



October 10, 2017

Saint Paul City Council
310-C City Hall 15 Kellogg Blvd. West
Saint Paul, MN 55102

Dear Councilmembers:

Thank you for allowing us to comment and offer suggestions on the current Saint Paul Short Term Rental ordinance package. I am writing to strongly urge you to defer the vote on the Saint Paul Short Term Rental zoning amendments. We very much want to be a strong partner to the City of Saint Paul and work with you and staff in a collaborative manner.

As we have written to you before, the current draft includes requirements that are far too onerous for hosts to follow, establishes a process that will lead to low compliance, and imposes platform requirements that violate established federal communications law. Instead, we ask that you consider our suggested changes as we believe they address your concerns and will ensure strong compliance.

We maintain our position on the below four items, and have attached a redlined copy of the ordinance that includes changes we believe address your enforcement objectives in a manner that provides appropriate tools to ensure compliance by all parties involved:

- **Platform requirements.** As we discussed during our call with City staff today, the City wants to ensure that processes and procedures exist that will help ensure that hosts comply with City rules. While we have raised strong concerns about the current approach that imposes liability directly on platforms for user violations, we wholeheartedly support your underlying concerns and believe that we can work together on an alternative approach to ensure that these goals are met. *That approach could include some or all of the following, and could (depending on the requirement) exist as part of a revised ordinance, licensing agreement, or voluntary memorandum of understanding (MOU):*
 - *Placing clear requirements on hosts themselves to remove their listings when informed that their license is expired or revoked, or when they are in violation of the ordinance (see redlined copy of the ordinance).*
 - *Escalating host fines for repeated non-compliance.*
 - *“Three-strikes” process whereby Airbnb would agree as part of an MOU or license agreement to remove listings cited three or more times over a 12-month period for violations of the ordinance or other relevant restrictions.*



- *“Emergency circumstance” process defined in an MOU or agreement by which Airbnb would agree to remove listings designated by the City to post an immediate threat to health or safety.*
- **User Data.** We recognize and appreciate the City’s desire to have a clear mechanism by which it can gain information about the use of the Airbnb platform in Saint Paul so that the City can ensure that rules are followed. We remain concerned about the ways in which we believe the proposed language conflicts with the federal statutory privacy rights of users under the Stored Communications Act (18 U.S.C. § 2701 et seq.). However, we believe that those concerns are easily addressed by including straightforward amendments to ensure that due process protections are enshrined in the data sharing process. We have attached proposed changes to the draft ordinance, which include platforms providing both anonymized/aggregate information on a regular and ongoing basis, as well as ensuring that any requests for personally identifiable information are done through a formal legal process.
- **Building type limits.** We understand the concerns of having higher density of STRs within one building. However, the current proposal to regulate short term rentals based on building type would create significant implementation, fairness, and administrative problems, not to mention limit the city as it attempts to expand lodging capacity for the Super Bowl. Alternatively, we propose limiting the number of permits that a person can obtain to four (4) as opposed to limiting the number permits per building. *This approach will reduce density, eliminate the likely inequitable outcomes that would result from a building density approach, and would be far easier to administer.*
- **Occupancy limits.** While the vast majority of short-term rental visits are less than five (5) visitors, you will likely see a tourism growth opportunity as Saint Paul is able to increase its destination profile during the Super Bowl, and more families fly in from around the world to visit your great city. *We recommend considering a fixed maximum occupancy limit that hosts can easily comply with and that can accommodate families traveling together, such as “2 persons per room + 2 persons, but no more than 10.”*

In addition to the formal amendment changes we propose, there are a variety of other tools that Airbnb can leverage to help ensure host compliance with the ordinance, including:

- **Neighborhood tool:** Our neighbourhood tool (airbnb.com/neighbors) provides a platform for anyone to submit a complaint regarding a problem listing, that Airbnb reviews and through which it may take action against hosts violating our terms of service.
- **Host notification:** We can help ensure our host community is aware of the ordinance changes and steps they need to take to comply with the law. This includes email



notification when the law is enacted encouraging hosts to register, as well as other future steps that we could take in collaboration with the city, such as a future MOU or agreement to pass through notices of specific host violations from the City.

- **Workshops:** In addition to notifying our host community, we can also activate and work with our Saint Paul Host Club to provide registration workshops for new and current hosts with the City staff. This will help ensure hosts are in the know with changes and requirements.

Airbnb is also happy to continue to provide Saint Paul with information about the scope and size of our community, so it can better understand what it is regulating. Currently, Airbnb has roughly 300 active hosts in Saint Paul, with almost half renting a private room in their home. These hosts welcomed 16,000 guests in the past year, and are typically earning \$7,300 in extra income to pay their mortgage, save for retirement, or make ends meet. With Saint Paul becoming a new tech hub, many of our hosts are welcoming families, business leaders and entrepreneurs, and guiding guests towards their neighbourhood's attractions, restaurants, and small businesses.

