

Business Impact Estimate Form (see F.S. § 125.66(3)(a))

For:

Short Term Rentals

This Ordinance amendment is scheduled for consideration for first reading by the Pinellas County Commission on February 25, 2025, and adoption hearing on March 25, 2025 at 6:00 P.M. at 333 Chestnut Street, Palm Room, Clearwater, Florida 33756

** Unless an attachment is expressly referenced, the content in this Form encompasses the entire Business Impact Estimate for the Ordinance.*

1. Summary of the Ordinance, including a statement of the public purpose to be served by the Ordinance, such as serving the public health, safety, morals, and welfare of the County: *[This Section does not need to be lengthy. The Recitals (“WHEREAS” Clauses), or the “Purpose” or “Legislative Intent” Sections of the Ordinance, may be helpful to reference.]*

The updated ordinance proposes to bring greater accountability to short term rental (STR) owner/operators within the unincorporated Pinellas County to preserve the highest quality of life within residential neighborhoods and to bring an increased awareness and compliance with the Florida Building Code and Florida Fire Prevention Code. The regulation of STR’s will fall under the Code Enforcement Division with support from the Building Division on inspections.

The following is a summary of updates:

- Purpose and Applicability – individual rooms within owner occupied properties is deleted from the section as the State does not license individual rooms.
- Areas Embraced – this section clarifies the geographical jurisdiction of the ordinance.
- Definitions – added to clarify key terminology used throughout the ordinance including updated bedroom definition.
- Mandatory Certificate of Use – this section is the key provision that will deliver greater accountability and will be supported by 3rd party technology with the capabilities of “address identification” of STR’s and continual monitoring of host platforms for compliance purposes. Inspections are part of the Certificate of Use process.
- Standards – Maximum occupancy kept at 10 occupants (including children), noise quiet hours kept at 10pm to 9am. Minimum Life/Safety Standards enumerated for consistency with the Florida Building Code and Occupancy.
- Inspections – occur at initial Certificate of Use application and every 2-years thereafter to demonstrate meets minimum life/safety standards.
- Advertisement – this is a tool to support the Mandatory Certificate of Use and compliance monitoring.
- Enforcement – updated to have broader application and consistency with the Pinellas County code.
- Consistency – Standard STR language throughout the Pinellas County Code.

The Certificate of Use program is targeted to be effective April 1, 2025. An educational campaign will be launched in February/March 2025 including notification to the 2,700 +/- STR owner/operators in the unincorporated county to the requirement of a mandatory Certificate of Use starting in April 2025.

Background:

Since the adoption of Section 138-3232 in October 2018, the short term rental market has experienced unprecedented growth in Pinellas County. Today, there is approximately 2973+/- short term rentals located in unincorporated Pinellas County without an accounting of where these properties are located and whether the properties are operating in compliance with applicable regulations and codes (e.g., Florida Building Code & Florida Fire Safety Code). With this growth, the number of complaints to Code Enforcement has increased over 400% in the past 18-months. The need to establish an updated short term rental program, inclusive of a Certificate of Use requirement, to deliver greater accountability to short term rental owner/operators to preserve the highest quality of life within residential neighborhoods is the key driver to this initiative and ordinance update.

Sec. 86-105. - Legislative intent.

The intent of short term rentals is to allow for an individual dwelling unit to be rented to an individual or party at a lease term that is less than one month while protecting the immediate vicinity from associated negative impacts. Short term rentals generally occur in typical residential units and mostly within residential neighborhoods.

WHEREAS Clauses:

WHEREAS, the Board of County Commissioners of Pinellas County, Florida, ("BCC") adopted the Land Development Code in 1990; and

WHEREAS, in 2018, the BCC approved Ordinance No. 18-36, which constituted the first major rewrite of the Pinellas County Land Development Code since 1990; and

WHEREAS, the purpose of this Ordinance is to amend and update the provisions of Chapter 138 of the Land Development Code; and

WHEREAS, the Local Planning Agency held a duly noticed and advertised public hearing on January 8, 2025 as to the proposed Ordinance and recommends that the Board of County Commissioners approve the proposed amendments contained therein; and

WHEREAS, the Board of County Commissioners finds that proposed amendments to the Land Development Code as set forth herein are consistent with the Comprehensive Plan and the review requirements set forth in the Land Development Code and makes the following findings herein; and

WHEREAS, prior to 2011, Florida's cities and counties regulated short term vacation rentals, also referred to as short term rentals, under the home rule authority granted to them by the Florida Constitution; and

WHEREAS, the 2011 Florida Legislature enacted House Bill 883 (Florida Chapter 2011-119, Laws of Florida)(hereafter "Chapter 2011-119") which preempted the local regulation of short term vacation rentals, (also known, identified, and defined herein as "short term rentals"), said properties being defined as transient rentals less than thirty (30) days in duration and commonly located in residential areas; and

