



# SAN JUAN COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT

135 Rhone Street, PO Box 947, Friday Harbor, WA 98250  
(360) 378-2354 | (360) 378-2116  
dcd@sanjuanco.com | www.sanjuanco.com

## STAFF REPORT

**REPORT DATE:** November 30, 2021  
**TO:** San Juan County Council  
**CC:** Mike Thomas, County Manager  
David Williams, DCD Director  
**FROM:** Sophia Cassam, Planner II *SC*  
Yancey Bagby, Planner II *YB*  
**SUBJECT:** Vacation Rental Compliance Program Update  
**BRIEFING DATE:** December 7, 2021  
**ATTACHMENTS:** A. Certificate of Compliance Form  
B. August 25, 2021 Letters Sent to Permit Holders Missing Certificates of Compliance

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### PURPOSE

To inform the County Council of the effects of the vacation rental regulations established in 2018; to clarify the distinction between compliance for permits issued before and after March 13, 2018; and to provide an update on the Department of Community Development's current and upcoming compliance program actions.

### PUBLIC COMMENTS

Please send all public comments to [VRComments@sanjuanco.com](mailto:VRComments@sanjuanco.com). Please do not copy the County Council, Planning Commission members, or County Staff. Written public comments received by December 6 at 4pm will be provided to the County Council prior to the meeting. Please focus public comments on the issues contemplated in this memo.

### BACKGROUND

In 2018, San Juan County adopted new vacation rental regulations that included requirements to address neighborhood nuisances, speeding, garbage, water conservation, fire safety and inspections. The regulations also created an annual certificate of compliance program and set an expiration period of two years for new permits that do not maintain their compliance. The 2018 vacation rental regulations were established by the following ordinances:

Ordinance 02-2018 Vacation Rental Ordinance:

<https://www.sanjuanco.com/DocumentCenter/View/14686/>

Ordinance 03-2018 Vacation Rental Code Enforcement:

<https://www.sanjuanco.com/DocumentCenter/View/14687/>

This year, the Department of Community Development (DCD) has begun the first iteration of enforcement of the certificate of compliance program. This report explains the program, its effects thus far, and the enforcement steps ahead.

## **CERTIFICATES OF COMPLIANCE**

The new regulations created an annual certificate of compliance program to ensure permit holders adhere to the vacation rental regulations and to provide a method to revoke noncompliant permits. All vacation rental permit holders are required annually to submit a form certifying compliance with the vacation rental regulations in SJCC 18.40.275 Vacation rental of residences or accessory dwelling units (ADUs). The certificate of compliance form can be found in Attachment A. Permit holders may submit certificates of compliance online or by mail. All permit holders are sent annual reminders to submit a certificate of compliance approximately 60-90 days prior to the December 31 deadline.

A certificate of compliance fee was added by Resolution 34-2020 to cover administrative costs. The fee is \$145 for forms submitted online and \$160 for forms submitted by mail. The difference in fees reflects the additional staff time required for processing mail-in certificates. Over time, the fee may lead some permit holders to abandon permits not in use, potentially lowering the overall number of permits in the County.

The consequences for failing to certify compliance are different for permits issued before and after the March 13, 2018 regulations were established. The regulations in place at the time permits were issued apply. Permits issued after March 13, 2018 expire when the permit holder does not submit a certificate of compliance. There was no certificate of compliance requirement before March 13, 2018; therefore, permits issued prior to the new regulations do not expire but must go through a formal revocation process.

### **PERMITS ISSUED BEFORE MARCH 13, 2018**

Permit holders with permits issued prior to the new regulations must submit annual certificates of compliance. There were initially believed to be over 1,200 vacation rental permits in San Juan County before the new regulations were put in place. After reviewing permit records, this number was reduced by removing bed and breakfast permits, duplicates, already abandoned or superseded permits and other land use permits that shared similar permit numbers. The number of permits has been decreasing through the last three years of voluntary abandonment. There are currently 708 permits issued before March 13, 2018.

