



**VILLAGE COUNCIL
AGENDA FOR WORK SESSION OF AUGUST 14, 2018
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA**

IMMEDIATELY FOLLOWING REGULAR MEETING

1. Call to Order.
2. Discuss August 29th Visioning Sessions for Comprehensive Plan.
3. Harness Track Marketing Update.
4. Discuss NCDOT historic sign rules.
5. Discuss short term rentals.
6. Work Session Business.
7. Adjournment.

Vision: The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions.

Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Values: Service, Initiative, Teamwork, and Improvement.



**DISCUSS AUGUST 29TH VISIONING SESSIONS FOR COMPREHENSIVE
PLAN.**

ADDITIONAL AGENDA DETAILS:

FROM:

Natalie Hawkins

CC:

Will Deaton

DATE OF MEMO:

8/8/2018

MEMO DETAILS:

This agenda item is to discuss the format of the August 29th Visioning Sessions scheduled as a part of the Envision the Village project to update the Village's Comprehensive Long Range Plan. Village staff and our consultant, Town Planning and Urban Design Collaborative have discussed a preliminary format and desired outcomes. Staff would like to obtain Council input before proceeding further with any detailed planning for the event. Additional details and information will be provided at the work session.



**HARNESS TRACK MARKETING UPDATE.
ADDITIONAL AGENDA DETAILS:**

FROM:

Mark Wagner

CC:

Jeff Sanborn, Jeff Batton

DATE OF MEMO:

8/7/2018

MEMO DETAILS:

Staff will be present to provide an update on the marketing efforts undertaken to promote the Harness Track and recruit Standardbred trainers and owners.

A PowerPoint presentation will highlight what has been done to date and is scheduled for the coming months. The efforts undertaken this summer and fall will be repeated next spring and summer as well as we are looking for some short term success, but also long term viability of the facility.

Mark Wagner, Parks and Recreation Director and Melissa Holt, Communications Specialist will be in attendance to answer any questions regarding the marketing campaign.

Thank you.

ATTACHMENTS:

Description

- ☐ Production Campaigning Proposal
- ☐ Harness Track Brochure
- ☐ Marketing Ads Schedule



Ryan Macedonio

ryan@trotcast.com

(845)-796-6760

**645 Old Hickory Blvd, Apt 403
Nashville, TN 37209**

Pinehurst Production Campaign Seasonal Commercials

A series of commercials for distribution that will feature video and photo footage paired with interviews from Jay Hochstetler featuring trainers and owners who currently winter at Pinehurst. Editing and production will be done by Ryan Macedonio

Sell The Cost - Most northern horsemen assume that their only option is to winter in Florida. The cost of doing that is about double what it would cost for Pinehurst. Most horsemen may not even be aware of this, so it becomes an instant selling point

Sell The Area - Except for the occasional bad days paired with snow, the facility has predictable weather that horsemen can schedule their training program around to focus on getting their older horses ready for the race. The incoming 2 year olds can have a steady jog and training days which is necessary for growth and development

Sell The Facility - The training grounds offer many variables and training options including the 1/2 mile track and the 1 mile track

Total Production Cost \$1200

2YO Training Video Highlights

During the winter, a weekly highlight package for owners featuring their freshman horses. It will be an automatic bonus and attraction for owners and trainers. We feel that this won't replicated by other training facilities due to such larger stables being featured at the farms in Florida.

Production - Each session will be approximately 4+ hours from 7am to after 11am. There will be 6 training slots per hour. Jay will organize each timeslot and coordinate with the stables. All horses will be identifiable on camera via a saddlepad. A cameraperson will need to be hired for each session. Jay will upload the footage for Ryan to edit and distribute.

Expenses (est) - Cameras - GoProHero 6 \$399

memory cards - \$60

GoPro Karma Drone with Hero 6 \$999

Other accessories such as extra propellers, extended warranty, etc \$500

Finish line camera mount/stand. Ideally it would be 10+ feet tall so there

could be a nice view of the stretch

Cameraperson - \$100-\$150 per session

Editing and organizing - \$400+

* Production, editing, and filming will be based upon hourly work which could change each session and year

* Potentially the cost could be \$10 per horse per session based upon an estimate of 70 horses being filmed each session

— *pinehurst* —
HARNESS
TRACK



A PIECE OF HISTORY. THE HOME OF CHAMPIONS.

910.420.1628 pinehurstharness.org

WINTER HOME OF CHAMPIONS

since 1915



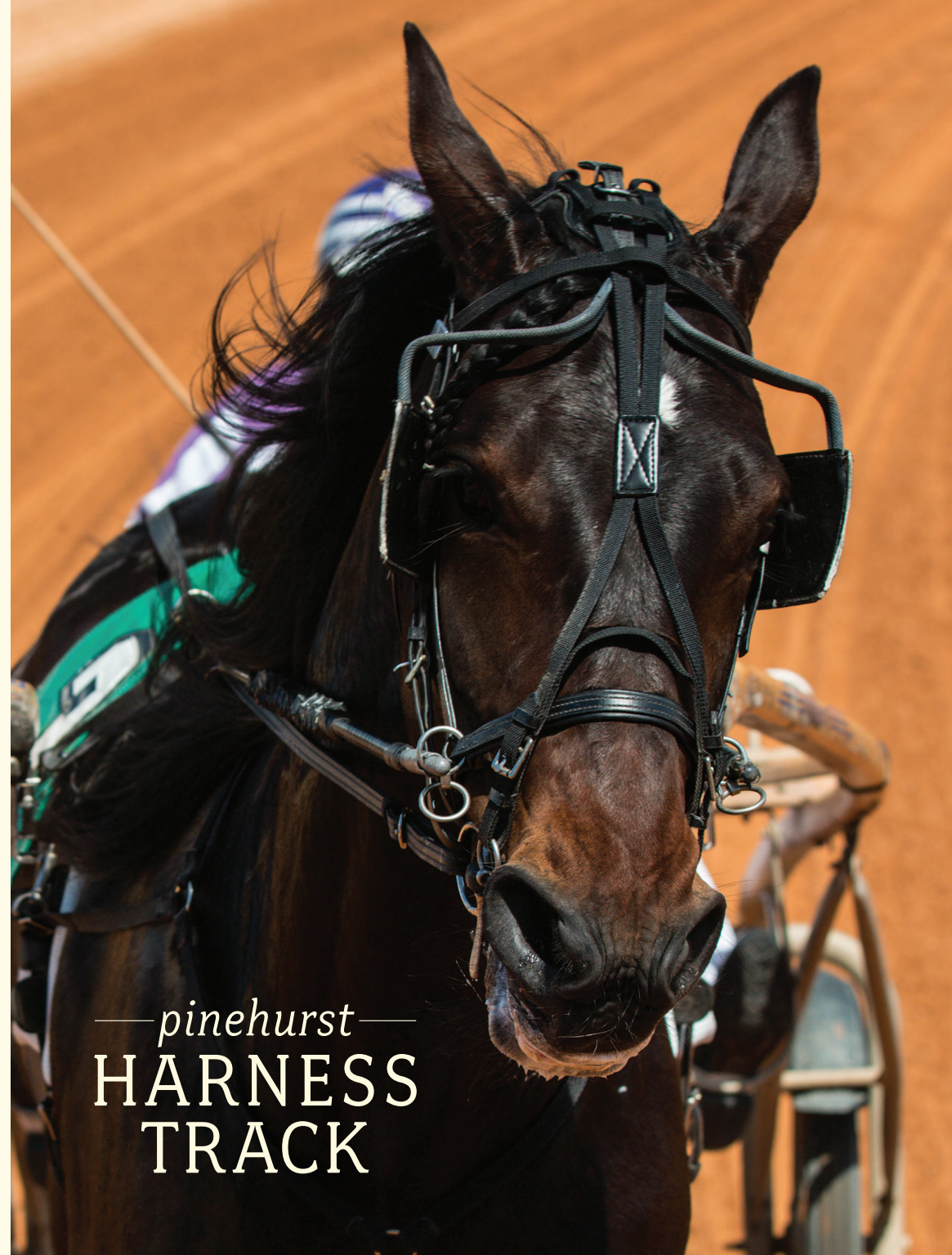
A PIECE OF HISTORY

The Pinehurst Harness Track is nestled in the heart of historic Pinehurst, North Carolina and is the oldest continuously operating equine sports facility in the state. The 111-acre Harness Track has been a winter training center for Standardbred horses since 1915, including 10 champions. Now a harness racing landmark and home to an annual matinée, the Harness Track was placed in the National Register of Historic Places in 1992. Pinehurst's mild winters, along with our superior amenities, make the Harness Track an ideal facility for boarding, training, and racing Standardbreds. Here you will find both a piece of history and the home of champions.