We remain eager to work with you, and hope that you will accept our suggested changes in an effort to achieve a practical, fair, and simple regulatory system that enhances the quality of life of residents while allowing Saint Paul to reap the economic benefits of home sharing.

Thank you for your time and consideration.

All the best,

Laura Spanjian
Policy Director
Airbnb

City of Saint Paul

Legislation Text

City Hall and Court House 15 West Kellogg Boulevard Phone: 651-266-8560

File #: Ord 17-49, Version: 1

Creating Chapter 379 of the Saint Paul Legislative Code pertaining to Short Term Rentals.

THE COUNCIL OF THE CITY OF SAINT PAUL DOES HEREBY ORDAIN:

SECTION 1.

That Legislative Code Chapter 379 entitled “Short Term Rentals” is hereby created to read as follows:

Chapter 379. Short Term Rentals

Sec. 379.01 Definitions.

As used in this chapter, the following terms shall have the meanings ascribed to them in this section:

Booking Service. Any reservation and/or payment service provided by a person or entity that facilitates a short-term rental transaction between a short-term rental host and a prospective short-term rental guest, and for which the person or entity collects or receives, directly or indirectly through an agent or intermediary, a fee or compensation in connection with the reservation and/or payment services provided for the short-term rental transaction.

City. City of Saint Paul

Compensation. Remuneration or anything of economic value that is provided promised or donated primarily in exchange for services rendered. This includes, but is not limited to, voluntary donations, and fee-sharing.

Director. The Director of the Department of Safety and Inspections or his or her designee.

Dwelling. A building that contains one-, two-, or multiple dwelling units, intended or designated to be used,

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rented, leased, let or hired out to be occupied for living purposes.

Dwelling Unit. A single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

Guest. Any person or persons renting a short-term rental.

Responsible Party. An individual(s) with the legal authority to make and act on decisions of tenancy, building maintenance, complaints and repairs relating to applicable safety codes. The Responsible Party must be available as a point of contact for the City as well as any Short-term rental guest(s) for the duration of the guest(s) stay in the Short-term rental.

Owner. Any person who, alone or with others, has title or interest in any building, property, dwelling, dwelling unit or portion thereof, with or without accompanying actual possession thereof, including any person who as tenant, agent, executor, administrator, trustee, or guardian of an estate has charge, care, control of any - dwelling or dwelling unit.

Person. Any individual, firm, corporation, association, governmental entity, or partnership and its agents or assigns.

Short-term rental advertisement. Any method of soliciting use of a dwelling or dwelling unit, or a portion of a dwelling unit for short-term rental purposes.

Short-term rental. A dwelling unit, or a portion of a dwelling unit, rented for a period of less than thirty (30) days. No more than one (1) rental of a short term rental dwelling unit or portion thereof shall be permitted per day. Use of a short term rental dwelling unit for any commercial or social events is prohibited.

Short-term rental host. Any person who is the owner or tenant of a dwelling unit, or portion thereof who provides a dwelling unit, or portion thereof, for short-term rental use.

Short-term rental host registry. A log of information maintained by the short-term rental host.

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Short-term rental platform. A person or entity that provides a means through which an owner or tenant of a dwelling unit, or portion thereof, may offer the dwelling unit, or portion thereof, for short-term rental use and from which the platform derives revenue, including but not limited to, booking fees or advertising revenues from providing or maintaining booking services. This service includes but is not limited to allowing a short-term rental host to advertise the dwelling unit, or portion thereof, for short-term rental use through a website provided by the short-term platform and providing a means for potential users to arrange payment for use of the short-term rental, whether the user pays directly to the owner or tenant or to the short-term rental platform.

Sec. 379.02 License required.

(a) It is unlawful for any person to operate as a short-term rental platform within the City without a valid short-term rental platform license issued pursuant to this chapter.

(b) It is unlawful for any person to engage in Short-term rental advertisement or operate as a short-term rental host within the City without a valid short-term rental host license issued pursuant to this chapter.

Sec. 379.03 License fee and license term.

(a) The annual fees for the issuance of a short-term rental platform license and short-term rental host license

shall be established by ordinance as provided in Chapter 310.09 of the Legislative Code.

(b) A short-term rental platform license and short-term rental host license shall expire one year from the date

the license is issued and must be renewed annually.

(c) Short-term rental platform licenses and short-term rental host licenses are non-transferable.

Sec. 379.04 License investigation and issuance of Short-term rental host and Short-term rental platform license.

(a) Upon receipt of an application for the issuance or renewal of a Short-term host license or Short-term rental

platform license., the Director and the Police Chief must investigate the application for compliance with all applicable provisions of this code.

Sec. 379.05 License applications.

