**LOCAL GOVERNMENT
GUIDE TO SHORT-TERM RENTALS**

Creating a Long-Term Solution for All Stakeholders in the Community

Contents

Introduction

The subject of short-term rentals (STRs) has been on the minds—and council meetings agendas—of communities throughout the U.S. While concerns vary from place to place, with housing needs, nuisance complaints, licensing, and tax top of mind, there is a growing need for an STR program that provides long-term solutions.

The *2022 State of the Short-Term Rental Community Report* by Rent Responsibly and College of Charleston surveyed government staff responsible for managing STR programs and the owners impacted by local regulations to better understand their unique needs and challenges. The findings showed that the enforcement of ordinances, accountability for operator compliance, and the need to understand the impact of STR activity on housing mix and availability are among the top challenges.

Creating a program that fits your community may feel like a daunting task but fortunately, some of the most successful communities have created a blueprint that shows the key elements of an effective STR initiative.

In this guide, we'll show you how to create an STR program that works for your jurisdiction using proven strategies employed by many of our partner communities. We hope you find this a useful resource in understanding what it takes to build a successful STR program—particularly one that benefits all stakeholders in the community.

Establish Priorities with (or without) an Ordinance

The communities with the most successful STR programs typically begin by picking their top priorities and establishing best practices based on fair, equitable, and efficient policies. Top priorities often include increasing tax revenue or preserving the community, but they might also be something unique to the jurisdiction.

The first step is to decide if you want to implement a formal ordinance outlining your expectations or if more informal community guidelines are sufficient.

SUCCESS STORY
How Glendale, AZ Created a Plan for Short-Term Rentals Ahead of Super Bowl LVII

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Jurisdictions that are not ready to implement a formal ordinance can begin by identifying where the STRs are located.

From there, collecting emergency contact information from operators allows you to quickly reach operators if there's an emergency at the property. It also helps in the event you need to reach operators to explain new or changing regulations.

Jurisdictions that do plan to establish an ordinance can start by determining what expectations seem fair and reasonable for the community.

For those who need or want additional guidance from an expert in the government STR space, GovOS can introduce you to an ordinance consultant to help you get started.

Open Communication Channels

Once your jurisdiction has decided to move forward with formal or informal STR guidelines, it's time to open communication channels between you and STR owners and operators.

In the *2022 State of the Short-Term Rental Community Report*, jurisdictions reported one of their biggest challenges is finding a way to communicate with STR owners about compliance requirements. Most STR owners want to comply with local regulations but report they don't know where to find the information that outlines the requirements.

Whether you're thinking about establishing new STR guidelines or you already have regulations in place, it's important to ask: "**Do we have a way to easily communicate with STR owners so they can meet our compliance standards?**"

This is where an STR platform with a digital notification tool can help enable jurisdiction staff to:

Store STR owners' contact information

Provide STR owners with a single source of truth

Easily issue notifications about important updates

The key to remember is the more frequently, openly, and clearly you communicate, the more likely you are to have the desired results!

Give Citizens a Voice and Focus on Community Preservation

Community preservation is a hot topic among communities that have a high number of STRs in their neighborhoods–and for good reason! Some STRs have developed a reputation for being "party houses," leaving neighbors to deal with unwanted noise, trash, and parking problems.

According to the *2022 State of Short-Term Rental Community Report*, only 3.2% of survey participants strongly agreed that their jurisdiction has a good program for identifying problem STR operators. In contrast, a whopping 91% of STR hosts surveyed agreed they work hard to maintain a professional, accountable STR business.

So, while the vast majority of STR hosts want to have a positive influence on their local community, the small percentage of "bad apples" is preventing that from happening.

Communities with successful STR programs have been able to contribute to preserving the community by giving citizens a place to voice their concerns.

Both an online complaint form and a 24/7 hotline give citizens the opportunity to communicate concerns related to community preservation quickly without relying on jurisdiction staff or emergency services to do damage control.

SUCCESS STORY

How Sedona, AZ was Able to Find a Solution in the Face of State Preemption Laws

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Streamline Licensing and Registration

The next essential step to creating a successful STR program in your jurisdiction is to set up a system to license or register STRs.