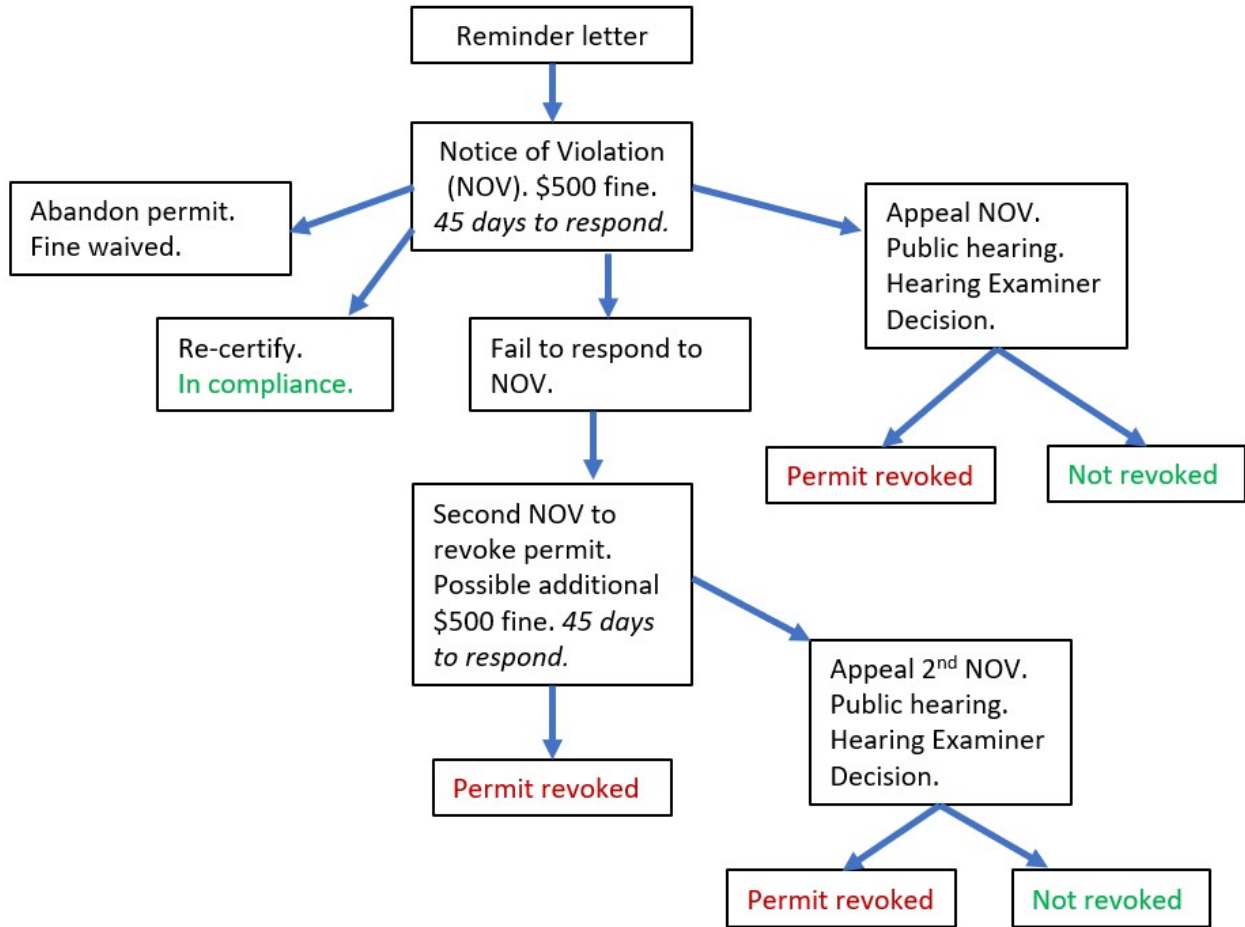
These permit holders were given three years to become accustomed to submitting certificates of compliance. Beginning in 2022, the County will pursue the revocation process for noncompliant permits issued prior to the new regulations. Warning notices were first issued on August 25, 2021. The Department of Community Development sent 357 letters to permit holders who have not submitted their certificates of compliance for 2018, 2019, and/or 2020 (Attachment B). The letters notified permit holders that they are out of compliance and that to avoid code enforcement and revocation, they can either submit a certificate of compliance or abandon their permit. As of November 18, 2021, 192 of the 357 letter recipients have responded by submitting a certificate of compliance or abandoning their permit.

Revocation of permits will begin with the code enforcement officer issuing Notices of Violation (NOVs) in early 2022. NOVs will be issued to remaining noncompliant permit holders, beginning with the permit holders who have missed the most years of certificates of compliance. Moving forward, pre-March 13, 2018 permits will receive an NOV for failing to submit a certificate of compliance any year.

Permit holders issued letters who do not either respond with a submission of a certificate of compliance or abandon their permit will have their permits revoked. Revoking vacation rental permits issued before the new regulations requires several steps. The chart below shows the compliance process for permits issued before March 18, 2018 when the permit holder fails to submit a certificate of compliance. Table 1 below

provides a summary of data for permits issued before the new regulations. The permit counts in this report are subject to change as permits come into compliance or are abandoned.