910.420.1628 • pinehurstharness.org



— *pinehurst* —
**HARNESS
TRACK**



—pinehurst—
**HARNESS
TRACK**

CHAMPIONS
*trained at
the Pinehurst
Harness Track*

Gallo Blue Chip

Medoland Don

Medoland Sam

SJ's Photo

Brownie Blue Chip

Pinehurst Lady

Glory Bound

Marion Marauder

Chocolatier

Walner

*Pinehurst Driving & Training Club
provides starting gate schooling,
annual spring matinée races,
and qualifying races.*



—pinehurst— HARNESS TRACK

“I love it down here. There's not a nicer training center anywhere.”— Mike Medors



PINEHURST HARNESS TRACK AMENITIES

- 1 mile clay training track
- ½ mile sand/clay training track
- ⅝ mile sand jog track, sod jog track
- 17 center aisle barns with 260 well-maintained stalls for rent
- Paddocks
- Blacksmith shops, area tack shops, & feed store delivery
- Local veterinary services, including nearby NC State Veterinary Hospital & Apex Veterinary Clinic
- Full season & monthly rates available
- Roster of horses in training
- All-weather show rings that can be used for dressage, hunter/jumper, and other equine competitions
- Centrally located with easy access to Charlotte, Winston-Salem, and Raleigh
- Quaint shops, fine restaurants, and community festivals in the Village of Pinehurst
- Over 40 area golf courses





910.420.1628 • pinehurstharness.org
200 Beulah Hill Road South, Pinehurst, NC 28374

Harness Track Fall Marketing Campaign

TROT/Standardbred Canada

Digital ad: rotating banner

Run dates: 8/13, 8/27, 9/10 & 9/24

USTA/Hoofbeats

Digital ad: rotating banner

Run dates: 8/13, 8/27, 9/10, 9/24, 10/8 & 10/22

Buckeye Harness Horseman

Print ad: Half page color

Run date: September issue

Harness Racing Update

Digital ad: top masthead

Run date: August 18

Harness Racing Update

Digital ad - top masthead

Run date: September 15

Harness Racing Update

Print ad: ¼ page horizontal print ad & placement in digital edition

Run date: October 4 prior to Lexington Yearling Sales

Google AdWords Campaign

August 15 - October 15

Targeted keywords searched in Google will lead to a “clickable” ad that leads to the Harness Track website

E-news

Targeted to USTA members with links to Harness Track website and promo video

Print Brochures

Distributed to trainers and passed out at shows

Harness Track website

Updated to include new promo video and links to the new print brochure and price list



**DISCUSS NCDOT HISTORIC SIGN RULES.
ADDITIONAL AGENDA DETAILS:**

FROM:

Jeff Batton

DATE OF MEMO:

8/2/2018

MEMO DETAILS:

The NC DOT has been consulted about directional sign opportunities for downtown, historic districts and historic sights. This agenda item will a time to discuss the various options as it relates to downtown, historic districts and the Womans' Exchange.

Rules vary for each and are a bit complicated. I have attached a small table to aid in our discussion. The table has the type of message across the top and the DOT road locations down the side where the sign type is eligible to be displayed. We'll review these during our discussion.

Thanks.

ATTACHMENTS:

Description

📎 Sign Message and Location Table

Historic/Downtown Signage per NCDOT Policy

Location	Hwy Sign Message			
	Historic Downtown	Business District	Historic District	Womans' Exchange
Directional Sign Allowed: Hwy 211	Yes*	No	No	No**
Directional Sign Allowed: Hwy 15-501	Yes*	No	No	No**
Directional Sign Allowed: NC 5	Yes*	Yes*	Yes*	No**
Directional Sign Allowed: NC 2	Yes*	Yes*	Yes*	No**

*If approved by District Engineer

**Womans' Exchange does not currently qualify for the "Tourist Oriented Directional Sign" program (TODS) or as an Official State Historic Site. May qualify as a TODS under Cultural Center category if "exhibit antiques or items painted or crafted by local artists." If qualify, directional signs would be permitted on NC 5 and NC 2 only. Womans' Exchange could apply to the NC Department of Cultural Resources to be designated as an Official State Historic Site. If qualify, signs would be permitted on Hwy 211, Hwy 15-501, NC 5 and NC 2.



**DISCUSS SHORT TERM RENTALS.
ADDITIONAL AGENDA DETAILS:**

FROM:

Natalie Hawkins

DATE OF MEMO:

8/9/2018

MEMO DETAILS:

This agenda item is to discuss short term rentals of single-family homes in the Village of Pinehurst. Last April, I attended a presentation presentation by UNC-School of Government that was facilitated by the NC League of Municipalities on the subject and learned how some NC municipalities are responding. I am attaching the presentation for your review and am happy to discuss the issue with Council at your work session.

ATTACHMENTS:

Description

- 📎 Short Term Rentals in NC UNC-SOG Presentation



EXPLOSION OF THE VACATION RENTAL PHENOMENON

Rebecca Badgett
UNC School of Government

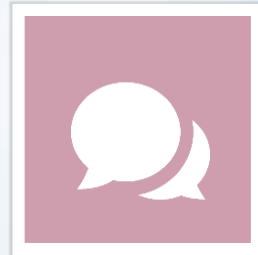
Agenda



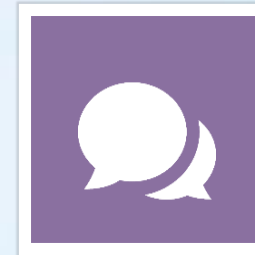
1. Market Context

- This is a hot topic with passionate voices on both sides of the issue

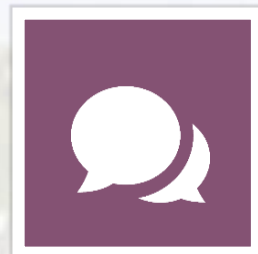




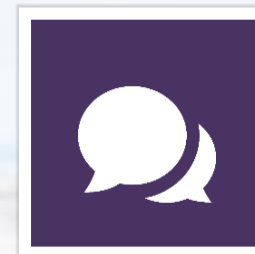
"I disagree that anyone has the right to dictate who I can have in my home. I set certain rules and I have had no problem. Leave Airbnb alone!"



"No STR in residentially zoned areas! Illegal, breaking law - ridiculous to now make provisions for them!!"



"Short term rentals give homeowners more flexibility and more control over their homes and their investment. Take away short term rentals, and take away the common folks' opportunity for reasonably priced vacations!"

