

ORDINANCE NO. 2024-07R

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ESTABLISHING SHORT-TERM RENTAL REGULATIONS AND TRANSIENT OCCUPANCY TAX PROVISIONS FOR THE COLLECTION OF SHORT-TERM RENTAL REVENUE

WHEREAS, the City of Escondido (“City”) has experienced an increase in the number of residential properties being used as short-term rentals; and

WHEREAS, short-term rentals properties and units are not explicitly addressed or regulated in the Escondido Municipal Code; and

WHEREAS, the City is informed and believes there are approximately 181 registered short-term rentals in the City’s jurisdiction; and

WHEREAS, the City has received complaints related to the operation of short-term rentals in residential neighborhoods, including complaints concerning excessive occupants, noise, reduction of street parking, and increased trash; and

WHEREAS, City staff desires to minimize the adverse impacts short-term rentals may have on surrounding residential properties and neighborhoods through the implementation of a program of administration and enforcement; and

WHEREAS, in September 2022, City staff was directed to go out to bid through a request for proposal and selected Granicus, LLC to help assess the current market and create a municipal code related to short-term rentals; and

WHEREAS, in an effort to collect robust community feedback, the City launched the Engage Escondido webpage with a survey on short-term rentals; and

WHEREAS, City staff has been before the Economic Development Subcommittee on various occasions for feedback and policy discussion, as well as taking in public comment; and

WHEREAS, on March 26, 2024, City staff presented a draft short-term rental ordinance to the City of Escondido Planning Commission for feedback on the land-use components of the program; and

WHEREAS, the City desires and finds that it is in the best interests of the public to establish the Short-Term Rental requirements in Chapter 16, Article 8, of the Escondido Municipal Code to allow short-Term rentals to operate within the City and regulate the processes, procedures, administration and enforcement for the short-term rental pilot program; and

WHEREAS, the City desires and finds that it is in the best interests of the City to amend Escondido Municipal Code Chapter 25 (Taxation), Article 4, for the collection of Transient Occupancy Tax related to the Short-Term Rental properties and units.

NOW THEREFORE, the City Council of the City of Escondido, California, DOES HEREBY ORDAIN as follows:

SECTION 1: That the above recitations are true.

SECTION 2: Proper notices of a public hearing have been given and public hearings have been held before the Planning Commission and City Council on this issue.

SECTION 3. The City Council has reviewed and considered all evidence submitted at said hearings, including, without limitation:

- a. Written information;
- b. Oral testimony from City staff, interested parties, and the public;
- c. The current staff report dated December 4, 2024, which along with their attachments are incorporated herein by this reference as though full set forth herein; and
- d. Additional information submitted during the Public Hearing.

SECTION 4. Upon consideration of Chapter 16, Licenses and Business Regulations Generally, Article 8, Short-Term Rentals, Sections 16.8.010 through 16.8.140, inclusive, and Chapter 25, Taxation, Article 4, Transient Occupancy Tax, Sections 25-75 through 25-94, inclusive, attached herein as Exhibit "A" and Exhibit "B" respectively, and incorporated herein by reference as through fully set forth, the City Council desires at this time and deems it to be in the best public interest to adopt and enact the Short-Term Rental Requirements provided for in Exhibit "A" and amendments to Transient Occupancy Tax collection provided for in Exhibit "B".

SECTION 5. SEVERABILITY. If any section, subsection sentence, clause, phrase, or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions.

SECTION 6. ENVIRONMENTAL REVIEW. The adoption of this Ordinance is exempt from the California Environmental Quality Act ("CEQA"), Public Resources Code § 21000, *et seq.*

SECTION 7. As of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 8. The City Clerk is hereby directed to certify to the passage of this ordinance and to cause the same or a summary to be published one time within 15 days of its passage in a newspaper of general circulation for the City of Escondido.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 29th day of January, 2025 by the following vote to wit:

AYES : Councilmembers: FITZGERALD, C. GARCIA, J. GARCIA, WHITE

NOES : Councilmembers: MARTINEZ

ABSENT : Councilmembers: NONE

APPROVED:

DocuSigned by:
Dane White
19FFE5DB8C3B409...
DANE WHITE, Mayor of the
City of Escondido, California

ATTEST:

DocuSigned by:
Zack Beck
A58535D0BDC1430
ZACK BECK, City Clerk of the
City of Escondido, California

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO : ss.
CITY OF ESCONDIDO)

I, Zack Beck, City Clerk of the City of Escondido, hereby certify that the foregoing ORDINANCE NO. 2024-07R passed at a regular meeting of the City Council of the City of Escondido held on the 29th day of January 29, 2025.

DocuSigned by:
Zack Beck
A58535D0BDC1430
ZACK BECK, City Clerk of the
City of Escondido, California

ORDINANCE NO. 2024-07R

ARTICLE 4. TRANSIENT OCCUPANCY TAX

(All Content Displayed)

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Sec. 25-75. Definitions.

The following definitions are applicable to this article:

Transient Lodging shall mean any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes **any hotel, short-term rental**, inn, tourist home or house, motel, studio, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location or other similar structure or portion thereof. "*Transient lodging*" does not mean any hospital, convalescent home or sanitarium.

Occupancy shall mean the use or possession or the right to the use or possession of any room or rooms or portion thereof in any *transient lodging* for dwelling, lodging or sleeping purposes.

Operator shall mean the person who is proprietor of the *transient lodging*, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee or any other capacity. "Operator" includes a managing agent, a resident manager, a resident agent or any other individual acting in a management capacity. Where the operator performs the function of booking or charging for a room through an agent of any type or character other than an employee, the agent shall also be deemed an operator for the purposes of this article and shall have the same duties and liabilities as the principal.

Person shall mean any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit.

Qualifying rental agreement shall mean and is limited to a written contract signed by both the operator and tenant, legally enforceable by either party, for a rental period of not less than thirty-one (31) consecutive days. "Qualifying rental agreement" shall expressly exclude: (1) any agreement regardless of length of the rental term that may be terminated for any reason by either party or by mutual consent prior to the thirty-first (31st) consecutive day of the tenancy; or (2) any agreement that would constitute a violation of law. Any person who has a written agreement with the operator, entered into within the first thirty (30) days of the person's occupancy, that states that the person will stay for more than thirty (30) consecutive calendar days, must pay TOT for the first thirty (30) days of the person's stay in accordance with this chapter.