**Figure 1. Compliance Process for Permits Issued Before March 13, 2018.**



**Table 1. Summary of Vacation Rental Permits Issued Before March 13, 2018.**

Metric	Number of Permits
Permits on March 13, 2018	931
Abandoned	223
Current permits issued before March 13, 2018	708
Letters issued for permits out of compliance for 2018, 2019, and/or 2020	357
Responses to letters as of November 18 (abandoned or certificate of compliance submitted)	192

## PERMITS ISSUED AFTER MARCH 13, 2018

The 2018 vacation rental regulations simplified the complex and resource-consuming process of revoking a vacation rental permit. Permits issued after March 13, 2018 expire automatically if the permit holder fails to submit a certificate of compliance within two years of the issuance of their permit, as established in SJCC 18.40.275(J):

(J) Vacation rental permits vested or approved after the effective date of the ordinance codified in this section shall expire two years after the date of approval unless the annual certificates of compliance meeting the requirements of subsection (K)(4) of this section are on file with the administrator.

A grace period is allowed for the first two years after these permits are issued to allow the permit holder to become accustomed to submitting an annual certificate of compliance. 2021 is the first year that permits issued after March 13, 2018 will expire. One hundred and fifty-nine permits have been issued since the new regulations were established. One permit will expire this year due to the permit holder not submitting a certificate of compliance within two years of the issuance of the permit. Another will expire due to permit violations. A summary of certificates of permits issued after the new regulations is shown below:

**Table 2. Summary of Vacation Rental Permits Issued Since March 13, 2018.**

Metric	Number of Permits
Permits issued since March 13, 2018	159
Abandoned	0
Permits to expire in 2021	2 total 1: no certificate of compliance 1: permit violations

By automatically expiring non-compliant permits issued after March 13, 2018, the new regulations significantly reduce the staff time spent on enforcement because there is no lengthy NOV and revocation process.

## CODE ENFORCEMENT FOR UNPERMITTED RENTALS AND PERMIT VIOLATIONS

Since 2018, DCD has increased efforts to enforce against unpermitted vacation rentals. All advertised vacation rentals must be properly permitted. Advertising an unpermitted vacation rental is a violation of SJCC 18.40.275 (M):

M. A vacation rental shall not operate or be advertised without a vacation rental permit. Evidence of operation includes advertising, online calendars showing availability, guest testimony, online reviews, rental agreements or receipts.

The code enforcement officer monitors vacation rental websites, such as AirBnB and VRBO, for unpermitted vacation rentals. When an unpermitted vacation rental is advertised, the owner receives an NOV requiring that they stop listing the rental. The base fine for operating an unpermitted vacation rental is \$2,300 with an additional \$100 fine for each day the operator continues to advertise a vacation rental after receiving an NOV. SJCC 18.100.090 Monetary penalties for notice of violation lists the charges incurred by those who continue to operate an unpermitted vacation rental after receiving an NOV. Since 2018, County code enforcement has issued NOVs and pursued enforcement on 42 unpermitted vacation rentals. Over \$130,000 in violation fines have been collected.

Permit holders that violate the conditions of their permits are held accountable. The code enforcement officer has worked with the sheriff's department to establish protocol for deputy responses to complaints on vacation rentals. Deputies document and share reports with the code enforcement officer.

When the code enforcement officer observes or receives a sheriff report of a vacation rental code violation, such as trespassing or a noise complaint, they send a letter to the permit holder with a warning that if the issue persists the permit may be revoked. After three documented reports of violations, the revocation process will be initiated. To date, no permits have been revoked because there has not been more than one documented complaint followed by a code enforcement officer notice to an individual permit. Permits issued after March 13, 2018 will expire when the permit does not follow the conditions of their permit. One permit will expire at the end of 2021 because the permit holder did not comply with their permit conditions.

## **NEXT STEPS**

DCD staff are working on code enforcement for noncompliant permits issued prior to the new regulations. Yancey Bagby, Planner II, and the Code Enforcement Officer, James Finn are the DCD staff members managing the vacation rental compliance program.

Figure 1 on page 3 of this report outlines the steps to come. In early 2022, the Code Enforcement Officer will begin issuing Notices of Violation. In August of 2021, letters were sent to the 357 pre-March 13, 2018 permit holders who had not submitted their certificates of compliance for 2018, 2019, and/or 2020. As of the date of this report, 192 have either come into compliance by submitting a certificate of compliance or have voluntarily abandoned their permits. One hundred and sixteen permits remain out of compliance. NOVs will be issued beginning with permits missing the most certificates of compliance. There are currently 52 permits missing certificates of compliance for all years (2018, 2019, and 2020). These permit holders will be issued NOVs first.