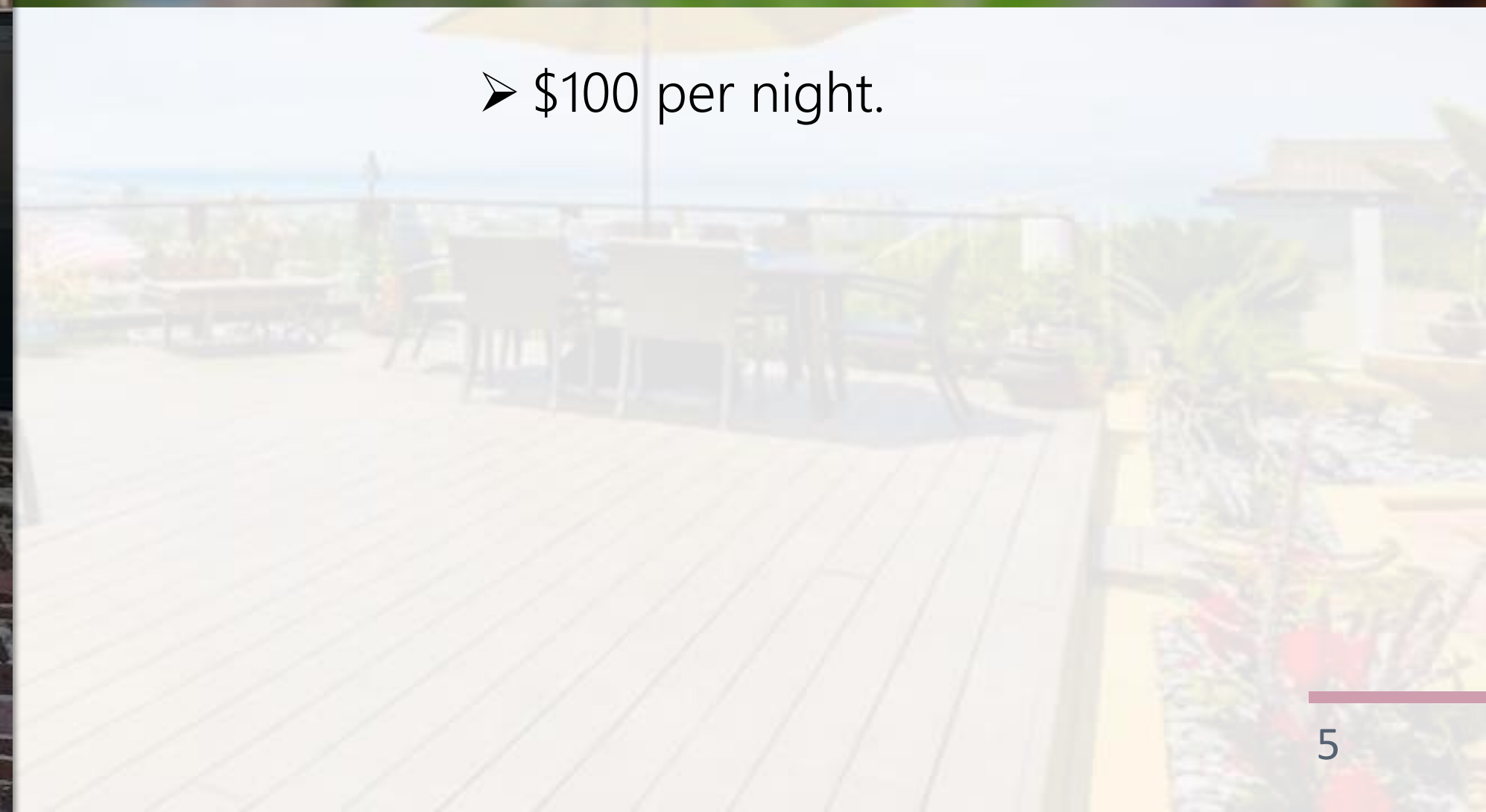


"As a 38-year resident on S. 2nd Street, I strongly oppose allowing STRs within the residential area. They pose a threat to the integrity and spirit of the neighborhood."



Charming Charleston Carriage House

➤ \$100 per night.





STR Property Listings are Spread Across 100's of different websites

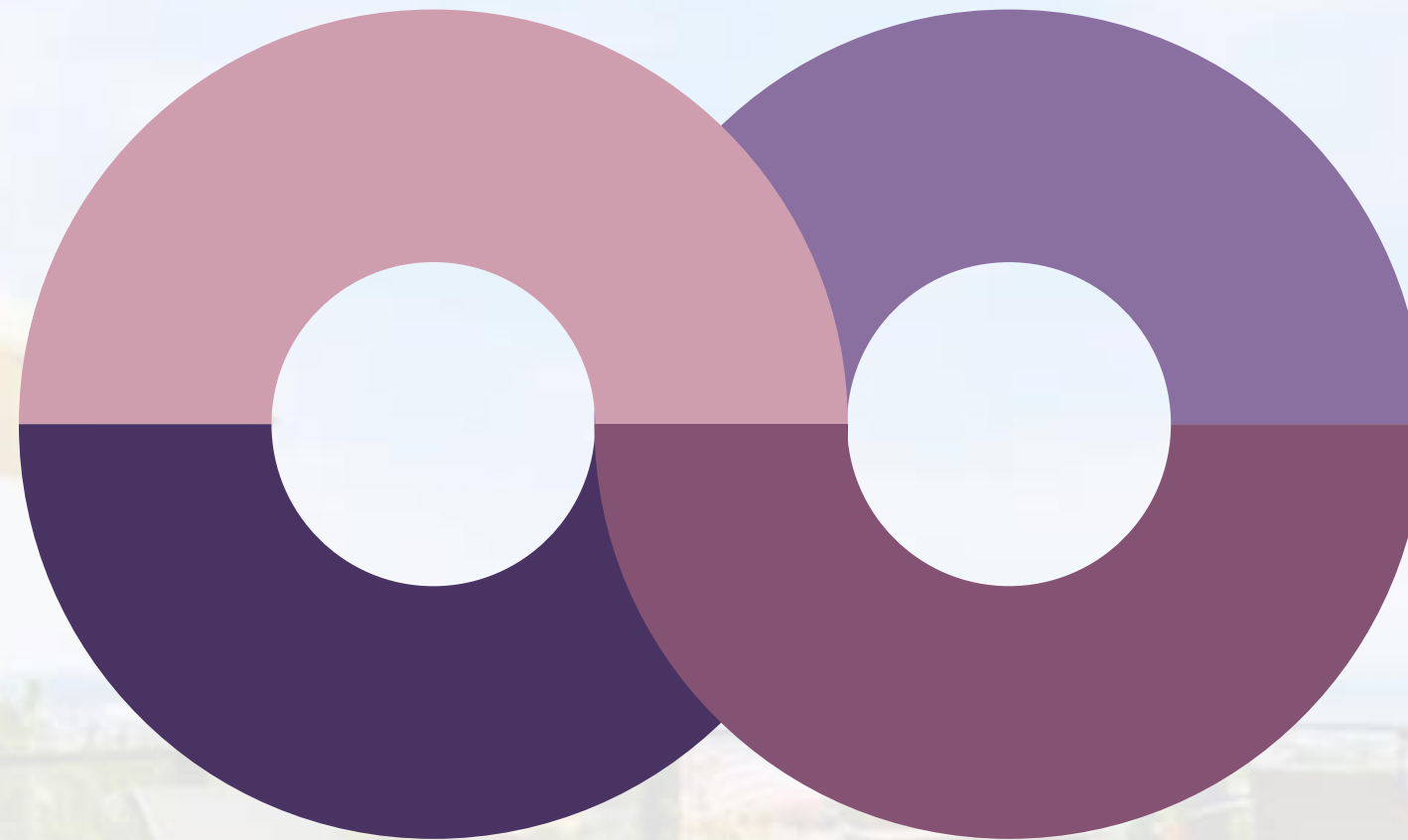


From Homestays to Illegal Hotels



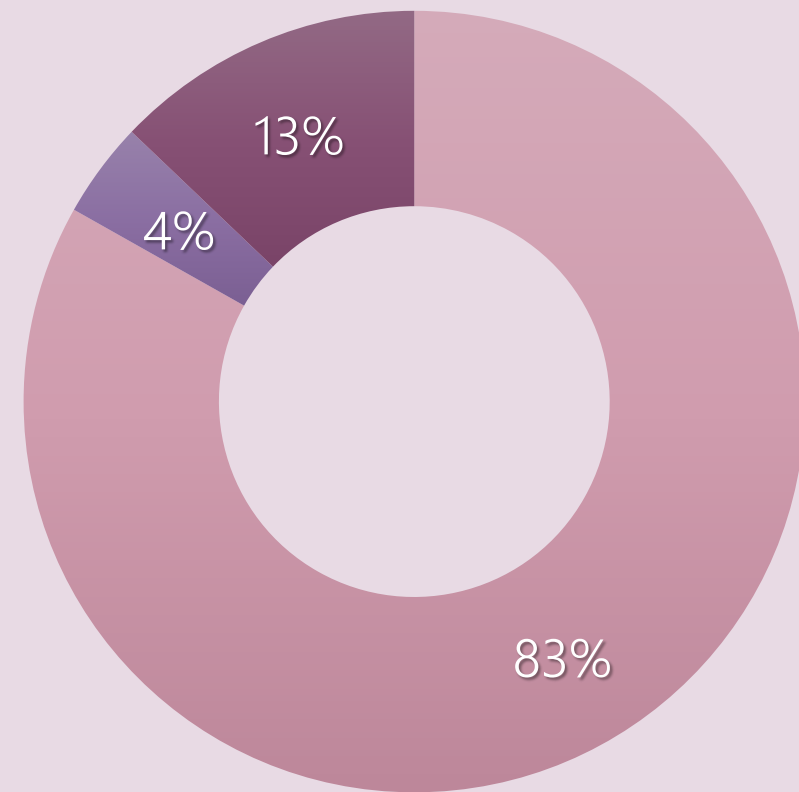
Homestay
(couch surfing, spare room)

Whole urban or residential unit
available full-time for STR

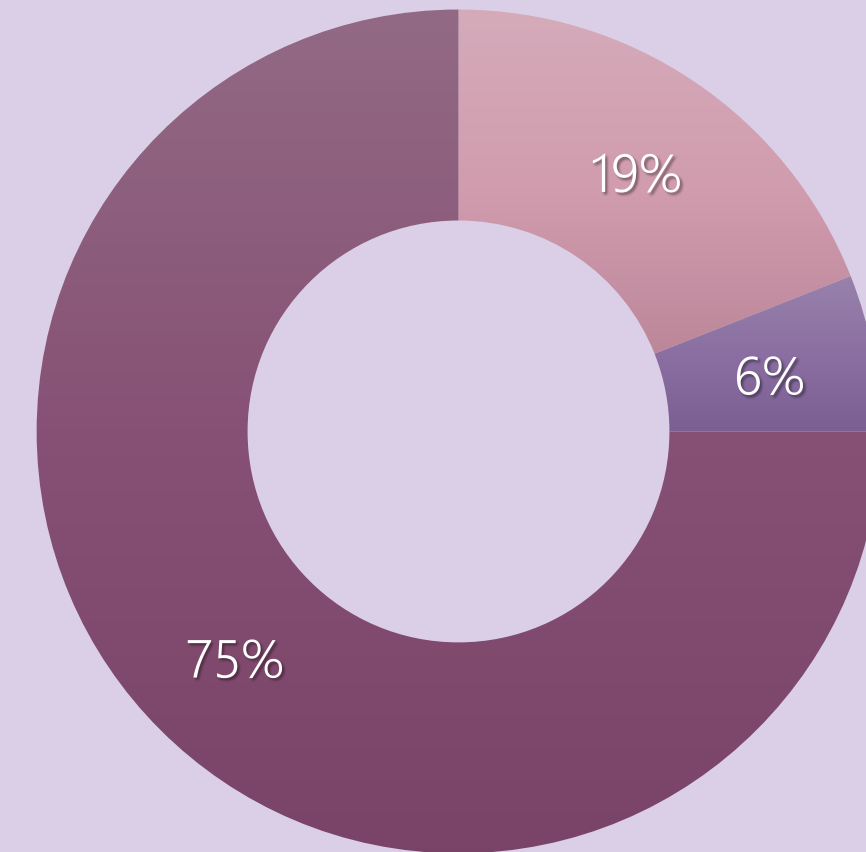


Whole unit available all the
time/ vacation rental
(traditional vacation homes)