Rent shall mean the consideration charged to the transient, whether or not received, for the occupancy of space in transient lodging, valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever and any: (1) unrefunded advance rental deposits; or (2) separate charges levied for items or services which are part of such occupancy including, but not limited to, furniture, fixtures, appliances, linens, towels, non-coin-operated safes, energy surcharges and maid service. Charges for parking to guests are considered to be part of the room rent in computing the charges subject to the occupancy tax. Charges for products or services that are subject to tax under sales and use tax laws, such as food or beverages, will not be subject to the occupancy tax.

Successor to operator shall mean any person who acquires the right to operate *transient lodging* from a preceding operator, by whatever means, including purchase, foreclosure, operation of lease, or by any other means. A transfer of an ownership or management interest in transient lodging, wherein the facility continues to operate as such, either continuously or for business interruption not exceeding thirty (30) days, shall constitute a succession for purposes of this article.

Tax administrator shall mean the City of Escondido's director of finance.

Transient shall mean any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any such person so occupying space in *transient lodging* shall be deemed to be a transient until thirty (30) consecutive days have expired or until such date that a person has entered into a qualifying rental agreement.

Transient occupancy registration certificate shall mean the form provided by the tax administrator authorizing an operator to collect transient occupancy tax on behalf of the City of Escondido. (Ord. No. 2012-19, § 1, 12-12-12; Ord. No. 2021-07, § 6, 8-11-21)

Sec. 25-76. Tax administrator's regulations.

The tax administrator may promulgate reasonable rules, interpretations and regulations to implement and enforce the provisions of this article. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-77. Transient occupancy registration certificate.

(a) Before commencing business or following a change in *transient lodging* ownership, each operator renting to transients shall register with the tax administrator and shall obtain a transient occupancy registration certificate. The certificate shall at all times be posted in a public visible place on the premises such that transients may read the certificate during the registration process.

(b) The certificate shall, among other things, state the following:

- (1) The name of the operator;
- (2) The *transient lodging* address;
- (3) The date upon which the certificate was issued.

(c) A transient occupancy registration certificate signifies that the operator understands the requirements of this article, has registered with the tax administrator for the purpose of collecting transient occupancy tax and acknowledges the procedures for remitting such tax to the tax administrator each month. The certificate is not assignable and is nontransferable and shall be surrendered immediately to the tax collector upon cessation of business at the location named or upon the sale or transfer of the business or the real property on which the business is located.

(d) A transient occupancy registration certificate does not authorize any person to conduct any unlawful business, to conduct any lawful business in an unlawful manner, or to operate *transient lodging* without strictly complying with all local applicable laws.

(e) To insure compliance with transient occupancy tax payment requirements, the tax administrator may require a security deposit, equal to one month's estimated transient occupancy tax, from a new operator before issuing a transient occupancy registration certificate. The tax administrator may release the security deposit following twelve (12) months of timely remittance of all required transient occupancy tax and associated returns. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-78. Tax rate; collection; payment.

(a) For the privilege of occupancy in any transient lodging, each transient is subject to and shall pay a transient occupancy tax in the amount of ten (10) percent of the rent charged by the operator. The tax imposed pursuant to this article constitutes a tax owed by each transient to the city which is extinguished only by payment to the operator at the time the rent is paid or to the city. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment.

(b) A person who begins occupancy in any *transient lodging* as a transient and later signs a qualifying rental agreement owes the transient occupancy tax for each day of occupancy prior to the effective date of the qualifying rental agreement. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-79. Operator duties.

(a) All taxes collected by an operator shall be held in trust for the City of Escondido until submitted to the tax administrator. An operator shall maintain records as required by the tax administrator to ensure the proper amount of tax is collected and remitted. An operator shall not commingle any funds from personal or other business sources with financial accounts containing *transient lodging* income.

(b) Each operator shall collect the tax imposed by this article at the same time as the rent is collected from every transient. The amount of tax shall be separately stated from the amount of the rent charged and the operator shall maintain records documenting every occupancy whether transient or not. A qualifying rental agreement shall document every non-transient occupancy. Each transient shall receive a receipt for the tax payment from the operator and the operator shall maintain a duplicate receipt in accordance with this article.

(c) If the operator collects the rent but fails to collect the transient occupancy tax for any reason, the operator shall pay the transient occupancy tax.

(d) No operator of *transient lodging* shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator, or that it will not be added to the rent, or that, if added, any part will be refunded except in the manner hereinafter provided.

(e) An operator who collects transient occupancy taxes and fails to remit the taxes collected pursuant to this chapter may be subject to prosecution under section 424 of the Penal Code of the State of California. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-80. Reporting, remitting tax.

(a) All operators shall remit monthly the full amount of taxes collected for transient occupancies for the preceding month along with the required transient occupancy tax return on a form approved by the tax administrator.

(b) Taxes remitted shall include the appropriate tax return form and must be actually received by the tax administrator on or before the last day of the month that follows the reporting month; otherwise the taxes are delinquent and subject to the penalties authorized by section 25-82. When City Hall is closed on the last day of the month, the tax submission deadline shall be extended to the next business day.

(c) Upon cessation of business or change in ownership, all tax due and the associated tax return shall be immediately remitted to the tax administrator.

(d) When required by the tax administrator to protect the funds held in trust, the operator shall submit tax returns and payments at an increased frequency. The tax administrator may also order the operator to segregate transient occupancy taxes collected into a separate trust account maintained on behalf of the City of Escondido in a financial institution acceptable to the tax administrator. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-81. Violations.

(a) The purpose of this article is to regulate the collection of taxes collected by operators and held in trust for the City of Escondido. Violation of any provision of this article shall be treated as a strict liability offense. Any operator or other person violating any of the provisions of this article shall be guilty of a misdemeanor and shall be punishable therefor as provided by Escondido Municipal Code section 1-13.

(b) It is unlawful to operate any *transient lodging* without a transient occupancy registration certificate.

(c) It is unlawful for any operator to fail to collect transient occupancy taxes as required by this article.

