \* If there are more than four permits on the property, list the additional permit numbers below: Property Street Address \* City \* State \* Newport Beach California Zip Code \*

## **Agent/Property Management Information** Company Name (if applicable) Contact Name \* Street Address \* City \* State \* Zip Code \* Phone Number \* Email Address \* Date of First Rental with Agent \* mm/dd/yyyy 🛗 **Owner Certification** I certify this information on this form is true and correct \* clear Powered by **≡ formsite**

# Agent Declaration

#### **Property Information**

Complete the all the fields below. Address \* Unit Number \* Permit Number \* Start Date \* mm/dd/yyyy Address Unit Number Permit Number Start Date mm/dd/yyyy Address Unit Number Permit Number Start Date mm/dd/yyyy Notes Agent Reporting and Remitting Certification \* ○ YES - My company can comply with all the reporting and remitting UTOT/VSF requirements under NBMC Section 3.16, 3.28 and NBMC Section 5.95 and with all short-term lodging listing requirements under NBMC Section 5.95 on behalf of the clients my company manages and/or represents. Please provide any additional information (optional) O NO - My company CANNOT comply with all the reporting and remitting UTOT/VSF requirements under NBMC Section 3.16, 2.38 and NBMC Section 5.95. I understand that the property owners my company manages and/or represents will be required to report and remit on their own behalf and be held responsible for all short-term lodging listing requirements. **Agent/Property Management Information** Company Name (if applicable) Signature I certify the information on this form is true and correct \* Street Address clear Powered by formsite Email Address Phone Number



#### CITY OF NEWPORT BEACH

REVENUE DIVISION

100 CIVIC CENTER DRIVE • NEWPORT BEACH, CA 92658-8915
T: (949) 644-3141 lodging@newportbeachca.gov

ORIGINAL	
UPDATE	

#### **NUISANCE RESPONSE PLAN**

This sample Nuisance Response Plan has been prepared by the City of Newport Beach to assist residential property owners in complying with the provisions in Newport Beach Municipal Code ("NBMC") §5.95.030(A)(7).

SLP#			Property Address	s:				
Does	your short term	lodging agreement a	llow you to remove your	guest for nuisance beha	avior or permit	violations? TYES	□ NO	
Describe your response to a complaint:								
Desc	ribe how you sh	all document the resp	onse and corrective action	on				
		Security Cameras:						
	nformation:	Security Cameras.	Interior	Exterior	Both			
(checi	k all that apply)	Noise/Decibel Read	er:					
			Interior	Exterior	Both			
		Check-in Process:						
			In Person	Virtual				
			NO CO.					
Printe	d Name		Signature			Date		

# Updated Nuisance Response Plan

# WHAT IS UNIFORM TRANSIENT OCCUPANCY TAX?

- ▶ Total tax = 10%
  - > 9% TOT (NBMC §3.16.030)
  - ▶ 1% Visitor Service Fee (NBMC §3.28.020)
- ► Tax is collected either by the owner or agent
  - ► Tax is applied to stays of 30 consecutive days or less

### WHAT IS RENT?

Rent includes base rate per night and any separately charged applicable taxable fees combined

#### **Example:**

Nightly rate: \$1,000

► Cleaning Fee: \$ 150

▶ Bike rental fee: \$ 200

► Total Taxable Rent: \$ 1,350

- ► TOT is 10% of total taxable rent = \$135
- ► The total taxable rent is the gross rental receipts

### WHAT IS A TAXABLE FEE?

#### Taxable Fees

- Cleaning fees
- Rental of furniture (rollaway beds, cribs, etc.)
- Linens and towels
- Smoking/pet upgrade fee
- Cancellation/no show fees
- Early/late departure fees
- Advanced/forfeited deposits

#### Non-Taxable Fees

- Credit card processing fees
- Damage waiver fees
- Smoke or pet clean up fees

# REPORTING PERIODS, DUE DATES, AND REPORTING

- Owners file Annually
  - Reporting period is 10/1/2023 9/30/2024
  - Due October 31, 2024
- Agents file Quarterly
  - Reporting Periods & Due Dates
    - Q1 (Jan 1 March 31) due Apr 30
    - Q2 (Apr 1 Jun 30) due Jul 31
    - Q3 (Jul 1 Sep 30) due Oct 31
    - Q4 (Oct 1 Dec 30) due Jan 31
- Records required for reporting may include:
  - Daily summaries of room occupancies, records of each occupancy, rental agreements/reservations, accounting records, tax returns