Whole unit available only some
of the time. Host's primary
residence



- Partial Home 13%
- Entire Home 83%
- Unknown 4%



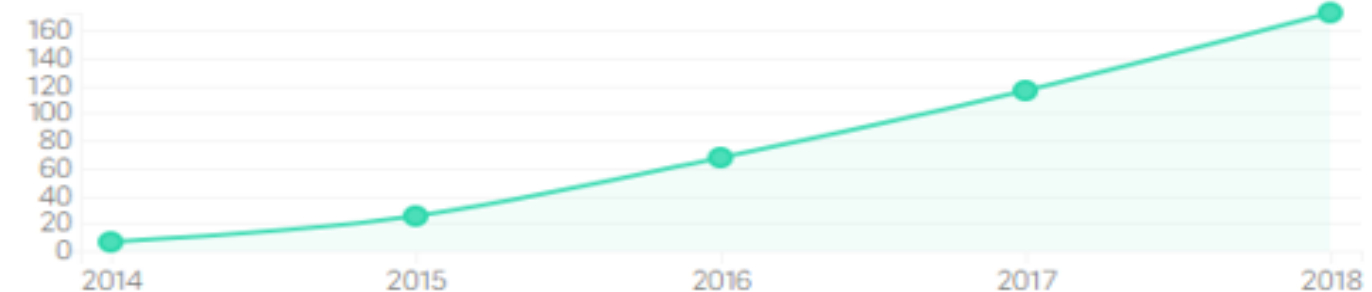
- Single Family 75%
- Multi Family 19%
- Unknown 6%