(d) It is unlawful to fail to remit the transient occupancy taxes collected or owed on the date due to the City of Escondido.

(e) It is unlawful to fail to submit the required transient occupancy tax return on the date due to the City of Escondido.

(f) It is unlawful for any operator to make, render, sign or verify any report related to transient occupancy tax collection or to make any false or fraudulent report or claim.

(g) It is unlawful to fail to retain records related to the transient occupancy tax collection or amount due as required by this article.

(h) It is unlawful to refuse to provide or allow timely access to required transient occupancy tax records after a lawful demand by the tax administrator.

(i) It shall not be a defense to violations of this article that the operator had forwarded any return due or tax collected to its principal or corporate headquarters, nor that any failure to file or remit taxes was based on the direction or inaction of such principal or corporate headquarters. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-82. Penalties.

(a) Delinquency. An operator who fails to fully remit the tax due and the associated tax return by the due date shall pay a penalty equal to ten (10) percent of the amount of the tax. The penalty is due on the first day the tax remittance is delinquent.

(b) Continued Delinquency. Any Operator who fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent, shall pay an additional delinquency penalty of ten (10) percent of the amount of the tax due for each delinquent month, or portion thereof, in addition to the amount of the tax and the ten (10) percent penalty first imposed. Such penalty shall not accrue to more than one hundred (100) percent of the tax.

(c) Interest. In addition to the penalties imposed and upon demand of the tax administrator, an operator who fails to remit any tax collected or owed, including any merged penalties and prior interest, imposed by this article shall pay interest on the amount owed from the date on which the remittance first became delinquent. The annual interest rate shall be seven (7) percent.

(d) Merger. Every penalty imposed, any interest accrued and any assessment made under the provisions of this article shall immediately become a part of the tax herein required to be paid.

(e) Fraud. If the tax administrator determines that the nonpayment of any remittance due under this article is due to fraud, an additional penalty of twenty-five (25) percent of the amount of the tax shall be added thereto in addition to any mandatory penalties.

(f) Relief from Penalties. Upon showing of good cause and when in the public interest, the tax administrator may waive penalties assessed pursuant to this article. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-83. Remedies cumulative.

All remedies prescribed by this article or any other provisions of law and the use of one or more remedies by the city shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-84. Tax assessment; hearing.

(a) If any operator shall fail to collect or remit the required transient occupancy tax or any completed report required by this article, the tax administrator shall obtain facts and information upon which to base the assessment of the tax imposed by this article and owed to the City of Escondido. The tax administrator shall give a notice of the amount so assessed including penalties and interest via first class mail to the address provided on the transient occupancy registration certificate. In no manner does this assessment excuse the operator from the requirement to submit the actual amount of tax collected and the associated tax return for the assessment period.

(b) Following receipt of an assessment, the operator may, within seven (7) days of the postmarked notice date, make application in writing to the tax administrator for a hearing to dispute the amount assessed. If a complete application by the operator for a hearing is not made within the time provided; the tax, penalties and interest determined by the tax administrator shall become immediately due and payable.

(1) Upon completed application, the tax administrator shall promptly schedule a hearing and provide notice to the operator to show cause at a time and place fixed in said notice why said amount specified therein should not be fixed for such tax, penalties, and interest.

(2) The operator may appear and offer evidence why such specified tax, interest and penalties should not be so fixed. After such hearing, the hearing officer shall determine the proper tax to be remitted and shall thereafter give written notice to the person in the manner prescribed herein of such determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable immediately.

(c) Payment of all tax, penalties, interest and the submission of the associated tax returns are required conditions precedent to seeking administrative review of any liability related to the provisions of this article and shall accompany any application for a hearing.

(d) If the operator succeeds at an assessment hearing, the city shall promptly refund any overpayment of transient occupancy tax, penalty and interest. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-85. Appeal; payment under protest.

(a) An operator may appeal any hearing decision to the city manager by filing a notice of appeal with the city clerk within seven (7) days of the hearing decision. Payment of all tax, interest and penalties is a required condition precedent to seeking administrative or judicial review of any liability related to the provisions of this article.

(b) The city manager shall appoint an appeal hearing officer and shall fix a time and place for hearing such appeal, and the city clerk shall give notice in writing to such operator at the address provided on the transient registration occupancy certificate. The findings of the appeal hearing officer shall be final and conclusive and shall be served upon the appellant in the manner prescribed above for service of notice of hearing.

(c) No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the city or an officer thereof, to prevent or enjoin the collection of taxes sought to be collected pursuant to this chapter and payment of all tax, interest and penalties shall be required as a condition precedent to seeking judicial review of any tax liability.

(d) If the operator succeeds following an appeal hearing, the city shall promptly refund any overpayment of transient occupancy tax, penalty and interest. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-86. Registration certificate revocation.

(a) If an operator is delinquent more than one time in any twelve (12) month period or fails to comply with any regulation authorized by this article, the tax administrator may order a security deposit or may revoke the operator's transient occupancy registration certificate.

(1) The tax administrator shall give the operator written notice of the revocation of the registration certificate.

(2) The operator may request a hearing or appeal by following the same procedures as outlined in sections 25-84 and 25-85.

(b) The tax administrator shall not issue a new registration certificate after a revocation until satisfied that the operator will comply with the provisions of this chapter relating to the occupancy tax and regulations of the tax administrator.

(c) During any period of time during which a transient occupancy registration certificate has not been issued or revoked or otherwise not validly in effect, the tax administrator may require that the *transient lodging* be closed to transients. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-87. Records retention; inspection; cost recovery.

(a) Records. It shall be the duty of every operator liable for the collection and payment to the city of any tax imposed by this article to keep and preserve, for a period of four (4) years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the city. An operator shall create and retain financial records that account for all *transient lodging* bank deposits and all receipts that explain any discrepancies between gross *transient lodging* income and rent income that is subject to the transient occupancy tax. Further an operator shall create and retain records to allow reconciliation between income reported on state or federal tax returns with rent income reported on transient occupancy tax returns. The tax administrator and authorized agents shall have the right to inspect at all reasonable times and to apply auditing procedures necessary to determine the amount of tax due to the city.

