

**MINUTES OF MORGAN CITY
COUNCIL WORK MEETING**

NOVEMBER 14, 2023; 6:03 P.M.

MAYOR AND COUNCILMEMBERS

PRESENT:

Mayor Pro Tem Tony London, Jeff Wardell, Eric Turner, Jeffery Richins and Dave Alexander

STAFF PRESENT:

Ty Bailey, City Manager; Gary Crane, City Attorney; Denise Woods, City Recorder, and Stephanie Howard

EXCUSED:

Mayor Steve Gale

OTHERS PRESENT

ELECTRONICALLY:

Jake Young, CitiDesign, City Planner

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah. The meeting was streamed live on YouTube and available for viewing on the City's website – morgancityut.org.

This meeting was called to order by Mayor Pro Tem, Tony London.

ITEMS FOR DISCUSSION

DISCUSSION – SHORT- AND LONG-TERM RENTALS (BUSINESS LICENSE / CONSOLIDATED FEE SCHEDULE / ORDINANCE

Discussion centered around short- and long-term rentals and the need to determine the level of enforcement for related regulations, particularly those pertaining to Accessory Dwelling Units (ADUs), and associated fees. Information had been compiled and a packet with suggested items for consideration was distributed, prompting a thorough review and open discussion on the enforcement of regulations. Specific attention was given to the information provided regarding Hurricane City, which presented a unique scenario compared to Morgan City, involving challenges with Airbnb and VRBOs. Hurricane City's ordinance was described as a work in progress because it had undergone frequent updates over the years in response to evolving circumstances. Morgan City could derive valuable insights from Hurricane City's experiences in regulating rentals.

The Council delved into a detailed discussion about specific items, with an inclination towards regulating short- and long-term rentals through business licensing and code enforcement rather than planning. Reflecting on a previous meeting with the Planning Commission, it was noted that three options were presented: maintaining the current status, regulating rentals with an ordinance allowing or disallowing them. Various viewpoints were expressed, including the suggestion to regulate short-term rentals through existing nuisance, noise, and parking ordinances. Concerns were raised about the associated costs of enforcement.

Ultimately, a consensus emerged to amend the City's nuisance and business license ordinances for effective code enforcement, aligning with the County's business license fees. The proposal aimed to tighten the City's nuisance and parking ordinances. The commitment was made to present amendments to the City Code for consideration by the Council.

During the discussion, reservations were expressed about changing the timeframe for code enforcement, emphasizing the potential limitations in terms of effectiveness.

Ty Bailey, City Manager, clarified that the proposal involved exploring both options: implementing regulations through existing ordinances and considering the implications of a short- and long-term rental ordinance. The discussion revolved around the enforcement mechanisms, with a focus on the viability of business licenses as a means to regulate short- and long-term rentals. The importance of clearly defining activities through business licenses was emphasized, particularly in comparison to the limitations of nuisance ordinances. The intention was to provide a clear path for permitting while addressing the limitations of nuisance ordinances. The discussion also touched upon the need to update the nuisance ordinance to address specific issues related to short- and long-term rentals. He acknowledged that further exploration was needed and suggested that, administratively, the proposal could be presented under the framework of business licenses. The approach was outlined as a starting point, with the possibility of revisiting the discussion based on the Council's desire for the proposed changes.

The discussion continued by emphasizing the perceived advantages of implementing regulations through business licenses. Providing for auto-renewal and an online process were cited as factors placing the responsibility on short- and long-term rental operators to declare their status, enabling better oversight on aspects such as occupancy and fire code compliance. Administratively, addressing the issues through business licenses offered a more streamlined approach.

In response to a query seeking clarification on the distinction between a short- and long-term rental ordinance path and a business license path, it was confirmed that both were essentially the same. The idea was to recognize short- and long-term rentals as a business license category rather than a land use consideration. Unlike some recreation communities with specific land use components, the proposed approach was more straightforward, requiring only a business license for residential use without specific zoning restrictions.

In the ongoing conversation, there was an emphasis on the practical aspects of implementing business licenses for short- and long-term rentals. Under the business license framework, the focus would be on defining the activity being proposed, such as renting a room, basement, couch, or an Accessory Dwelling Unit (ADU). The business license application process would involve detailing the nature of the short- and long-term rental and designating a local point of contact, providing a more structured approach than relying solely on nuisance ordinances.