If state or local legislation prevents your community from formally registering STRs, you likely still have the option to capture emergency contact information from STR operators. By capturing STR operator information, you're ensuring the city can quickly identify who to contact in the event of health and safety concerns.

If your state of local legislation does allow you to formally register STRs, you can also set other requirements for registration, such as mandatory code inspections.

Changing the registration requirements for your STR operators should be simple, but it does take careful consideration. We offer free consultations with a government affairs consultant to help you navigate your priorities and process. When implementing registration software, we highly recommend the solution is:

1. **Nimble enough to meet your community's current needs**

2. **Flexible enough to allow you to pivot in response to changing laws or new legislation**

> **"Using GovOS STR, we can monitor the calendars of rental properties to see how many days they are making the property available."**
>
> **Michael A. Orticelle, MPA**
>
> *Building Inspector/Code Enforcement Official North Elba, NY*

Simplify Tax Collection

The final component of a successful STR program is tax collection. For jurisdictions with a high number of STRs, the additional tax revenue is an essential way to reinvest in their communities. The revenue helps maintain and improve the attractions that keep tourists coming back.

But, while collecting lodging tax from STRs may reduce the tax burden on residents, it can also lead to more work for the government staff in charge of the collection process. Outdated manual processes often equate to missed revenue if staff resources are stretched too thin.

Simplifying the tax payment process by bringing it online is a proven way to increase compliance and ultimately benefit both citizens and staff.

> **"The more we can turn over to GovOS to automate the process for us going forward, the better."**
>
> **Rob Mitchell**
> *Assessor of Property*
> *Rutherford County, TN*

For staff, a digital solution removes the burden of having to:

- Collect paper payments
- Key in all the data
- Make trips to the bank for deposits

For STR owners, a digital solution:

- Creates an easier way to submit payments so they don't have to drive to your office or mail it in
- Provides 24/7 access to view and submit their payments online

Conclusion

Taking a comprehensive, holistic approach to STRs with a long-term program will help ensure your community stays one step ahead. In today's climate, with the delicate balance at play between all the different community stakeholders, finding a partner who understands how to find that balance is even more important for building a successful STR program.

With GovOS, agency staff, local property owners or operators, and STR neighbors can all benefit. Start your STR management journey today with a complimentary assessment of your STR market to see how many STR listings are in your vicinity.

To learn more, visit:

https://govos.com/products/short-term-rental

GovOS Exclusive Partnerships

From inception, GovOS has taken a holistic approach to offering solutions that have positive impacts on communities. We draw on years of experience in finance, tax and local government to facilitate engagement between leaders at public and private organizations in the local and state governments ecosystem.

Rent Responsibly is a community-building and education platform for local STR alliances. The company provides STR owner education to drive higher compliance rates with good neighbor education via webinars and in-person presentations alongside GovOS.

With a focus on community preservation, Breezeway works with GovOS to enable local governments to provide their STR owners with discounted property care and safety services to ensure responsible renting.

NoiseAware helps prevent incidents at rental properties through the use of privacy-safe, noise-monitoring technology. The company currently has sensors in communities throughout the country. Working together with the GovOS STR Hotline, our partnership with NoiseAware addresses community preservation issues around noise.

STR Ordinance Consultation Services

Our Government Affairs Consultant assists communities by discussing best practices to help in the development of STR ordinances. Having been the Economic Development Manager for a resort community for the last 23 years, he has unique insight into maintaining residents' quality of life in the face of unprecedented growth.

Additional GovOS Partners

References

2022 Report:
State of the Short-Term Rental Community
(https://www.rentresponsibly.org/wp-content/uploads/2022/01/2022-State-of-the-STR-Community-Report-January-2022.pdf)

Who We Are

GovOS is the leading digital transformation platform for local governments. Headquartered in Austin, TX, GovOS serves government agencies of all sizes across the United States. Through its secure and integrated suite of cloud-based solutions, governments can automate and streamline operations, provide seamless access to resources and information, and deliver cutting-edge digital services to businesses, residents and agencies.

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