(b) Inspection. It shall be the duty of every operator responsible for the collection of transient occupancy taxes to cooperate with any lawful records inspection. The tax administrator and authorized agents in the exercise of duties imposed by this article shall have the right to inspect such records at all reasonable times and to apply auditing procedures necessary to determine the amount of tax due to the city. Access to all transient occupancy tax records, including qualified rental agreements, shall be made available within one business day of a lawful demand.

(c) Travel. If the tax administrator or designate agent must travel beyond the City of Escondido city limits to conduct a records inspection or audit pursuant to this article, the tax administrator shall assess the transient occupancy tax operator for any additional costs incurred as a result of performing the audit outside of the City of Escondido. Before incurring travel related costs, the tax administrator shall notify the operator and allow a reasonable opportunity for the operator to produce the records within the city.

(d) Audit Deficiency. If, upon audit or records inspection by the city, an operator is found to be deficient in his or her return or his or her remittance, or both, the tax administrator shall immediately invoice the operator for the amount of the net deficiency plus a penalty of ten (10) percent of the net deficiency. Failure to pay the deficiency and penalty shall subject the amount owed to the penalty, interest, hearing and appeal procedures provided in this article.

(e) Cost Recovery.

(1) In addition to the penalties and interest provided in this section, the operator shall reimburse the city for the cost an audit or records inspection if an audit or inspection identifies a five (5) percent or greater discrepancy between the amount of annual transient occupancy tax due to the city and the amount paid by the operator. Such reimbursement shall be paid by the operator within thirty (30) days of the date the city notifies the operator in writing of the amount of city's costs.

(2) If any operator shall fail or refuse to collect the tax required by this chapter or fail to provide, within the time provided in this article, any report and remittance of said tax, of any portion thereof, required by this article, the tax administrator may order an inspection of the records of the operator to determine the proper amount of any tax owed. The entire cost of the inspection shall be assessed against the operator.

(3) Any discrepancy between state or federal tax records or gross *transient lodging* receipts and rent income reported on transient occupancy tax returns or the lack of adequate records to explain any discrepancy shall result in the operator reimbursing the city for the cost of the audit, in addition to any tax, penalties or interest that may be owed.

(f) Failure to reimburse the city for audit or inspection related expenses may result in revocation of the operator's transient occupancy registration certificate. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-88. Refunds.

(a) Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the city under this article, it may be refunded as provided in subsections (b) and (c) of this section provided a claim in writing therefor, stating under penalty of perjury the specific grounds upon which the claim is founded, is filed with the tax administrator within three (3) years of the date of payment. The claim shall be on forms furnished by the tax administrator.

(b) An operator may claim a refund or take as credit against taxes collected and remitted the amount overpaid, paid more than once or erroneously or illegally collected or received when it is established in a manner prescribed by the tax administrator that the person from whom the tax has been collected was not a transient; provided, however, that neither a refund nor a credit shall be allowed unless the amount of the tax so collected has either been refunded to the transient or credited to rent subsequently payable by the transient to the operator.

(c) A transient may obtain a refund of taxes overpaid or paid more than once or erroneously or illegally collected or received by the city by filing a claim in the manner provided in subsection (a) of this section, but only when the tax was paid by the transient directly to the tax administrator, or when the transient having paid the tax to the operator, establishes to the satisfaction of the tax administrator that the transient has been unable to obtain a refund from the operator who collected the tax.

(d) No refund shall be paid under the provisions of this section unless the claimant establishes his or her right thereto by written records showing entitlement thereto. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-89. Actions to collect taxes and enforcement of liens.

(a) **Actions.** Any tax required to be paid by any transient under the provisions of this article shall be deemed a debt owed by the transient to the city. Any tax collected by an operator which has not been paid to the city shall be deemed funds held in trust for the account of the city which are due and payable by the operator to the city pursuant to the provisions of this article. Any person, including an operator, owing money to the city under the provisions of this article shall be liable to an action brought in the name of the city for the recovery of such amount, including applicable penalties and interest.

(b) **Recording of a Certificate of Lien.** If any amount required to be paid to the city under this article is not paid when due, the tax administrator may record in the office of the San Diego County recorder a certificate which specifies the amount of tax and penalties and interest due, the name and address of the operator liable for the same, a statement that the tax administrator has complied with all provisions of this article in the determination of the amount required to be paid and a legal description of the real property owned by the operator. From the time of the recording of the certificate, the amount required to be paid together with penalties and interest, constitutes a lien upon all the real property in the county owned by the operator or thereafter acquired before the lien expires. The lien has the force, effect and priority of a judgment lien and shall continue for ten (10) years from the filing of the certificate unless sooner released or otherwise discharged.

(c) **Warrant for Collection of Tax.** At any time within three (3) years after the recording of a certificate of lien under subsection (b) of this section, the tax administrator may issue a warrant directed to any sheriff or marshal for the enforcement of the lien and the collection of any tax and penalties required to be paid to the city under this article. The warrant shall have the same effect as a writ of execution, and be executed in the same manner and with the same effect as a levy and sale pursuant to a writ of execution. The tax administrator may pay or advance to the sheriff or marshal such fees, commissions and expenses for services as are provided by law for similar services pursuant to a writ of execution.

(d) **Seizure and Sale.** In lieu of issuing a warrant under subsection (c) of this section, at any time within the three (3) years after an assessment was issued or a certificate of lien was recorded under subsection (c) of this section, the tax administrator may collect the delinquent amount by seizing or causing to be seized any property, real or personal, of the operator and sell any noncash or nonnegotiable property or a sufficient part of it at public auction to pay the amount of tax due together with any penalties and any cost incurred on account of the seizure and sale. Any seizure made to collect taxes due shall only be of property of the operator not exempt from execution under the provisions of the Code of Civil Procedure.

