

City of La Verkin

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La Verkin City Council Work Meeting Minutes

Wednesday, December 5, 2018 5:00 p.m.

Council Chambers, 111 S. Main, LaVerkin, Utah

Present: Mayor Richard Hirschi, Council Members: Ray Justice, Patricia Wise, Micah Gubler and Kelly Wilson; Staff: Kevin Bennett, Kyle Gubler, Troylinn Benson, Chief Ben Lee and Christy Ballard, Public: John Valenti.

A. **Called to Order** – Mayor Richard Hirschi called the meeting to order at 5:00pm.

1. Vacation rental & nuisance enforcement

Mayor Hirschi explained vacation rental spacing will be discussed during the regular city council meeting.

Councilwoman Wise stated her concern is that vacation rental complaints are driven by the illegal vacation rentals. She does not want to discuss a possible spacing requirement if we are not going to police our current ordinances and laws. Not just on illegal vacation rentals but code enforcement as well.

She spoke with a gentleman who was selling his house in Zion View Estates to move to Washington City because of a messy yard in the neighborhood that he couldn't do anything about. According to this person, he took a \$10,000 hit on selling his house because of that neighbor. She feels that we owe it to all the citizens to enforce the laws we have on the books, no matter how difficult it may be. That is why she requested this meeting. She would like to know the feeling of other councilmembers.

She feels bad for the people surrounded by vacation rentals but is not sure they are all legal. She does not want to put another ordinance on the books, especially spacing requirements which will be hard to govern, if nothing is going to be done to enforce it.

She does like vacation rentals and thinks the 10% cap is a good maximum percentage.

Code enforcement in general needs to be addressed.

Kyle reported illegal vacation rentals was a topic at his city manager meeting and no one really had an answer for it. The State has made it difficult for municipalities to find illegal vacation rentals. A lot of communities are removing vacation rentals from residential zones completely to help resolve the issue.

The current licensed vacation rentals would be grandfathered in.

Chief Lee said the illegal vacation rentals are easy to enforce. His department has issued several citations over the last several months. They use the State Code instead of the City Code because the State has a higher fine.

There is a misnomer on the ability to go online to check for illegal vacation rentals. He read from the actual ordinance the State passed stating "a body may not enact or enforce anything prohibiting an individual from listing or offering a short-term rental on a short-term rental website".

The second part says that we can't use an ordinance that prohibits the act of renting a short-term rental to fine, charge or punish an individual solely for the act of listing that.

Nowhere does it state we can't go verify whether they are operating. It just says people can put whatever they want on a website but once they act on it the City can step in. Looking at the City's current ordinance, the only thing he can see that is contrary to this law is "evidence of operation shall not require verification for the presence of guests but may be determined by the existence of advertisements of any kind."

Kevin explained that section of the Code was amended out when the State passed that law.

Chief Lee thanked Kevin and continued that law enforcement are able to look and see what kind of commerce people are engaging in.

Kyle said that information is different from anything he has heard in any of his meetings.

Kevin agreed, and stated people need to be charged with what law enforcement sees, not what they find online. There was a discussion on what and how people running vacation rentals can be charged.

Councilwoman Wise contacted Cameron Diehl with the Utah League of Cities and Towns and was told basically the same thing Kyle reported from the Managers Conference. In addition to that, when the legislation was enacted at the State level, the real-estate industry saw it coming but most cities and towns had not had any experience with vacation rentals one way or the other, so the law was able to get passed before everybody realized what had happened. Cameron's thought is that now it has become such a problem it will not be a forever thing. Enough communities complain about it and are such a big lobbying group that represent all citizens not just vacation rental owners.

Kevin explained the version that was passed was the fourth version and has mild restrictions. The original version prohibited cities from being involved with vacation rentals period.

La Verkin is in the middle of the two extremes, we handle the complaints.

Vacation rentals are an issue across the country with no one having a solution yet.

Chief Lee reported his department does follow up on all complaints received regarding vacation rentals. One of the issues they have is the ability to serve people a citation that don't live in the area. It would cost the City more to have papers served than we would collect in fines.

He mentioned the current code states the City Council can determine if a business license needs to be revoked.

There is one gentleman who has multiple vacation rentals in La Verkin that are frequently out of compliance. Chief Lee has contacted him several times and refused to sign one of his business licenses until he was compliant. Once the business license was granted the rentals were all out of compliance again. Chief just sent an email to the individual letting him know if his properties continued to violate City Code, he would be submitting his name and all his business licenses to the City Council for possible revocation.

Chief mentioned our ordinance allows the City to inspect the premises with 24-hour notice. We can also request guest registers and issue citations from them for over occupancy. However, it would take a lot of man-hours.

Councilman Justice asked if the transient room tax report broke down where the money comes from, if business were required to have a city license before a tax ID number is issued and wondered how people that advertise vacation rentals on booking websites pay taxes.

Kyle replied the State tax report is not broken down, it is just a number.

Chief Lee explained they are required by the State to pay taxes quarterly and the amount is based on the number they report.

Christy stated businesses are not required to have a city license before they are issued a tax number. The City requires those numbers as part of the licensing procedure.

Councilman Justice pointed out that illegal vacation rentals that are not paying the proper taxes are guilty of tax evasion.

Chief Lee commented that because we are a small community, illegal vacation rentals are easier to find. We do have citizens that monitor that and let us know.

Derek and Christy are very good at keeping the list of licensed vacation rentals updated for the police department.

Councilwoman Wise asked what the process was after a citation has been issued.

Chief replied the individual must go to court. The City is out of the process once the citation has been issued. The individual must report to the court within 5-14 days and then go through the judicial process. According to the County Attorney, the judges are often suspending or waiving the fees.

Kyle explained a person can come into compliance and the very next day go out of compliance again and the process starts over.

Chief Lee explained the abatement process and mentioned it takes a lot of manpower and money for the City.

Councilwoman Wise stated the elected officials owe it to their constituents to uphold the law and if they aren't going to do that then they should just quit passing them. She knows it will not be easy and that it will take time but if people know they will have to pay a fine it will help.

Chief Lee replied the City is issuing citations, but it is up to the judge to issue the fine.

Mayor Hirschi agreed there is a problem. The City Council needs to continue this discussion on another day.

There was a discussion on the dollar amount of fines and the fact that the outcome is up to the courts.

Chief Lee brought up the benefit of having the City Council review the business license.

Kevin explained every time the City Council reviews a business license it requires a hearing that is like a mini court where the Council now sets in judgement of the business owner.

Mayor Hirschi closed this section of the meeting at 5:33pm

January 16, 2019
Date Approved

Richard M. Hirschi
Mayor Richard M. Hirschi

ATTEST:
Christy Ballard
Christy Ballard
City Recorder