A demanding process is ahead. Creating and issuing NOVs will require hundreds of staff hours. The staff time required after NOVs are issued will depend on how recipients respond. After NOVs are issued, permit holders have 45 days to act. The response options are to either come into compliance or abandon the permit, both of which reduce demands on staff. Some permit holders may not respond, and some may appeal NOVs to the hearing examiner. With no response, the Code Enforcement Officer will issue a second NOV to revoke the permit. If a permit holder appeals, the Code Enforcement Officer will defend the NOV at a public hearing, which involves significant administrative work, staff reports, and the expense of the hearing.

This is the first year that DCD is going through the NOV and revocation process and it is unclear how NOV recipients will respond. Future iterations of this process may require less time because there will likely be fewer out of compliance pre-March 13, 2018 permits due to the ones abandoned and possibly revoked this year. Permit holders may also be more accustomed to submitting their certificates of compliance in the future.



# 2021 Vacation Rental Certificate of Compliance

## PERMIT INFORMATION

VR Permit Number	Parcel Number:
VR Permit Address: _____	
Contact Preference	<input type="checkbox"/> US Mail <input type="checkbox"/> E-mail    UBI #

## OWNER INFORMATION

**Check here if this is a new owner 90-day certification.**

Name of Owner(s): _____	Email: _____
Mailing Address: _____	Phone: _____
City: _____	State: _____ Zip: _____

## LOCAL PROPERTY REPRESENTATIVE

Name of Representative: _____	Email: _____
Mailing Address: _____	Phone: _____
City: _____	State: _____ Zip: _____
<b>Emergency/Complaint Number (24 hour availability)</b>	

### 1. For the current year \_\_\_\_\_ (insert year) this vacation rental is:

- Active (rented for periods of 30 days or less). Please complete all items in this checklist.
- Inactive (not being rented for periods of 30 days or less). Please complete items 2, 12 & 13.

### 2. For next year this vacation rental is:

- Active (rented for periods of 30 days or less). Please complete all items in this checklist.
- Inactive (not being rented for periods of 30 days or less). Please complete items 2, 12 & 13.

### 3. The number of bedrooms this vacation rental permit is approved for is: \_\_\_\_\_

### 4. Rules of Conduct:

- I have attached a copy of the current Rules of Conduct and provided a copy to all property owners within 300 feet of the vacation rental property boundaries.
- The Rules of Conduct and a property boundary map are provided to guests and a copy is prominently posted or otherwise easily accessible in the vacation rental.

### 5. County Burn Ban Status:

- The County burn ban status is prominently posted in the vacation rental. This can be printed from <https://sanjuanco.com/1088>. It is also advisable to sign up for Fire Marshal notifications to be aware of the current status. Enter your e-mail address and select Fire Marshall under "News Flash" lists at: <https://sanjuanco.com/list.aspx>

### 6. Permit Conditions:

- I have read and am operating the vacation rental in compliance with the conditions of approval of the above referenced permit.

**7. Address:**

- The address numbers for the vacation rental are visible from the street
- There is an address card mounted near phone (if landline present) or on first page of the Rules of Conduct if there is not a landline.

**8. Smoke and Carbon Monoxide alarms:**

- Smoke and CO alarms present and in good working order.
- Smoke alarms and CO alarms are located in all sleeping areas.
- Smoke alarms located in common areas and in halls outside sleeping areas.
- Smoke alarms are less than 10 years old.

**9. Emergency Egress from sleeping areas:**

- All sleeping areas are provided with a means of emergency egress (functional window or door) to the outside that has an opening of at least 5 square feet at the ground floor level and 5.7 square feet on upper levels, **or**
- structure built before 1978.
- A printed and posted floor plan with egress paths and fire extinguishers noted on the map of the residence is recommended.

**10. Fire Extinguishers:**

- There is a fire extinguisher present on each floor.
- There is a fire extinguisher in the kitchen.
- All fire extinguishers are serviced annually.

**11. General Fire Safety:**

- Space heaters are not used for a source of heat.
- Extension cords are not used as permanent wiring and there are no multi-plug adapters.
- Electric panel is labeled and is not locked or blocked (3 ft clearance required).
- GFCI outlets are located in areas prone to water exposure: bathrooms, laundry rooms, kitchens, outdoor outlets, decks patios and adjacent to pools and hot tubs.

**12. Wood stoves and gas appliances and furnaces:**

- All wood stoves, gas appliances and gas furnaces installed within the last year were installed with a permit and inspected by San Juan County.
- If there is a wood stove, it has had its chimney cleaned this year.
- Not applicable, I do not have a wood stove, gas appliances, or furnaces.