(e) **Notice of Provisions for Seizure.** Prior to seizure of the transient occupancy tax renting occupancy to transients, the tax administrator shall give a notice of such proposed action, which will include the amount

assessed, by serving the notice personally or by depositing it in the United States mail, postage prepaid, addressed to the operator assessed at his or her last known place of address, provided such operator is still the operator of record of such transient occupancy tax. Such operator may, within ten (10) days after the serving or mailing of such notice, make application in writing to the tax administrator for a hearing on the proposed seizure. The city manager shall appoint an independent hearing officer. If application by the operator for a hearing is not made within the time prescribed, the tax administrator may seize the transient occupancy tax as soon as practicable, but no earlier than the eleventh (11th) day after mailing the notice. If such application is made, the tax administrator shall give not less than five (5) days' written notice in the manner herein to the operator to show cause at a time and place fixed in said notice why said seizure should not take place. At such hearing, the operator may appear and offer evidence only as to why such seizure is not an appropriate remedy for the delinquency. After such hearing, the tax administrator shall make a determination concerning the seizure and shall thereafter give written notice to the operator in the manner prescribed herein of such determination and the proposed date of seizure, if any. Such seizure shall not be earlier than five (5) days from the date of the notice of the determination of seizure. Within five (5) days from the date of the notice, an appeal may be taken as provided in section 25-85, provided that such appeal is only taken for the determination concerning the seizure and not concerning the amount of the assessment.

(f) Any person owing money to the city under the provisions of the chapter shall be liable to an action brought in the name of the city for the recovery of such amount plus attorneys' fees and costs. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-90. Business termination.

(a) Change of Ownership. An operator who is transferring, selling, terminating its business or who has received any legal notice that could impact the operator's interest in the property shall immediately notify the tax administrator in written form. The operator shall, at the same time, notify the successor to operator of their responsibility for any unpaid collected taxes. The operator shall further certify in writing to the tax administrator that the operator has provided a copy of this article to the successor to operator.

(b) Cessation of Business. Upon change of ownership or cessation of business, all transient occupancy taxes collected are due, though penalties shall not accrue until the first day of the following month. The operator shall immediately file the tax return for the last reporting period. After filing the final return and remitting the balance due, the operator shall make his or her records of account available for a closeout inspection by the tax administrator or authorized agent. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-91. Duty of successor of operator.

(a) A successor to operator shall promptly notify the tax administrator of a change in ownership or operator. For property sales, the successor to operator shall notify the tax administrator of the date of sale

immediately and shall withhold a sufficient portion of the purchase price to equal the amount of such tax obligations as directed by the tax administrator. If the operator does not remit all transient occupancy taxes collected or owed, the successor to operator shall deposit the withheld amount with the tax administrator.

(b) If the successor of operator fails to withhold a portion of the purchase price as required, it shall be responsible to the city for the payment of the amount required to be withheld. The tax administrator may withhold issuance of a transient occupancy registration certificate to the successor to operator until the operator's transient occupancy tax obligations have been cleared.

(c) A successor to operator may request a tax clearance certificate from the tax administrator and the tax administrator may charge an administrative fee to cover the costs in issuing the certificate pursuant to the California Revenue and Tax Code section 7283.5. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-92. Confidentiality.

(a) Returns filed with the city pursuant to this chapter, and information regarding the amount of gross receipts, adjustments, credits, over collections, tax, penalty and interest, are confidential records.

(b) No person having an administrative duty under this chapter shall make known in any manner whatever the business affairs, operations, or information obtained by an investigation or audit of the records of any operator or any other person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures, of the operator, set forth or to knowingly permit any return or any abstract, or copy of the return to be seen or examined by any person, except this section shall not apply to any disclosures made in connection with any hearing, appeal, or any civil action or proceeding relating to the determination or recovery of the tax; any prosecution of any person for violation of any provision of this chapter; or any criminal or civil proceeding pertaining to the tax.

(c) This section shall not prohibit, nor be construed to prohibit, disclosure of statistical or cumulative information derived from tax returns, when the information disclosed does not identify or relate to any particular operator nor be construed to prohibit, any disclosure of tax returns or information when disclosure is compelled by an order of court or other judicial process. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-93. Notice.

Any notice required to be given pursuant to this chapter, shall be deemed given if personally served on the operator or the operator's representative, or if deposited in the United States mail, first class postage prepaid, and addressed to the operator at the address shown on the transient occupancy registration certificate. (Ord. No. 2012-19, § 1, 12-12-12)

Sec. 25-94. Severability.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this article or any part thereof is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this article or any part thereof. The city council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional. (Ord. No. 2012-19, § 1, 12-12-12)

Chapter 16

Article 8 SHORT-TERM RENTALS

Escondido, California Municipal Code

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Sec. 16-422 Effective date.

Sec. 16-423 Program Review

Sec. 16-410 Title.

This Article shall be referred to as the "Short-Term Rental Ordinance."

Sec. 16-411 Purpose.

The purpose of this article is to regulate privately-owned residential dwellings within the City used as Short-Term rental units, ensure that transient occupancy taxes (TOT) are paid and collected, and minimize the potential negative effects of Short-Term rental units on surrounding residential neighborhoods.

The City reserves the right to change the regulations provided in this article at any time, including discontinuing the issuance of Short-Term rental unit permits, notwithstanding any impacts to existing or future Short-Term permit holders. Anyone accepting a Short-Term rental unit permit pursuant to this article acknowledges and accepts that possibility.

Sec. 16-412 Definitions.

For the purposes of this article, the following words and phrases shall have the meaning ascribed to them by this section:

(a) "Advertisement" shall mean, in addition to the Advertisement definition described in Section 16-3, any online or Internet-based offer or solicitation of Short-Term rental activity.

(b) "Apartment" shall mean a rented room or set of rooms that is part of a multifamily building and is used as a place to live.

(c) "Bedroom" shall mean a part or division of a residential building enclosed by walls, floor, and ceiling intended and

designed for sleeping.

