Informational Handout for Short Term (Vacation) Rentals

Before utilizing these guidelines; have you confirmed that your property is within the unincorporated area of Sacramento County? If not, please start at the webpage <u>linked here</u>.

What is a Short Term Rental?

- Under the Sacramento County Zoning Code (SZC), a Short Term Rental is an Accessory Use allowed on properties developed with a residence to rent all or a portion of the residence and use of the property for transient occupancy.
- Transient Occupancy is defined as the use of any room or rooms for lodging or sleeping purposes for a period of time <u>not to exceed 29 consecutive days per stay</u>. Short Term Rentals may occur year-round (see residency requirement below), but are limited to no more than 29 total days per rental party per year.
- A Short Term Rental differs from a bed and breakfast inn in that the Short Term Rental is limited to one rental party at a time.
- Common online services for Short Term Rentals include AirBNB, VRBO, and HomeAway.

What Permits and Licenses do I need to operate a Short Term Rental?

- A Short Term Rental (STR) Permit from Planning and Environmental Review
- A Business License from the Department of Finance
- Registration with the Department of Finance to pay the Transient Occupancy Tax (TOT)

What Is TOT?

Transient Occupancy Tax (TOT), also commonly known as "bed tax", is authorized under State Revenue and Taxation Code Section 7280 and Sacramento County Ordinance 3.08. The tax of twelve percent (12%) of the rent/consideration charged to "transient" guests is an additional source of non-property tax revenue to local government.

Any operator of any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, such as a Short Term Rental, in the unincorporated area of the County of Sacramento are required to charge and collect the TOT of twelve percent (12%) of the rent charged to "transient" guests. In addition, lodging businesses are subject to the Sacramento Tourism Marketing District (STMD) and Sacramento Tourism Infrastructure District assessments.

For additional questions on TOT taxes, please contact the Report and Account Services Unit of the Tax Collection and Licenses Division at (916) 874-8700, by email at FINANCE-TOT-UUT@saccounty.gov, or visiting our FAQ page on TOT.

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Where Can I Apply for a Short Term Rental Permit and Business License?

To streamline the application process, the County utilizes <u>RentalScape</u> where applicants will submit for the Short Term Rental permit, Business License, and TOT registration through ONE online application.

Can I Operate a Short Term Rental on My Property?

If you meet the following Use Standards and obtain the required Permit and Business License, you can operate a Short Term Rental (per Section 3.9.3.AA of the SZC):

- Residency requirement: The property owner or renter (with long term lease) must live on-site a minimum of six months per year, and can provide proof of residency.
- Maximum occupancy for the rental shall not exceed more than two adults per bedroom.
- No public or commercial events permitted.

Do I Qualify for a Short Term Rental Permit?

Before applying for a short term rental permit through RentalScape, please make sure you meet the minimum qualifications below:

- Is your property located within Unincorporated Sacramento County?
- Is the proposed rental unit a legally permitted primary dwelling or an ADU legally permitted prior to January 2020?
- Is the proposed Short Term Rental your Primary Residence?
- Are you either the property owner or a renter with owner's consent and a long term lease?
- Do you have the required documentation to prove Primary Residency and Proof of Ownership/Owner's Consent?

The County of Sacramento cannot permit short term rental operations as the primary use of a residential property with the exception of qualifying properties located within certain zones of the Locke Special Planning Area (SPA), Courtland Special Planning Area, or Walnut Grove Neighborhood Preservation Area (NPA) Applications outside qualifying zoning districts of the Locke SPA, Courtland SPA, or Walnut Grove NPA that do not demonstrate the accessory nature of the use will be denied. If you answered no to any of the above questions, you likely do not qualify to use your dwelling or ADU as a Short Term Rental. All fees submitted are non-refundable.

Can I Use my Accessory Dwelling Unit (ADU), Junior Accessory Dwelling Unit (JADU), or Guest House as a Short Term Rental?

An ADU <u>cannot</u> be used for short term rental activity <u>unless</u> it was a legally <u>permitted</u> ADU prior to **January 1, 2020**. JADUs and Guest Houses <u>cannot</u> be used for short term rental activity in any circumstance.