**13. Vacation Rental Owner Certification:**

I certify under penalty of perjury under the laws of the State of Washington that the information provided above is true and correct. I understand that information about this vacation rental, including UBI number, may be provided to the Washington State Department of Revenue.

\_\_\_\_\_  
Vacation Rental Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Vacation Rental Owner Name (Printed)



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August 25, 2021

«Owner»
«Add1»
«Add2»
«Add3»
«City», «State», «Zip»

Re: Vacation Rental Permit Compliance for «Permit», Tax Parcel Number «Parcel\_»

Dear Vacation Rental Permit Holder:

In 2018, San Juan County adopted new vacation rental regulations that require that each holder of a vacation rental permit to annually certify compliance with the International Fire Code and the conditions of their permit. The first certification was due December 31, 2018, the second certification was due December 31, 2019 and the third was due December 31, 2020. You must submit a certificate of compliance even if you were not renting your vacation rental. If you were not the owner during this year you will need a signed form from the owner of the property at that time. Notification and reminder letters were sent out each year.

No certificate was received for the year «Abandoned\_Compliant\_No\_Response». To avoid code enforcement action and revocation of the above referenced permit, please respond by choosing the one of two actions below and returning this letter to the Department of Community Development. Please respond to yanceyb@sanjuanco.com by September 15, 2021 to avoid code enforcement action, including fines and/or penalties.

Yancey Bagby Planner I - yanceyb@sanjuanco.com Direct Line (360) 370-7581
SAN JUAN COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT
360-378-2354 | 135 Rhone Street | PO Box 947 | Friday Harbor, WA 98250

- I, «Owner» hereby abandon vacation rental permit # «Permit», I understand that if I want to use the property for a vacation rental in the future, I will need to apply for a new permit and comply with the regulations in place at that time.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

- I, «Owner», have attached the vacation rental certificate for permit #«Permit»

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



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August 25, 2021

«Owner»  
«Add1»  
«Add2»  
«Add3»  
«City», «State», «Zip»

Re: Vacation Rental Permit Compliance for permit number «Permit»,  
Tax Parcel Number «Parcel\_»

Dear Vacation Rental Permit Holder:

In 2018, San Juan County adopted new vacation rental regulations that require that each holder of a vacation rental permit to annually certify compliance with the International Fire Code and the conditions of their permit. The first certification was due December 31, 2018, the second certification was due December 31, 2019 and the third was due December 31, 2020. You must submit a certificate of compliance even if you were not renting your vacation rental. Notification and reminder letters were sent out each year.

The Department of Community Development has not received certificates for years 2018, 2019 and 2020. Pursuant to SJCC 18.100.030(C) and SJCC 18.40.275(K)(4) failure to submit an annual vacation rental certificate of compliance is a code violation. This letter is notification that the Department of Community Development is beginning code enforcement process to revoke the permit pursuant to SJCC 18.100.210.

To avoid a fine and revocation process, you may voluntarily abandon the permit by signing below and returning this letter to the address above by September 15<sup>th</sup> 2021.

Yancey Bagby Planner I - Direct Line (360) 370-7581  
SAN JUAN COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT  
360-378-2354 | 135 Rhone Street | PO Box 947 | Friday Harbor, WA 98250

- I, «Owner», hereby abandon vacation rental permit # «Permit». I understand that if I want to use the property for a vacation rental in the future, I will need to apply for a new permit and comply with the regulations in place at that time.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



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August 23, 2021

Parcel Owner  
Address  
City, State Zipcode

Re: Permit #, parcel number

Dear Vacation Rental Permit Holder:

In 2018, San Juan County adopted new vacation rental regulations that require that each holder of a vacation rental permit to annually certify compliance with the International Fire Code and the conditions of their permit. Under the conditions of your permit and San Juan County Code 18.40.275(G), your permit has expired because we have not received one or more certificates of compliance:

J. Vacation rental permits vested or approved after the effective date of the ordinance codified in this section shall expire two years after the date of approval unless the annual certificates of compliance meeting the requirements of subsection (K)(4) of this section are on file with the administrator.

Your permit was granted on **XXXX** date and we have not received a certificate of compliance for the year **XXXX**. The above referenced permit is out of compliance and **has expired** pursuant to SJCC 18.40.275(J). You will need to reapply for a new permit to use this property as a vacation rental in the future.

If you have any questions or need additional assistance, please contact me at [yanceyb@sanjuanco.com](mailto:yanceyb@sanjuanco.com).

Yancey Bagby Planner I - Direct Line (360) 370-7581  
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