- (d) "Condominium" shall mean those residential units consisting of an undivided interest in common in a portion of real property coupled with a separate interest in a space called a unit, including those units governed by Article 49, Air Space Condominium and Community Apartment Projects of Chapter 33, Zoning of the Escondido Municipal Code.
- (e) "Guest" or "Transient" shall mean any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty consecutive calendar days or less, counting portions of calendar days as full days. Any such person so occupying space in a home shall be deemed to be a transient until the period of thirty days has expired unless there is an agreement in writing between the host and the guest providing for a longer period of occupancy. In determining whether a person is a transient, uninterrupted periods of time extending both prior and subsequent to the effective date of the ordinance codified in this chapter may be considered.
- (f) "Host" shall mean an owner of a dwelling unit who rents such dwelling unit for transient occupancy.
- (g) "Hosting platform" shall mean a business or person that provides a means through which a host may offer a dwelling unit, or portion thereof, for home-sharing. A hosting platform is usually, though not necessarily, provided through an internet-based platform. It generally allows a property owner or tenant to advertise the dwelling unit through a website provided by the hosting platform and provides a means for potential guests to arrange Short-Term rentals, whether the guests pay rent directly to the host or to the hosting platform.
- (h) "Ineligible Units" Shall mean accessory dwelling units (ADUs) or junior accessory dwelling units (JADUs); units created utilizing an SB9 application; in inclusionary housing or other income-restricted housing units; or any other ineligibility based on state law
- (i) "Multi-family housing development" shall mean a building designed for multiple dwelling unit occupancy. Units in multi-family housing developments are not classified as single-unit attached structures.
- (j) "Responsible contact person" shall mean a person, either the Short-Term rental owner or their designee, who will be available twenty-four (24) hours per day to accept telephone calls regarding the Short-Term rental when occupied and who will have the duty to respond within one hour.
- (k) "Short-Term rental" shall mean all or any portion thereof of a residential dwelling unit which is advertised or held out to the public as a place regularly rented for dwelling, lodging or sleeping purposes to one party with a duration of occupancy of thirty (30) consecutive days or less. Hotels, motels, and other land uses explicitly defined and regulated in the Municipal Code separately from Short-Term rentals are not considered to be Short-Term rentals.
- (l) "Short-Term rental permit" shall mean a permit for a Short-Term rental unit.
- (m) "Transient occupancy tax" shall mean the tax levied by the City in accordance with Chapter 25 Article 4 of the Municipal Code. This tax is levied upon individuals or businesses engaged in the rental of sleeping accommodations to the public.

Sec. 16-413 Permits required for operation.

- (a) A host must obtain the following types permits prior to advertising or renting any privately-owned residential dwelling to any transient for a period of (30) thirty consecutive days or less:
 - (1) An Escondido business license as required by Chapter 16 section 16-6 and 16-17;
 - (2) Short-Term rental permit as required by this article;
 - (3) Transient occupancy tax registration certificate as required by Chapter 25 section 25-77

Sec. 16-414 Eligibility.

- (a) Short-Term rentals may be permitted in single-family detached, duplex, two-family, and three-family dwelling units, and townhomes.
- (b) Short-Term rentals may be permitted on properties with multiple dwelling units, Apartments, Condominiums with the following limitations:
 - (1) For multi-family housing developments of 2 to 50 units: 1 Short-Term rental permit;
 - (2) For multi-family housing developments of 51 to 99 units: 2 Short-Term rental permits;
 - (3) For multi-family housing developments of 100 units or more: 2% of total units or 5 Short-Term rental permits, whichever is fewer;
 - (4) A maximum of 25 Short-Term rental permits shall be issued citywide for units in multi-family housing developments. The City shall maintain a waiting list on a first-come, first-served basis if the number of Short-Term rental permit applications for units in multi-family housing developments exceeds 25;
 - (5) A Short-Term rental shall be included in calculating the total number of units for the purpose of determining allowable Short-Term rentals in a multifamily development. ADUs, inclusionary housing or any other unit that is precluded from being used as a Short-Term rental may not be counted toward the total allowable number of units.
- (c) The total number of Short-Term rental permits shall be limited to a maximum of 2 percent of the total housing units within the City of Escondido. The City or it's designee shall maintain a waiting list if the number of Short-Term rental applications exceeds this percentage.
- (d) No Short-Term rental permit shall be issued for any housing unit if the unit's parcel is;
 - (1) Within 500 feet of a parcel containing a school. Distances shall be measured from the closest property line of the school to the closest property line of the proposed Short-Term rental unit measured using the Escondido Geographic Information System.
- (e) Short-Term rentals shall not be permitted in Ineligible Units.
- (f) This article is not intended to allow any residential property owner to violate any private conditions, covenants, and restrictions applicable to the owner's property that may prohibit the owner from using their property as a Short-Term rental unit, as defined in this article.

Sec. 16-415 Application and processing requirements.

- (a) Business Licenses. To apply for a business license, a property owner shall file an application with the City as provided for in Chapter 16 (Licenses) and obtain a transient occupancy registration certificate as required in Chapter 25 Article 4 (Transient Occupancy Tax).

- (b) Short-Term Rental Permit. To apply for a Short-Term rental permit, a property owner shall file an application on a form provided by the City including the following information:
- (1) The name, address, valid email address, and telephone number of all owners of the subject Short-Term rental unit, and documentation showing proof of ownership;
 - (2) The address of the proposed Short-Term rental unit;
 - (3) The number of bedrooms and the applicable occupancy limit of the proposed Short-Term rental unit;
 - (A) The permitted occupancy for a Short-Term rental shall be two guests per bedroom plus two additional guests;
 - (4) The name, address, valid email address, and telephone number of the designated responsible contact person who will be available twenty-four (24) hours per day to accept telephone calls regarding the Short-Term rental when occupied with the ability to respond within one hour, if different than the owner;
 - (5) A signed acknowledgement by the applicant that:
 - (A) The Short-Term rental unit is legally permitted and meets the Fire and Building Code standards for a habitable unit;
 - (B) The space used for Short-Term rental meets or exceeds fire and life safety requirements, including installation of smoke and carbon monoxide detectors, and adequate means of egress;
 - (C) The City can examine all places of business in the City to ascertain whether the provisions of this chapter have been complied with, as described in Chapter 16 section 16-232;
 - (D) The host has valid insurance that explicitly covers Short-Term rental activity;
 - (E) The host shall adhere to the Short-Term rental regulations listed in this article;
 - (F) The unit being rented is not an Ineligible Unit
 - (G) Applicant will comply with all applicable state and local laws for sex offender required distances from sensitive sites;
 - (6) Signatures of all property owners.
- (c) A Short-Term rental permit application shall be accompanied by payment of an application processing fee established by resolution of the City Council.
- (d) Host shall provide written notice to the City within thirty (30) days of any:
- (1) Change of contact information for property owner/host,
 - (2) Change in Responsible Contact Person,
 - (3) Change in Property layout or use, including but not limited to modifications to the number of bedrooms or common areas used for lodging, or (4) any other change in material fact pertaining to the information contained in the Short-Term rental permit or as outlined in Chapter 16 section 16-16 and 16-17.
- (e) A Short-Term rental permit shall not be issued or renewed if there are unresolved City code compliance cases, outstanding City fines or fees, or City liens on the property.
- (f) Short-Term rental permit renewals are subject to any intervening changes in this article and renewal shall be denied if the Short-Term rental no longer qualifies under the requirements of this article, unless specifically exempted therefrom.
- (g) The City will conduct an inspection of the Short-Term rental unit prior to issuing a new permit and prior to issuing any renewal permit, as described in Chapter 16 section 16-232.