What Does Proof Of "Primary Residency" Mean?

The County of Sacramento cannot permit short term rental operations as the primary use of a residential property. Therefore we require the property owner or renter to live on-site at the location of the proposed rental for <u>a minimum of six months per year</u> and to provide proof that the site is their Primary Residence.

What Documents Are Acceptable To Establish Proof Of Ownership Or Owner's Consent?

Acceptable documents to establish proof of ownership include: Sacramento County homeowner's exemption tax document, income tax statements, grant deed, or a mortgage statement. If you are a long-term lessee who wants to sublet property as a short term rental, submit a notarized copy of the owner consent form and your lease. The provided document must reflect the resident's name and address where the permit will be registered. **These documents will be kept confidential!**

What Documents Are Acceptable To Establish Proof Of Primary Residency?

Acceptable documents to establish proof that the proposed short term rental property is the applicant's primary residence include: Sacramento County homeowner's exemption tax document, California driver's license, current voter registration card, or most recent W-2 Tax Form (page with mailing address). The provided document must reflect the resident's name and address where the permit will be registered. **These documents will be kept confidential!**

Please note, utility bills are no longer accepted as proof of Primary Residency.

I Am A New Resident With No Proof Of Residency. How Can I Get A Short Term Rental Permit?

The County of Sacramento cannot permit short term rental operations without proof of primary residency. Applications that do not demonstrate that the Short Term Rental is their primary residence will be denied. Unfortunately, if you do not have any of the acceptable documents to proof of residency, you cannot operate a Short Term Rental within Unincorporated Sacramento County.

Can I Operate Multiple Short Term Rentals At The Same Time?

No. Short Term Rentals are only permitted to be operated out of homes that are utilized as a primary residence. As such, an applicant can only legally operate one Short Term Rental.

How Was It Decided That Short Term Rentals Are Only Permitted Out Of Homes That Are Utilized As A Primary Residence?

The Board of Supervisors adopted this requirement to make sure Short Term Rentals do not disrupt neighborhoods and to limit traditional rental units from being converted to short term use.

Can I Use My Property For Short Term Rental Outdoor Stays Such As Camping, RV Parks, Cabins, Treehouses, and Glamping (i.e. HipCamp)?

Campgrounds are only permitted in Agricultural and Recreation zoned properties with a Use Permit approved by the Zoning Administrator. As such, outdoor Short Term Rentals are not allowed.

Can I Have Guests That Stay Long Term (More Than 30 Days In A Rental Period)?

Stays of 30 days or longer are permitted and would be considered a Rental Property, and not a Short Term Rental. Rental Properties should be registered with the <u>Rental Housing Inspection Program</u>.

I No Longer Want To Operate My House As A Short term Rental. Can I Get A Refund?

No. All fees submitted are non-refundable.

My Application For A Short Term Rental Was Denied, Can I Get A Refund?

In the event that the Short term Rental Permit is denied, the Business License application will also be denied, and the fees submitted are non-refundable.

Is There An Online Map Showing All Operating Short Term Rentals Within Unincorporated Sacramento County?

No. The County does not have a map available that shows all permitted Short-Term Rentals within the County. If a property has an approved Short Term Rental Permit, it will appear when you search the address on our <u>Projects Viewer website</u>.

Is There A Limit To How Many Short Term Rentals Can Be In An Area?

No. Any applicant who meets the Use Standards in Section 3.9.3.AA of the SZC, is permitted to operate a Short Term Rental. The County does not put a limit on how many Short Term Rentals can be within a specific area.

Sacramento County Planning and Environmental Review

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How Do I Report A Short Term Rental?

If you think a property is operating as a short term rental without a County issued permit or want to file a complaint about a short term rental please Call 3-1-1 or 916-875-4311, or file an online report at https://311.saccounty.gov.

For more information, please contact Planning and Environmental Review (PER) at saccounty.gov or visit https://planning.saccounty.gov/.