### **COMPLETING THE FORM**

- One UTOT form is sent to the owner for all permitted units at a property.
- Report rental receipts for each unit separately.
- Calculate UTOT from the total rental receipts.
- Penalty and Interest should be calculated if paying after the due date.
- List hosting platforms
- Forms must be signed by the owner.

### **ADDITIONAL INFORMATION**

- UTOT forms and payments may not be remitted online.
- Forms received after October 31 due date are subject to penalty and interest.
  - ▶ If returning forms by mail, postmarks are not accepted as the received date.
- Owners are subject to a UTOT audit at any time.

# **Enforcement of Short Term Lodging**

#### COMPLAINT RECEIVED/ VIOLATION OBSERVED

- A complaint is received via the Short-Term Rental (STR) Hotline or through our website
- Or a complaint is observed by an Officer.
- The 24/7 emergency contact for the property may be notified of the complaint and violation. This is NOT a requirement prior to issuing a citation.
- If called, the emergency contact must be available to respond to the complaint and resolve the issue within 30 minutes

#### **INVESTIGATION**

- A Code Enforcement Officer will respond and investigate the complaint. This may include research of the property, interviewing reporting parties or the property manager, and a site inspection.
- Evidence of a violation is gathered on scene by the officer and obtained from reporting parties and property managers.
- The officer will determine if a violation has occurred based on their investigation.

#### **ENFORCEMENT**

- If enough evidence is found, the responsible party may receive a Notice of Violation or Administrative Citation.
   Multiple citations may
- Multiple citations may result in the suspension or revocation of a STR permit.
- Administrative citations begin at \$1000 for the first offense, \$2000 for the second offense, and \$3000 for third offenses.\*
- Any violation of the conditions of a STR permit is the responsibility of the owner.

#### **HEARING**

- Any person who receives a citation has the right to appeal the enforcement action.
- An independent hearing officer then will decide if the enforcement action taken was appropriate.

### Violations of Short Term Rental Permit

> 5.95.045 NBMC explains conditions of the permit. When applying for a permit, owners check and sign paperwork acknowledging that they have read and understood all conditions listed in this section.

#### Examples

- The owner shall:
  - ▶ Ensure not renting to anyone under 25 years of age
  - Ensure no unreasonable noise, disorderly conduct, alcohol and illegal drug use
  - Ensure compliance with refuse and refuse cans (time, placement, storage. Trash recycle, and organic bins, per SB1383, must be present on site)
  - Ensure all parking spaces are available
  - Ensure no amplified sound between 10:00pm-10:00am
  - Provide the city with a 24/7 contact who can resolve any issue within 30 minutes.
  - NOT rent a short term lodging unit for less than 2 consecutive nights
  - Ensure guests compliance with all state and local laws relating to parking

(These violations are enforced proactively as well as complaint based. A reporting party is not required)

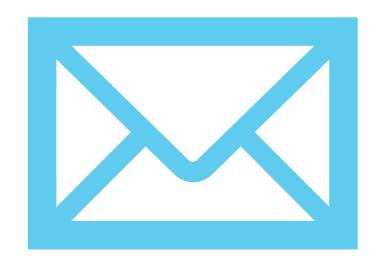
# Proactive Inspection Program

- Off season inspections will take place over 2-year period and will encompass every STR in the city. Half will be completed this year, the other half in 2025.
- Number of bedrooms, square-footage, number of available parking spaces will be confirmed with information on application.
- A letter will be sent to the owner. Upon receiving the letter, the owner will reach out to Code Enforcement and schedule an inspection.
- ▶ We will work with management companies with multiple properties to schedule inspections all within the same day/week.



**QUESTIONS?** 

# Contact Us:



<u>Lodging@newportbeachca.gov</u> 949-718-1997

CodeEnforcement@newportbeachca.gov 949-644-3215