- (h) A Short-Term rental permit application may be denied if the applicant has had a prior Short-Term rental permit suspended or revoked, or if, under a prior Short-Term rental permit, the host violated any of the Short-Term rental regulations listed in this article.
- (i) Appeals of permitting decisions shall be done in accordance with Chapter 16 Article 5.

Sec. 16-416 Expiration and renewal.

- (a) A Short-Term rental permit is valid for the same duration as the associated business license. It may not be transferred, does not run with the land, and is valid only at the original Short-Term rental site. The Short-Term rental permit shall automatically expire upon sale or transfer of the property. No transient occupancy registration may be assigned, transferred, or loaned to any other person or entity.
- (b) A Short-Term rental permit may be renewed if the host meets the following renewal requirements:
 - (1) The host shall file an application for renewal of the Short-Term rental permit before the permit's expiration. This application must include all information required by Section 16-415(b) of this article.
 - (2) Payment of permit renewal fees and all required transient occupancy tax remittance associated with the Short-Term rental. The host shall submit such information concerning the Short-Term rental activity as may be required to enable the Finance Department to verify the amount of tax paid;
 - (3) Does not have any outstanding violations pertaining to this article;
 - (4) Documents and provides any changes that have occurred to the information on the current Short-Term rental permit.
- (c) If a host fails to file a renewal application at least 30 days prior to the expiration of their permit, the host may be placed on a wait list for available permits. Only current permits may be renewed. The City will not provide reminders to hosts of an upcoming expiration and it is the host's sole responsibility to maintain a current permit at all times during the operation of the Short-Term rental unit.

Sec. 16-417 Operational requirements.

- (a) While a Short-Term rental unit is rented, the host or the Responsible Contact Person shall be available twenty-four (24) hours a day, seven (7) days a week for the purpose of responding within one (1) hour to complaints regarding the condition, operation, or conduct of occupants or guests of the Short-Term rental unit.
 - (1) Upon notification that any occupant and/or guest of the Short-Term rental unit has created a loud and unruly noise or disturbances, engaged in disorderly conduct, or committed violations of any applicable law, rule or regulation pertaining to the use and occupancy of the subject Short-Term rental unit, the host or designated Responsible Contact Person shall promptly respond within one (1) hour in an appropriate manner to immediately halt or prevent a recurrence of such conduct by any occupants and/or guests.
 - (2) Failure of the host or Responsible Contact person to respond to calls or complaints regarding the condition, operation, or conduct of occupants and/or guests of the Short-Term rental unit within one (1) hour and in an appropriate manner shall render the host subject to all administrative, legal and equitable remedies available to the City, up to and including Short-Term rental permit revocation or suspension per the provisions of Chapter 16 Article 6.
 - (3) No person shall advertise, undertake, maintain, authorize, book, or facilitate any renting to guests in a manner that does not comply with this article.

- (b) No person shall advertise, undertake, maintain, or authorize any Short-Term rental without a City-issued Short-Term rental permit number depicted in a visible location on the advertisement, including any listing on a hosting platform.
- (c) A Short-Term rental unit shall not be advertised for or used by more than two guests per bedroom plus two additional guests at one time. If the Short-Term rental permit limits occupancy to a number less than that calculated pursuant to this section, the limit in the permit shall govern.
- (d) Short-Term rentals shall be limited to one booking per property per day. A booking may consist of the Short-Term rental of one or more bedrooms in the home or the Short-Term rental of the entire home. A Short-Term rental may operate in conjunction with the rental of the remaining area of an entire dwelling unit for periods of more than thirty (30) consecutive days, provided all other conditions required by this article are met.
- (e) Short-Term Rental guests shall use only the on-site parking spaces associated with the unit approved for Short-Term Rentals.
- (f) A Short-Term rentals shall not adversely affect the residential character of the surrounding neighborhood nor shall the use generate noise in excess of the City's noise ordinance, vibration, glare, odors, traffic, parking congestion, or loud or unruly gatherings that interfere with any person's enjoyment of their residence. The Short-Term rental activity shall comply with all provisions of the Escondido Municipal Code, including, but not limited to Chapter 17 Article 12 (Noise) and Chapter 6 Article 20 (Property Maintenance.)
- (g) A Short-Term rental shall not change the residential character of the outside appearance of the residence, either by the use of colors, materials, lighting, signage except as defined in Section (I), or any advertising mechanism.
- (h) A Short-Term rental shall provide for adequate waste, recycling, and organics containers as defined in Chapter 14 Section 2.2 (Solid Waste and Recycling Containers) along with proper storage of said containers per the performance standards provided in Chapter 33 Section 33-113 (Residential Zones).
- (i) A Short-Term rental shall only be used for overnight lodging. Events and large gatherings of people who cannot occupy the Short-Term rental pursuant to the limitations in section 16-415(b) (3) including, but not limited to, weddings, banquets, and personal or corporate events, are prohibited as part of the Short-Term rental use. The dwelling shall not be advertised or rented for the sole purpose of accommodating such uses.
- (j) No person shall offer as a separate Short-Term rental any property or portion of property not approved for residential use, including, but not limited to, a vehicle parked on the property, a storage shed, trailer, garage, or any temporary structure such as a tent.
- (k) Upon issuance of a Short-Term rental permit, the City will mail a copy of the information described in Sec. 16-417 (I) to all properties adjoining the parcel of the Short-Term rental unit as determined by the Escondido Geographic Information System.
- (l) The following information shall be posted in a conspicuous location within the Short-Term rental unit:
 - (1) The Short-Term rental permit number;
 - (2) The name and contact information for the host and/or designated responsible contact person;
 - (3) The maximum number of overnight occupants;
 - (4) Applicable rules and schedules for trash storage and pickup, noise, and parking;
 - (5) Local emergency information;
 - (6) Contact information for the City's Code Compliance Division and Police Department.

