

Agenda Summary
October 23, 2024

Agenda Item B-1
Short Term Rental Registry Fee Structure

Summary: This time has been set aside for the Selectboard to determine the fees for the Short-Term Rental Registry that would take effect on May 1, 2025. While the registration platform will launch earlier, registration and payment of fees will not be required until that date. It is suggested the fees be set annually on a calendar year basis.

According to the Town Attorney's Office, "the general rule in Vermont is that administrative fees must be reasonably related to the cost of the governmental function."

Staff expect the Short-Term Rental Registry platform to be ready this Winter, which will give those responsible for completing the registration approximately 4-5 months to complete their initial registration(s) before the enforcement of the ordinance begins after May 1, 2025. In subsequent years, the renewal period is anticipated to be shorter; for example, from November 1 to December 31, with the ability to take new registrations at any time of the year on a rolling basis.

The Selectboard could decide to implement fees on the basis of "the number of bedrooms in the Dwelling Unit being leased/rented as STRs." According to preliminary raw data from Deckard, the approximate average size of a listing in Stowe is 2.5 bedrooms. A per-bedroom fee of \$20 would approximate to an average fee of \$50 per STR.

Town Plan Impact: N/A

Financial Impact: The cost of the STR for the software is \$40,000 and staff suggest \$10,000 to cover administrative staff time in the first year. A fee of \$20 per bedroom with an average of 2.5 bedrooms per STR will result in approximately \$50,000 of revenue, on the basis of approximately 1,000 STRs.

Recommendation: Move to approve a short-term rental registration fee of \$20 per bedroom in the Dwelling Unit being leased/rented as STRs for calendar year 2025.