(a) Short-term rental platform license:

1. Application for the issuance or renewal of a short-term rental platform license shall be made in writing to the Director on a form provided by the Director and comply with requirements set out in Chapter 310 of the Legislative Code.
2. No license may be issued pursuant to this chapter if Short-term rental platform license held by the applicant, officer or any other person holding a twenty-five (25) percent or greater beneficial interest in the property to be used as a short-term rental has been revoked for any reason other than nonpayment of license fees within the previous five (5) years.
3. In addition to grounds for adverse action set out in Chapter 310 of the Legislative Code, adverse action may also be taken if

The applicant, officer or any other person holding a twenty-five (25) percent or greater beneficial interest in the short-term rental platform has been convicted of a felony within the past five (5) years, or any gross misdemeanor or misdemeanor involving the use of force, possession or sale of a controlled substance, prostitution or indecent conduct.

(b) Short-term rental host license

1. Application for the issuance or renewal of a short-term rental host license shall be made in writing to the Director on a form provided by the Director and comply with requirements set out in Chapter 310 of the Legislative Code.
2. Short-term rental host licenses must be accompanied by an affidavit of compliance attesting that each dwelling unit, or portion thereof, offered for short-term rental use satisfies the safety requirements of this chapter.
3. The application shall include all requested information including the exact location of the dwelling unit or units which will be used as a short-term rental.
4. The applicant shall be Owner(s) of the short-term rental property to be used as a short-term rental. The full legal names and addresses of all corporate officers and persons holding a twenty-five (25)

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percent or greater beneficial interest in the business shall be provided on the application.

Sec. 379.06 Short-term rental platform general provisions

All short-term rental platforms must comply with the following:

(a) Possess a valid short-term rental platform license issued in the City pursuant to this Chapter.

~~(b) Provide booking services and/or paid for advertising only for short-term rental hosts who possess valid~~

~~short-term rental host licenses in the City issued pursuant to this Chapter.~~

~~(bc) Provide the following information electronically to the City on a quarterly basis. All information required to be provided under this subsection may be provided in an anonymized form or in a manner otherwise intended to reasonably prevent the identification of a specific short-term rental or person.~~

1. The total number of short-term rentals in the City listed on the platform during the applicable reporting period;

2. The total number of nights each listing in the City was rented through the short-term rental platform during the applicable reporting period; and

~~(cd) Inform all short-term rental hosts who register with the short-term rental platform of the short-term rental host's responsibility to collect and remit all applicable local, state and federal taxes unless the short-term rental platform does this on the host's behalf;~~

~~(de) Agree to remove listings from the platform upon notice from the City that a short-term rental host's license has expired or been revoked.~~

~~(f) Include the short-term rental host's license number on the listing.~~

Sec. 379.07 Short-term rental host ~~declaration~~general provisions

All short-term rental hosts who offer dwelling units, or portions thereof, for short-term rental use in the City must comply with the following within 5 business days of a request from the Department:

(a) Provide documentation and a signed declaration of compliance attesting to compliance with subsection s379.07.1.

Sec. 379.07.1 Short-term rental host general provisions

All short-term rental hosts who offer dwelling units, or portions thereof, for short-term rental use in the City must comply with the following when advertising a short-term rental on a short-term rental platform:

~~(b) through (i).~~

~~(ab) Provide local contact information to all short-term rental guests during a guest's stay. The local contact must be available to respond to inquiries at the short-term rental during the length of the stay.~~

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~~(bc) Comply with all applicable City, State and Federal Laws.~~

~~(cd) Ensure that all dwelling units have working smoke detectors and carbon monoxide alarm(s) in every~~

bedroom and on all habitable floors and a properly maintained and charged fire extinguisher.

(de) Post the following information in a conspicuous place within each dwelling unit used as a short-term rental:

1. Emergency contact information; 2. Contact information for the short-term rental host or the Responsible party; 3. Street address; 4. Floor plan indicating fire exits and escape routes; 5. Information about how a guest can contact The City of Saint Paul, Department of Safety and Inspections to report any concerns or complaints; and 6. Maximum occupancy limits.

(ef) Maintain liability insurance appropriate to cover the short-term rental use in the aggregate of not less than \$300,000 or conduct each short-term rental transaction through a short-term rental platform that provides equal or greater coverage.

(fg) Remit all applicable local, state and federal taxes unless the short-term rental platform does this on the short-term rental host's behalf.

(gh) Keep a Short-term rental host registry that includes at a minimum a cumulative tally to date of the number of nights that each listing on the platform is booked for rental during the remaining months of the calendar year and documentation of the amount of rent paid by guests in connection with the rental of each short-term rental listed on the platform during the applicable reporting period.

(hi) Provide the Department of Safety and Inspections with accurate information regarding the name and contact information for Responsible Party.

[\(i\) Remove listings from a short-term rental platform within 10 days of upon written notice from the City that a short-term rental host's license has expired or been revoked.](#)

[\(j\) Include a valid license number on each listing publicly advertised on a short-term rental platform.](#)

Sec. 379.08 Penalty

Each violation of section 379.02 shall be a petty misdemeanor.

SECTION 2

This Ordinance shall take effect and be in force thirty (30) days following its passage, approval, and

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publication.

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