- (m) All Short-Term rental owners shall comply with the provisions of any city, county, state, or federal disaster or emergency orders.
- (n) Unless otherwise provided in this chapter, the host shall comply with all provisions of Chapter 25 Article 4 of the Escondido Municipal Code concerning TOT, including, but not limited to, collecting, remitting, and recording relevant taxes.

Sec. 16-418 Recordkeeping duties.

The host shall maintain for a period of four years records in such form as the tax administrator (as defined in, and required by, Chapter 25 article 4) may require to determine the amount of TOT owed to the City. The tax administrator shall have the right to inspect such records at all reasonable times. (Chapter 25. Section 25-87). Such records shall be maintained at the host's premises or shall be available for delivery to the tax administrator within one business day after request. (Chapter 25 section 25-87(b)).

Sec. 16-419 Violations.

- (a) It shall be a public nuisance for any person to commit, cause or maintain a violation of this article, which shall be subject to the provisions of Chapter 17 article 12 (Noise) and Chapter 6 article 20 (Property Maintenance.)
- (b) As described in Chapter 16 article 6, the City may issue a notice of violation to any occupant, owner(s) or operator, pursuant to this article, if there is any violation of this article committed, caused or maintained by any of the above parties. The City may:
 - (1) Suspend or revoke any license issued under the provisions of this article upon information that any of the provisions of this article, or any other ordinance or statute, is being violated by the license holder.
- (d) Unless otherwise provided herein, any person convicted of an infraction shall, for each separate violation of this article be subject to:
 - (1) A fine in an amount not to exceed one thousand dollars (\$1,000) for a first conviction of an offense;
 - (2) A fine in an amount not to exceed three thousand dollars (\$3,000) for a second conviction of the same offense within a twelve-month period of the date of the first offense; and
 - (3) A fine in an amount not to exceed five thousand dollars (\$5,000) for the third conviction of the same offense within a twelve-month period of the date of the first offense. The City may issue an administrative citation to any host, occupant, owner(s) or operator, pursuant to the provisions set forth in Chapter 1A (Administrative Remedies), including, but not limited to, the imposition of any and all civil and/or criminal penalties set forth therein if there is any violation of this chapter committed, caused or maintained by any of the above parties.
- (e) The City may pursue any remedy, citation, fee, or fine for any violation related to the collection, documentation, and remittance of all relevant taxes as outlined in Chapter 25 article 4 (Transient Occupancy Tax)

- (f) Each and every day on which a violation occurs shall be deemed to be a separate violation. Multiple incidents in one day may be pursued by the City as separate violations.
- (g) The following violations may result in either the immediate revocation of a Short-Term rental permit and any affiliated licenses and/or denial of future Short-Term rental permits:
 - (1) Operation without required licenses, permits, or certificates;
 - (2) Failure to include a valid Short-Term rental permit number in Advertisements;
 - (3) Advertising an occupancy greater than the permitted number of guests;
 - (4) Intentionally misrepresenting any material fact in procuring the license or permit;
 - (5) Use of any Ineligible Unit for Short-Term rental activity;
 - (6) Failure to remit TOT or other taxes;
 - (7) Three or more violations of the operational requirements of this article other than those listed above, but including those relating to Chapter 17 Article 12 (Noise) and Chapter 6 Article 20 (Property Maintenance) in a license year.
- (h) The remedies provided in this section are not exclusive, and nothing in this chapter shall preclude the use or application of any other remedies, penalties, or procedures established by law. The City may pursue any other administrative or judicial legal remedies available, including, but not limited to, civil injunctions, license revocations, and civil penalties for violations of this chapter.

Sec. 16-420 Revocation.

- (a) Grounds for Suspension and Revocation
 - (1) Major Violations
 - (A) Immediate and major violations that jeopardize public safety, violate licensing requirements, or involve criminal activities, such as felonies on site, non-payment of taxes, or significant license issues, may result in the immediate revocation of the Short-Term rental permit at the discretion of the City's Director of Development Services for the period of one-year from the date of revocation.
 - (2) Three Strikes for Lower-Level Violations
 - (A) The City will adopt a three-strikes policy for lower-level quality-of-life violations, including but not limited to noise disturbances, disorderly conduct, and repeated violations of operational requirements.
 - (B) Each documented violation will be considered a strike.
 - (C) Upon the third strike within a one-year timeframe, the Short-Term rental permit will be subject to immediate revocation.
- (b) Reapplication Period
 - (1) Reapplication After Revocation
 - (A) After the revocation period expires, an applicant seeking to resume Short-Term rental activity must reapply for a new Short-Term rental permit.
 - (B) The reapplication process will include a thorough review of the property's compliance history and may require additional measures to address past violations.
 - (C) The Director of Development Services may determine if a host is eligible for a new permit at its discretion.
- (c) Appeals
 - (1) Hosts may appeal the revocation decision through the appeals process outlined in Chapter 16 Article 5.
 - (2) Appeals should be submitted within a specified timeframe provided in Chapter 16 section 16-222 after the revocation decision.

Sec. 16-421 Severability.

If any provision of this ordinance shall be deemed or held to be invalid or unenforceable for any reason whatsoever, then such invalidity or unenforceability shall not affect any other provision of this Ordinance which may be given effect without such invalid or unenforceable provision, and to this end, the provisions of this ordinance are hereby declared to be severable.

Sec. 16-422 Effective Date

The effective date of this ordinance shall be *July 1, 2025*

Sec. 16-423 Program Review

- (a) If the total number of valid Short-Term rental permits in the city equals or exceeds 200 , and for every 100 permits thereafter, the City Manager or their designee shall present to the City Council a report on the impacts of Short-Term rentals and the efficacy of compliance efforts in Escondido.
- (b) Unless otherwise extended or modified by action of the City Council, this Ordinance shall expire, and its terms shall no longer remain in effect as of three years from the effective date.