Ocean Isle Beach



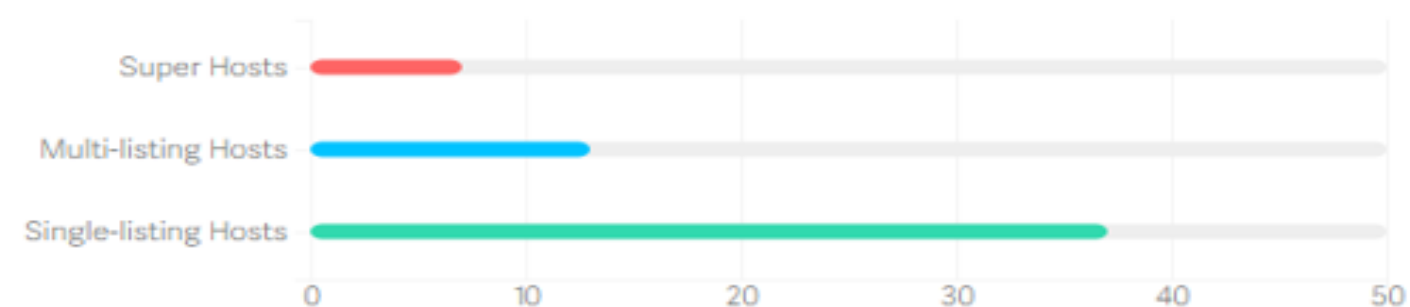
Rental Growth

72% Annual Growth



50 Active Hosts

Hosts



Professional Hosts



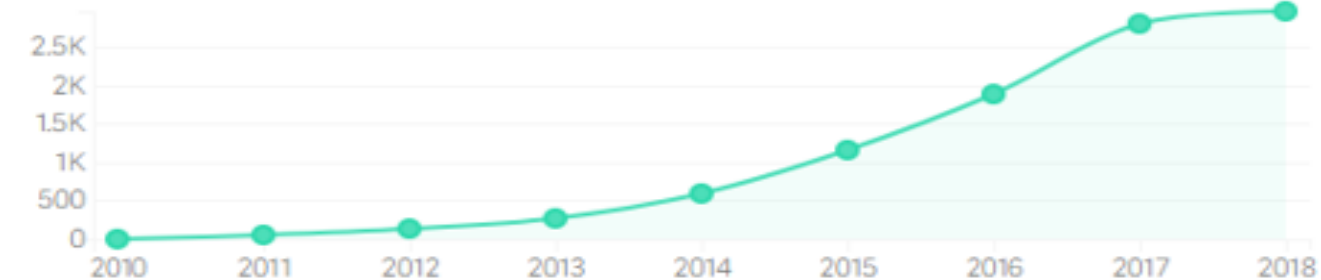
72% Annual Growth

Asheville



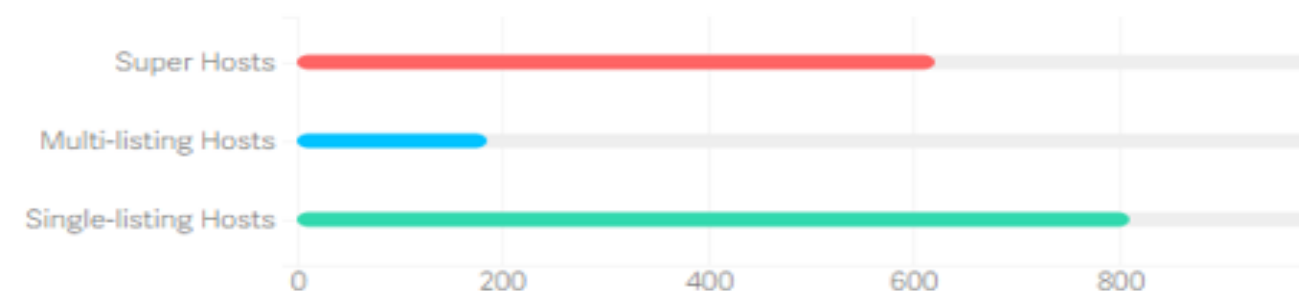
Rental Growth

47% Annual Growth



995 Active Hosts

Hosts

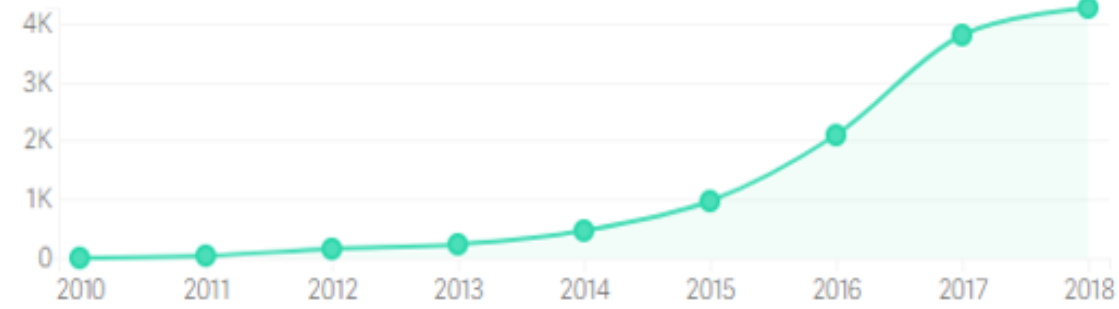


Professional Hosts



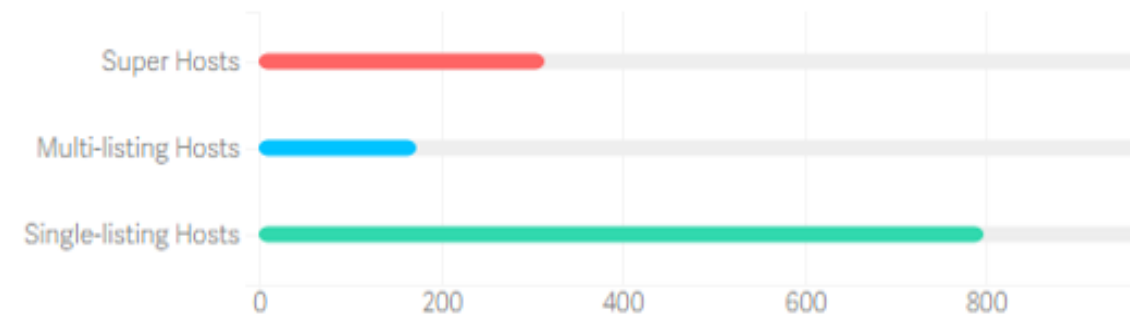
47% Annual Growth

Charlotte

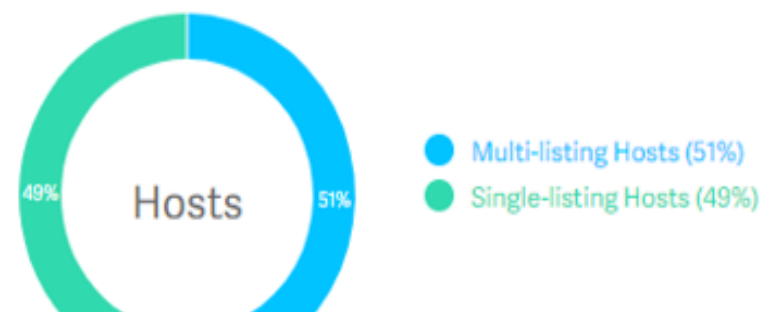


