



REINSTATEMENT OF SHORT-TERM RENTAL PROGRAM REQUIREMENTS

Policy No. ADM 2023-3

Bend Code 1.30.005 provides for 'City Manager Authority to Adopt Administrative Regulations, Policies and Guidelines.' All regulations, policies, and guidelines adopted by the City Manager shall be consistent with the City of Bend Charter, the Bend Code, and council ordinances.

The following policy conforms to the above stated standards.

Authorized by City Manager:	Reviewed by Legal Counsel:
Docusigned by: Enc Euro 409FF33EB4E64D3	DocuSigned by: Mary Wixters 8B6252FA6CD44F1
Eric King, City Manager	Mary Winters, City Attorney
Dated: 2/22/2023	2/22/2023 Dated:

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I. PURPOSE

The purpose of this policy is to confirm the reinstatement of requirements from Bend Municipal Code Chapter 7.16 that were previously suspended for short-term rental licensees due to the COVID-19 pandemic.

II. BACKGROUND & RATIONALE FOR POLICY

Bend Code Chapter 7.16.070(B)(1) states:

1. *Proof of Use.* The owner shall demonstrate that the property has been rented at least once in the prior 12 months, for the first license and every year upon renewal, as demonstrated by one or more of the following: a room tax remittance form, a rental contract with the tenant, rental receipts, or other documentation satisfactory to the City (subject to the hardship exception in subsection (B)(2) of this section). During the first year of this licensing program, the exception to this requirement is for permits issued between July 3 and September 1, 2015, uses that did not formerly require a permit, or nonconforming uses permitted after September 2, 2014, which may not have a year of potential use to demonstrate. Such owners shall demonstrate use upon the next annual renewal. Information provided by the owner under BC Chapter 12.05, Room Tax, shall be kept confidential to the extent allowed or required by law.

On March 26, 2020, May 18, 2020, July 17, 2020, and August 31, 2020, the City Manager issued various administrative orders to discourage non-essential tourist, recreational and discretionary travel to Bend to reduce exposure to and the spread of COVID-19, and in support of state orders to minimize all non-essential travel (collectively, Non-Essential Travel Order). The City also adopted a series of emergency declarations allowing the City to adjust, suspend or modify enforcement of certain provisions of the Bend Code during the public health emergency. To implement the intent of the Non-Essential Travel Order, the City notified property owners in August of 2020 that the requirement to rent the home at least once within the 12-month license period was being temporarily suspended during the COVID-19 emergency. Therefore, short-term rental licensees have been able to renew their Short-term Rental Operating Licenses annually since that time without having to prove use.

This Policy reinstates the Proof of Use requirement for all short-term rental licensees. The City is no longer operating under an emergency declaration and there is no longer any prohibition on travel to the city. There are also a variety of ways in which these licensees are able to rent their properties safely via the widespread availability of vaccinations against COVID-19 and also by requiring proof of vaccination or negative COVID-19 test result requirements.

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III. INTENT OF CHAPTER 7.16.070(B)(1):

Due to the popularity of short-term rental permits as well as the strict criteria that property owners must meet in order to receive and maintain a permit, the Short-term Rental Operating License program is designed as a "use it or lose it" program. Short-term rental licensees are required to utilize their property at least one night within their 12-month license period and provide proof of that use in order to renew their license annually. Licensees who fail to utilize their home as a short-term rental within their 12-month license period will have their license revoked, their Room Tax Registration inactivated and their short-term rental permit will become void due to the abandonment of use. This requirement provides opportunity for other property owners in the vicinity of an unused short-term rental property to obtain their own permit, license, and tax registration in order to begin their own short-term rental operations.

On October 19, 2022, the Bend City Council adopted amendments to Bend Municipal Code Chapter 7.16.070(B)(1)(a) to include an exemption from the Proof of Use requirement. This code amendment took effect on November 18, 2022, and it states:

"A long-term rental exemption from this section may be granted if the property owner/licensee provides proof of a residential lease of 12 months or greater, drafted in compliance with the Oregon Residential Landlord and Tenant Act. This exemption may be utilized by owners/licensees for up to three license renewal applications. Owners/licensees must then revert to the proof of use requirement for annual renewal of the operating license."

IV. METHOD OF REINSTATEMENT

All Short-Term Rental Operating Licensees and their Authorized Agents received notification of this requirement being reinstated via emails sent on January 5, 2022. An additional notification was emailed to all licensees and their Authorized Agents on September 29, 2022. Consistent with the Bend Municipal Code, short-term rental property owners will be required to use their property as a short-term rental at least one night within their 12-month licensed period and prove that use *or* submit proof of a residential lease of 12 months or greater in length when they renew their license in 2023, and thereafter. This method of reinstatement provides all licensees with the same amount of time to begin their operations and prove their use to renew.

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