The benefits of having a clear record of business activities, including information on parking, contact information for people, and types of rentals was highlighted. The conversation also touched on the ability to address issues promptly, such as noise or parking violations, by having a well-defined business license process. This approach could be a cleaner and more efficient way to regulate short- and long-term rentals, compared to the challenges posed by relying solely on nuisance ordinances.

Discussion regarding the benefits of licensing, such as tracking and collecting Transient Room Tax (TRT), especially in cases where individuals operate independently through platforms like Airbnb or Vrbo. Licensing would also allow for the verification of sales tax numbers, ensuring proper taxation.

The conversation concluded with the acknowledgment that pursuing the conversation on business licensing for short- and long-term rentals was worth exploring. The need for clear communication with applicants regarding rules, regulations, and expectations was emphasized.

Discussion ensued regarding the administrative aspects, including the ease of application, automatic renewal, and the potential advantages of adopting business licensing for short- and long-term rentals. The overarching goal was to address the issues related to short- and long-term rentals effectively while considering the administrative burden and ensuring a streamlined process. The focus was on the efficiency

and flexibility of the business license approach, with fees based on staff time and efforts, ensuring that the applicant bears the associated costs.

Enforcement procedures were discussed, emphasizing that complaints would trigger actions, but having a business license would provide a clear framework for addressing issues. A business license would empower the City to enforce regulations more effectively, ensuring that the operator complies with approved conditions.

The conversation delved into the specific requirements and inspections tied to business licenses, such as checking for fire extinguishers, egress windows, smoke detectors, and other safety measures. Discussed the ability to communicate necessary requirements to applicants and conduct inspections in advance, ensuring compliance with safety standards.

Mention was made of a potential primary residence exemption for long-term rentals and the incorporation of such considerations into the business license framework. The business license process would cover various rental types, from short-term to long-term and even bed and breakfast operations.

Discussion regarding Staff's frustration with the lack of effective enforcement tools. The proposed business license approach aimed to address this frustration by providing clearer guidelines and immediate consequences for non-compliance. The current enforcement process, involving warnings and penalties, was lengthy, and having a business license would streamline this process. The importance of having a system that was both effective and responsive to the concerns raised by the community and city officials was emphasized.

Discussion moved to long-term rentals. If someone was a landlord and only did long-term rentals, it was almost like an undue burden to require someone to go through the process of setting up a business, getting a tax ID number, and all that for a traditional long-term rental.

Concerns about potential administrative burdens and artificial demand created by limiting the number of licenses were mentioned. A preference for a straightforward and less cumbersome approach was expressed. Requiring a business license for long-term rentals might be perceived as an additional and potentially unnecessary step.

Overall, the safety measures outlined in the proposal were appreciated, but raised considerations about the applicability of requiring a business license for long-term rentals and questioned whether other jurisdictions implemented similar requirements.

During the meeting, there was a discussion about the need for regulations related to short- and long-term rentals, particularly in the context of individuals renting out their homes or parts of their homes without obtaining proper business licenses. The conversation touched upon the challenges of enforcement and the importance of ensuring everyone abided by the same rules.

The proposed solution involved encouraging property owners to voluntarily disclose their rental activities and obtain business licenses. The idea was to address potential issues proactively, such as safety concerns or the lack of necessary equipment like fire extinguishers. The proposed approach included providing guidance to property owners on the correct procedures and emphasizing the importance of compliance.

The City Council expressed general support for the idea, acknowledging the need for some form of regulation. There was consensus on moving forward with developing a proposal based on the information presented during the meeting. The discussion also included considerations about potential formats for the regulations and the importance of keeping the process straightforward.

The overall tone of the discussion suggested a methodical approach to learning from the experiences of another municipality while tailoring regulation to suit the unique needs of Morgan City. The conversation concluded with the agreement to proceed with creating a proposal for regulations on short- and long-term rentals.

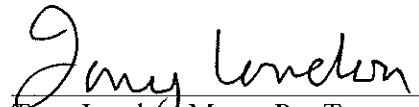
The meeting was then adjourned, and the Council expressed appreciation for the work done, particularly by Stephanie, in preparing the information and facilitating the discussion on short- and long-term rentals.

TRAINING – GARY CRANE, CITY ATTORNEY

No training was provided.

This meeting was adjourned at 6:54 p.m.


Denise Woods, City Recorder


Tony London, Mayor Pro Tem

These minutes were approved at the December 12, 2023 meeting.