970 Active Hosts

Hosts

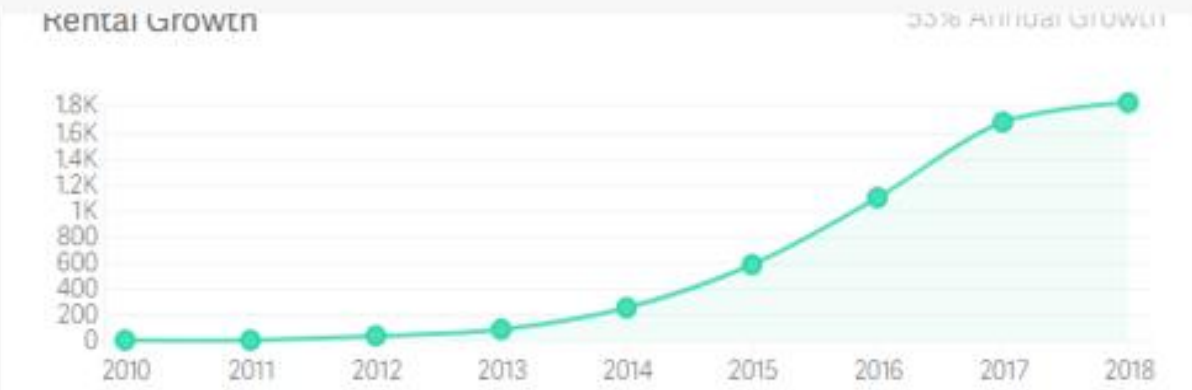


Professional Hosts



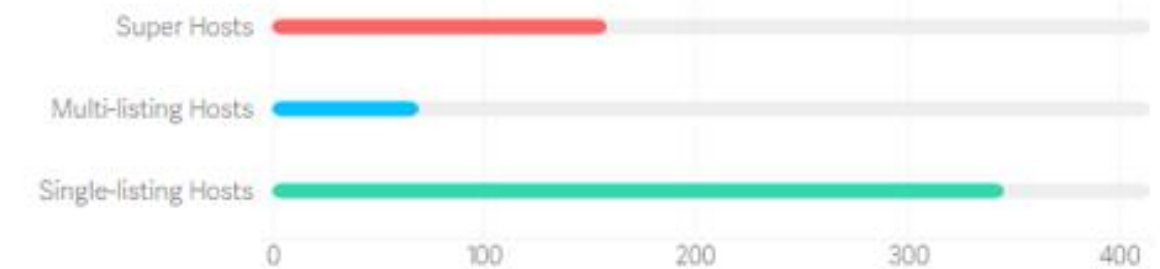
80% Annual Growth

Raleigh

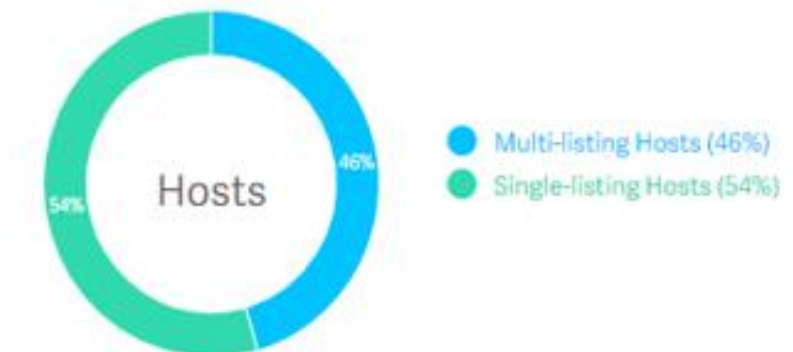


415 Active Hosts

Hosts

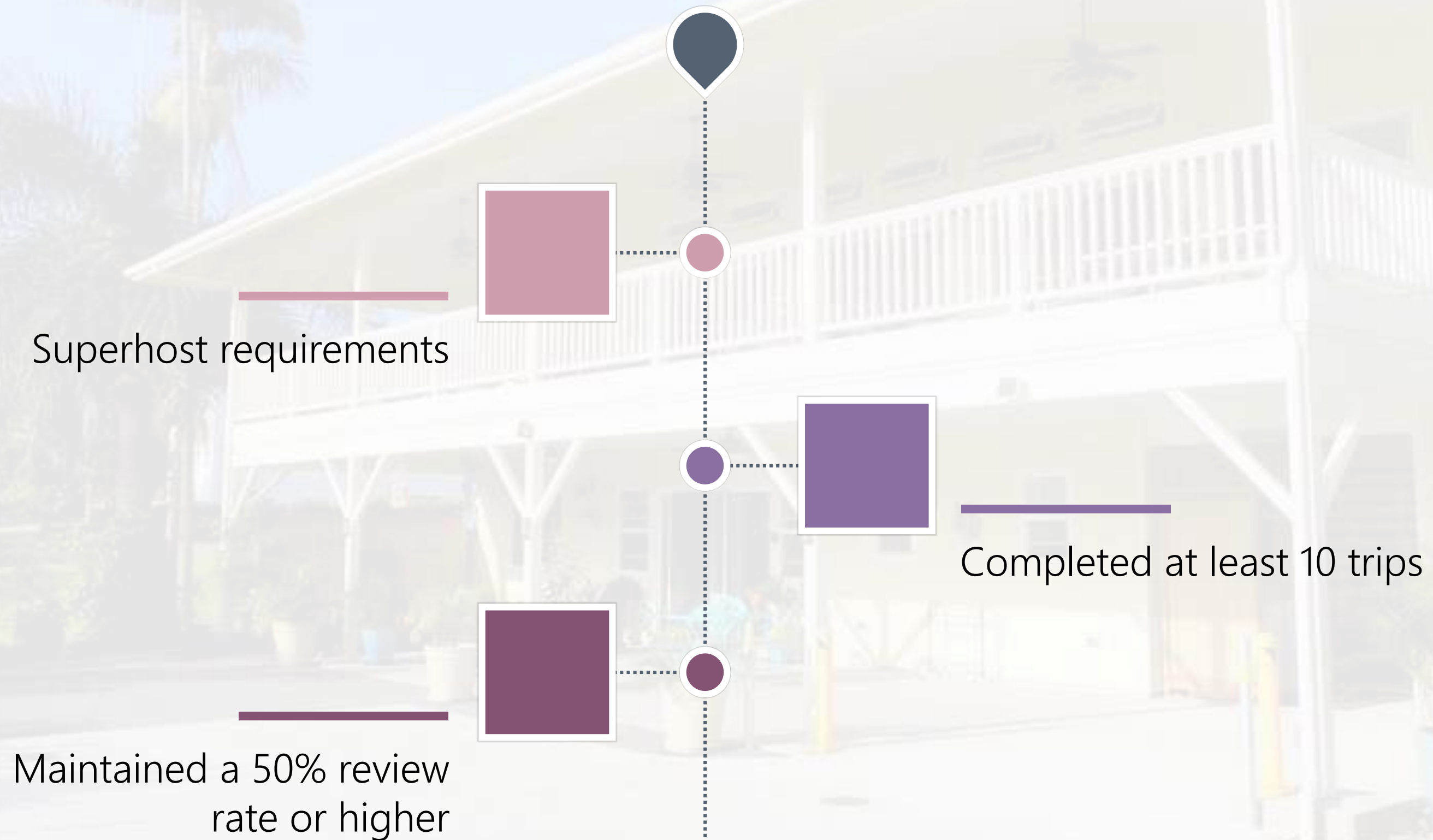


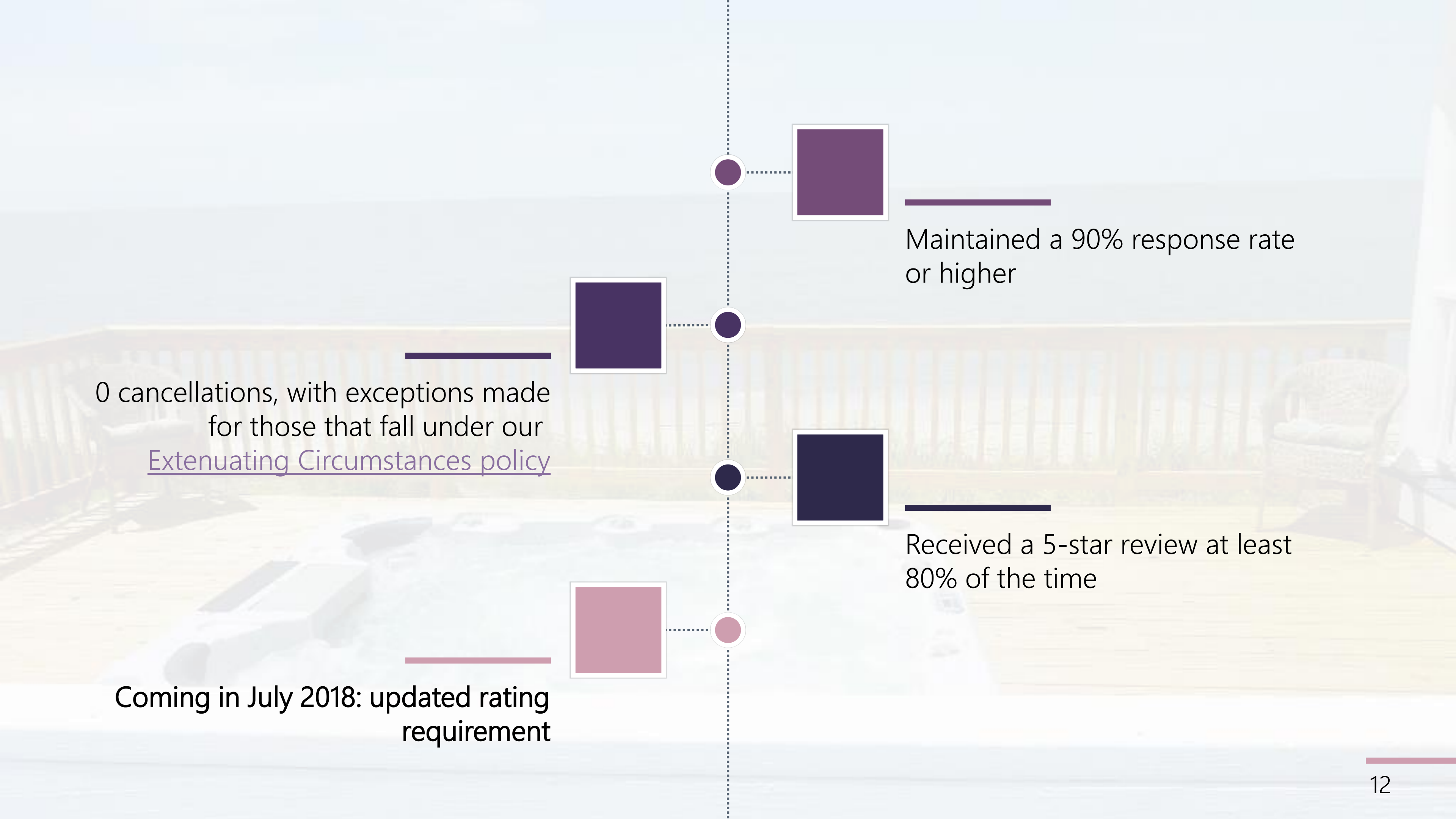
Professional Hosts



55% Annual Growth

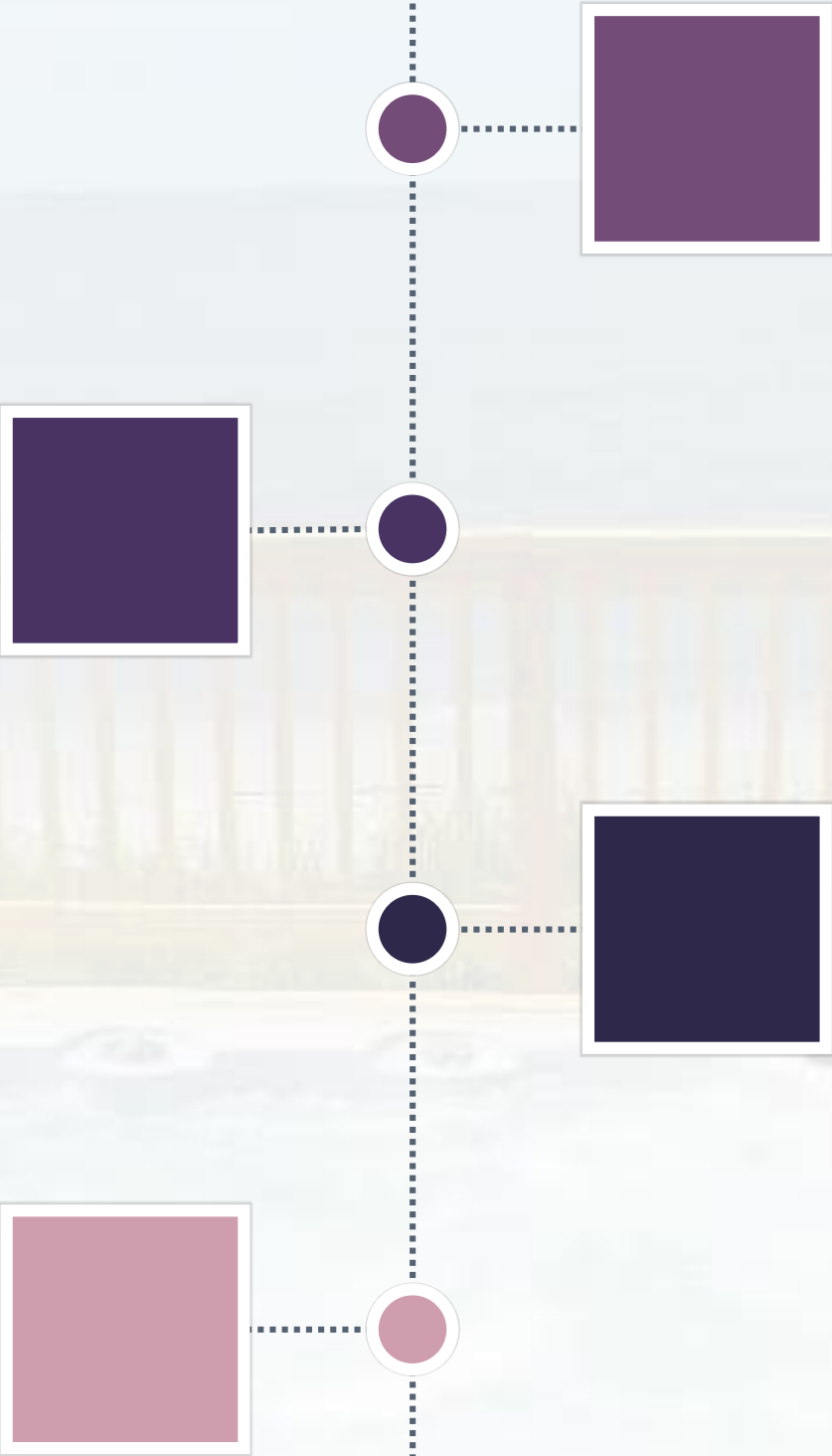
SuperHost





0 cancellations, with exceptions made
for those that fall under our
Extenuating Circumstances policy