WHEREAS, the 2014 Florida Legislature enacted Senate Bill 356 (Florida Chapter 2014-71, Laws of Florida) (hereafter "Chapter 2014-71") which rescinded the preemption of local government regulation of short term rentals, but provided that a local law, ordinance, or regulation adopted after June 1, 2011, may not prohibit short term rentals or regulate the duration or frequency of rental of short term rentals; and

WHEREAS, Chapter 2014-71 returned control to local governments to mitigate the effects of short term rentals for the purpose of making them safer, more compatible with their surrounding neighborhoods, and to make rental unit owners accountable for their proper operation; and

WHEREAS, as a result of Chapter 2014-71 short term rentals cannot be prohibited and are permitted in all zoning districts; and

WHEREAS, single-family residential neighborhoods and their required infrastructure are generally designed to accommodate typical single-family residential homes with two (2) to three (3) persons per household on average; and

WHEREAS, local governments apply design standards tailored to residential neighborhoods for their roads, driveways, sidewalks, emergency services, planning, public shelters, emergency evacuation plans, solid waste collection, utilities, buffers, and craft regulations for the purpose of assessing infrastructure impacts and corresponding fair and proportionate impact/connection fees; and

WHEREAS, full time single-family home residents inherently understand their physical surroundings and inherent risks due to the familiarity arising from daily use; and
WHEREAS, short term rental occupants, due to the transient nature of their occupancy, are unfamiliar with local hurricane evacuation plans, the location of fire extinguishers, resident exit routes, pool and home safety features, and other similar safety measures that would readily be provided to guests in traditional lodging establishments; and
WHEREAS, short term rental owners may live elsewhere and not experience the quality of life problems and negative impacts associated with larger, unregulated short term rental units on residential neighborhoods; and
WHEREAS, short term rentals with no application of mitigating standards when located in residential neighborhoods can create disproportionate impacts related to their size, excessive occupancy, excessive vehicular traffic and parking and the lack of proper facilities if left unregulated; and
WHEREAS, some short term rental owners will make investments in upgrading building safety measures of their rental properties whereas other owners will not make such investments without local requirements and an ongoing inspection/enforcement program; and
WHEREAS, short term rentals locating within established neighborhoods can disturb the quiet enjoyment of the neighborhood, lower property values, and burden the design layout of a typical neighborhood; and
WHEREAS, the presence of short term rentals within single-family dwelling units in established residential neighborhoods can create negative impacts, which include, but are not limited to, excessive noise, on-street parking, accumulation of trash, and diminished public safety; and
WHEREAS, traditional lodging establishments (hotels, motels, and bed and breakfasts) are restricted to commercial and other non-residentially zoned areas where intensity of uses is separated from less busy and quieter residential uses; and
WHEREAS, traditional lodging establishments are governed by more stringent development standards, undergo annual inspections, and have more stringent operational and business requirements; and
WHEREAS, traditional lodging establishments are often required to make roadway improvements and/or pay much higher transportation, water, sewer, and other impact fees to offset the infrastructure demands they create; and
WHEREAS, permanent residents within residential neighborhoods often establish longterm friendships, social norms and a sense of community which often leads to mutual respect among property owners on an ongoing basis; and
WHEREAS, a single-family dwelling home is typically the largest investment a family will make in their lifetime, with the home functioning as the center of the family unit; and
WHEREAS, permanent residents within established residential neighborhoods deserve the right to tranquility and peaceful enjoyment of their home without excessive intrusion by transient occupants in the neighborhood; and
WHEREAS, Pinellas County promotes tourism, including appreciation and enjoyment of the county's abundant preserved natural areas, historic sites, pristine beaches, and walking and bicycling paths that make Pinellas County unique among Florida's coastal counties; and
WHEREAS, some municipalities in Pinellas County, and many local jurisdictions in the State of Florida, and across the nation have standards in place to minimize the negative impacts caused by short term rentals; and
WHEREAS, current short term rental industry practice is to charge a flat rental fee for the term of the lease, regardless of the transient occupant count, which incentivizes the common practice for lessees of oversized structures used as short term rentals to increase the transient occupant count, spreading the cost burden for the rental term among as many payers as possible; and
WHEREAS, the County desires to encourage short term rentals that are safe, fit in with the character of the neighborhood, provide positive impacts for tourism, increase property values, and achieve greater neighborhood compatibility; and

WHEREAS, Pinellas County seeks to balance respect for private property rights and incompatibility concerns between the investors/short term rental properties and families/permanent single-family residences in established residential neighborhoods through the use of reasonable development standards; and

WHEREAS, while Pinellas County's average family size is 2.93 persons, the County is providing, based on the available sleeping spaces and common area in a given single family residence, for significantly greater temporary occupancy within a short term rental, subject to a reasonable regulatory framework; and

WHEREAS, these regulations are deemed necessary by the Pinellas County Board of County Commissioners to preserve property values and to protect the health, safety, and general welfare of permanent residents, property owners, investors and transient occupants and visitors alike; and

WHEREAS, these regulations are being promulgated by the Pinellas County Board of County Commissioners to supplement, but not replace, any existing federal or state law or regulation, or other controls within established residential neighborhoods served by a homeowners' association; and

WHEREAS, through these regulations, Pinellas County is seeking to regulate another type of commercial use of a single- and two-family dwelling, similar to the County's provisions for home occupations, which permit limited commercial use of an owner-occupied dwelling subject to initial inspection requirements, ongoing compliance with specific home occupation regulations as provided in the Land Development Code; and

WHEREAS, these regulations do not regulate duration or frequency of short term rentals, but are intended to address the frequent change of many transient occupants housed within a singlefamily dwelling within an established residential neighborhood; and

WHEREAS, the application of minimum life/safety requirements to short term rentals, along with other minimum standards, ensures that transient occupants are provided the same minimum level of protection as is provided for single- and two-family residences utilized as hotels, motels, and dormitories; and

WHEREAS, sleeping rooms as so designated within short term rental units shall be recognized in the same manner as bedrooms within single-family residential homes, with the same requirements as are currently provided within local, state, and federal regulations, as applicable; and

WHEREAS, short term rentals operate as commercial enterprises, subject to additional regulatory requirements beyond those normally required of single-family and two-family residences, including business licensing by the State of Florida Department of Business and Professional Regulation's Division of Hotels and Restaurants, and collecting and remitting various sales taxes to state and local government; and

WHEREAS, a short term rental property is a commercial lodging activity; and

WHEREAS, some short term rental properties are being used exclusively as rentals by investors/owners; and

WHEREAS, the establishment of minimum business practices, such as the provision of both lease-specific and property-specific information to lessees, and the designation of a local short term rental responsible party, ensures that the private property rights of the short term rental owner are balanced with the needs of the County to protect visitors and tourists and to preserve the general welfare through its limited regulatory power; and

WHEREAS, the County, through its existing regulatory framework, will issue certificates to short term rentals conforming to these standards, which will in turn provide a level playing field amongst all providers of short term rental units; and

WHEREAS, this ordinance additionally establishes an enforcement mechanism for those short term rental properties which do not adhere to the standards on an initial or continuing basis, with the overall goal of the short term rental unit program being compliance with the standards and not punitive in its scope.

2. An estimate of the direct economic impact of the Ordinance on private, for-profit businesses in the County, including the following, if any:

The proposed ordinance amendment will have fees associated with the Certificate of Use requirement. Each STR property/unit will incur an annual fee of \$450 (initial Certificate of Use fee -Year 1 and an annual renewal fee of \$450 thereafter) plus a \$150 building inspection fee Year-1 and \$100 building inspection fee bi-annually thereafter. Where a reinspection is required, a \$100 fee is incurred. The fees established are correlated to the costs of the entire program (3rd party technology build and annual subscription costs, augmented code enforcement staff, communications plan) such that the projected revenues to Pinellas County will not result in any impact to General Fund expenditures. Additionally, the proposed fees associated with the Certificate of Use requirement are in-line with other municipalities within the region and state.

YEAR 1 – Fiscal Assessment

- Certificate of Use and Building Inspection Requirement - \$600 (\$450 Certificate of Use/\$150 building inspection) Note: Building Inspections occur bi-annually after Year 1 Certificate of Use
 - Revenue: Projected 70% compliance (Cert of Use) of 80% Address ID validation of existing 3000+/- STR's yielding revenue of \$756,000 General Fund/\$252,000 Building Fund
 - Expenditure: 3rd Party Technology – Non-reoccurring (\$79,000) + annual re-occurring (\$94,000) = \$173,000
 - Expenditure: Code Enforcement staffing augmentation including 2-Temps & Equipment (4-FTE's fully loaded & 2 temps) - \$505,000
 - Expenditure: Communications Campaign (year 1) -\$25,000
 - Total Projected Operational Expenses \$703,000 General Fund/\$250,000 Building Fund (3rd party support/OT)
- Note: Year 1 includes non-reoccurring costs

General fund revenues (\$756,000) cover general fund expenditures (\$703,000). The 7.5% surplus is a contingency balance.

Building fund revenues (\$252,000) cover building fund expenditures (\$250,000).

Subsequent years do not include a non-reoccurring technology expenditure (approximately \$90,000). The surplus accounts for yearly escalation costs in technology annual subscription costs, salary increases and expanded technology capabilities.

3. A good faith estimate of the number of businesses likely to be impacted by the Proposed Ordinance:

2973+/- STR properties (unique listings) in unincorporated Pinellas County (source – Host Compliance/Granicus)

4. Any additional information the BCC deems useful: [This Section is not legally required.]

The deployment of the updated STR program, inclusive of the Certificate of Use requirement, is anticipated to occur in April 2025.