Coming in July 2018: updated rating
requirement



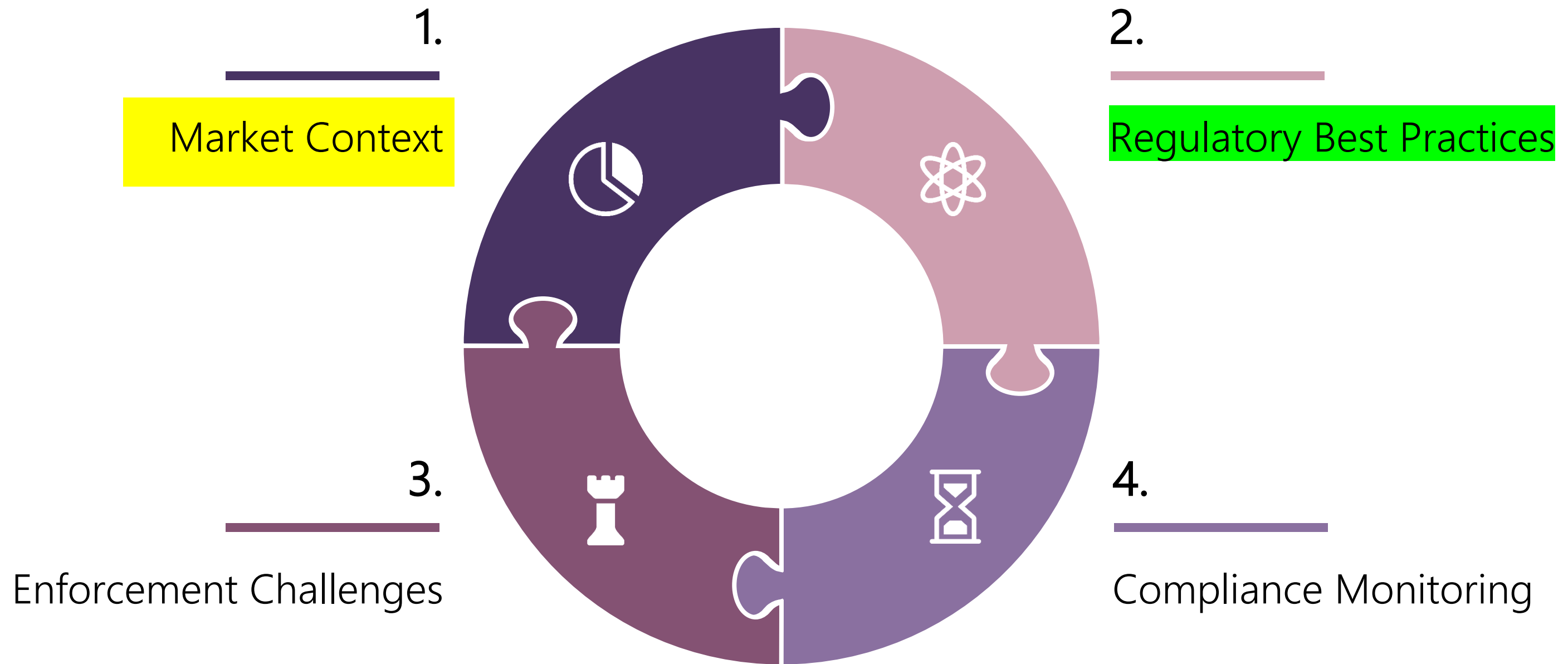
Maintained a 90% response rate
or higher

Received a 5-star review at least
80% of the time

Updated requirement:
Maintain a 4.8 overall rating

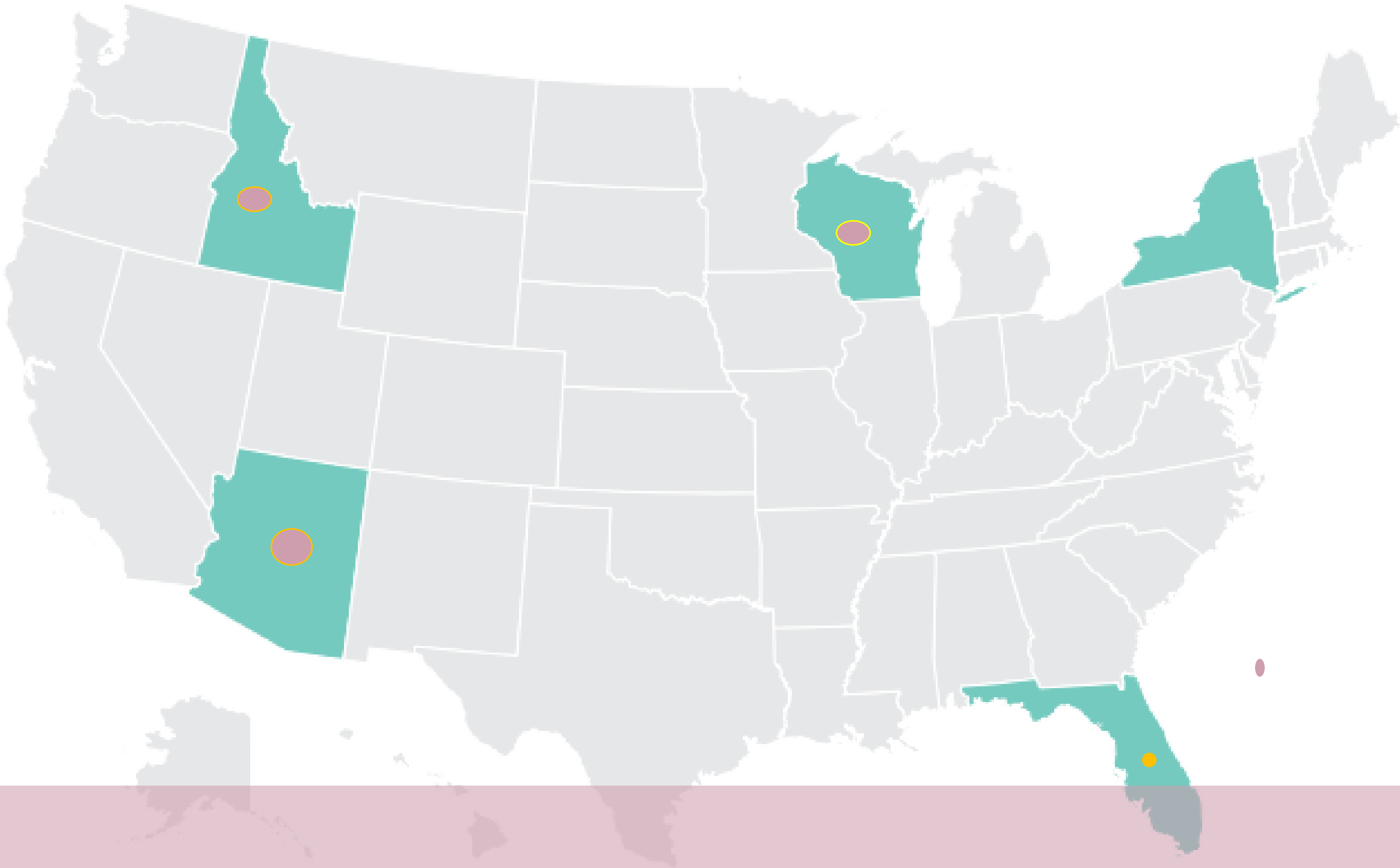
Current requirement: Receive a 5-
star review at least 80% of the time

Agenda



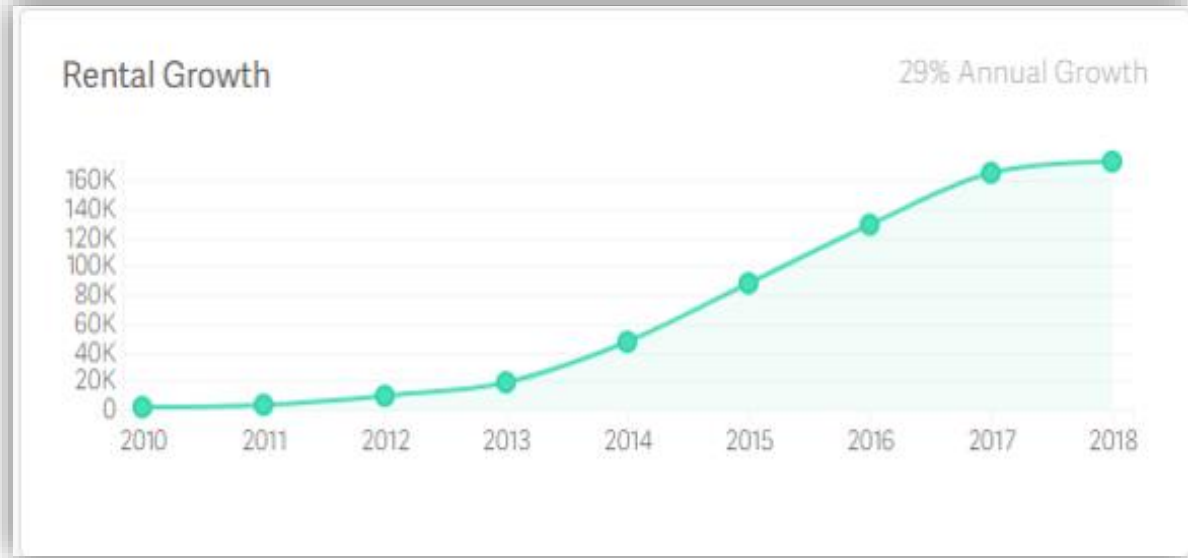
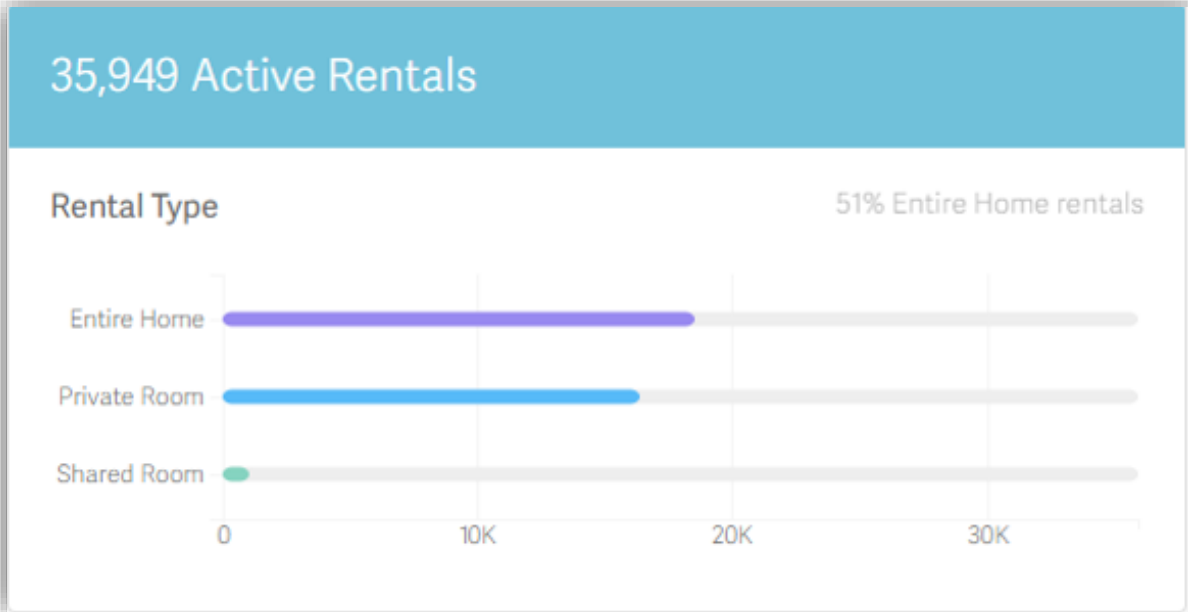
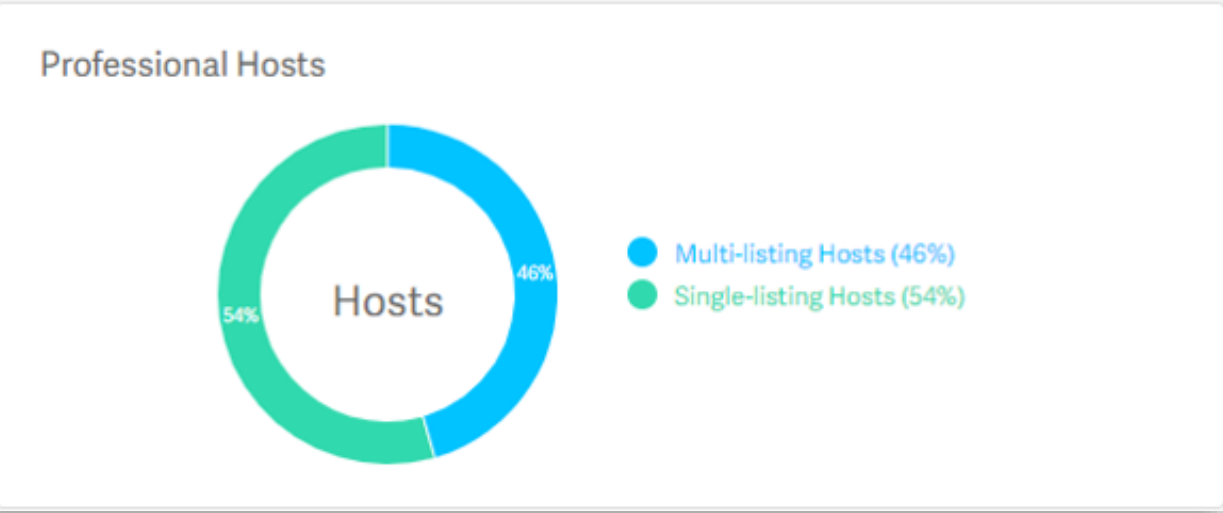
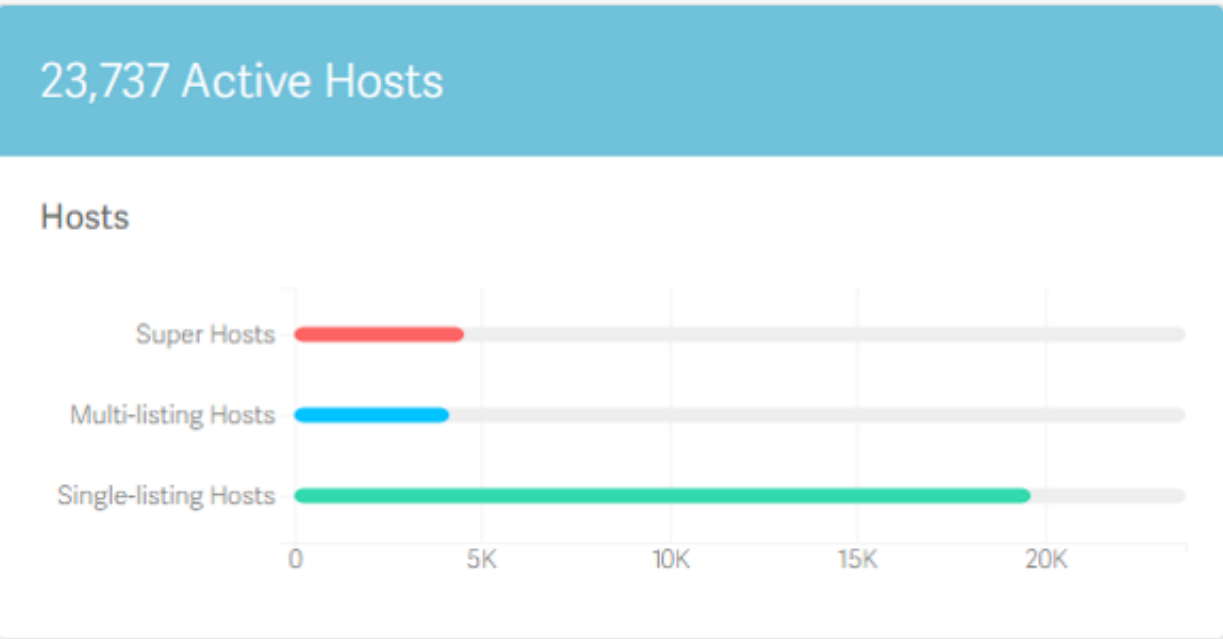
Preemption By State

States with home sharing preemption



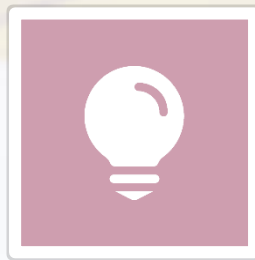
Five states have preempted city authority over home sharing. The low number is likely due to the local nature of neighborhood zoning laws.

New York, New York

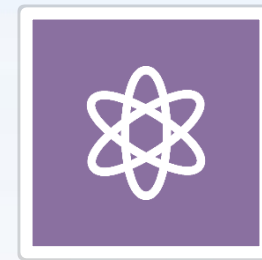


Arizona. Wisconsin. Idaho. Florida

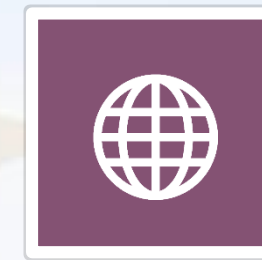
State Preemption



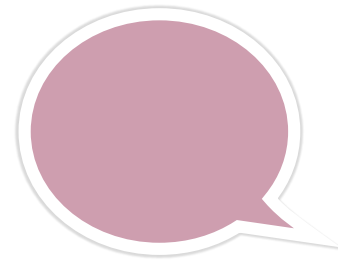
A COUNTY MAY NOT PROHIBIT VACATION RENTALS OR SHORT-TERM RENTALS, RESTRICT THE USE OF VACATION RENTALS OR SHORT-TERM RENTALS OR REGULATE VACATION RENTALS OR SHORT-TERM RENTALS BASED SOLELY ON THEIR CLASSIFICATION, USE OR OCCUPANCY.



A COUNTY MAY REGULATE VACATION RENTALS IF THE REGULATION IS NARROWLY TAILORED TO PROTECT THE PUBLIC HEALTH AND SAFETY AND IS FOR THE FOLLOWING PURPOSES:



PROTECTION OF THE PUBLIC'S HEALTH AND SAFETY CAN INCLUDE RULES AND REGULATIONS RELATED TO FIRE AND BUILDING CODES, HEALTH AND SANITATION, TRANSPORTATION OR TRAFFIC CONTROL, SOLID OR HAZARDOUS WASTE AND POLLUTION CONTROL.



What does this mean to you?

- Important to be on the same page about legislative guidance
- Complete bans on STRs or over-regulation may draw unwanted legislative attention and result in the legislature taking preemptive measures that would limit your authority to regulate

How To View This Issue

Land Use Enforcement

- May choose to operate on a complaint-driven basis
- Use existing regulations to handle issues (nuisance, noise)
- Adopt reasonable regulations specific to STRs

Occupancy Tax Collection

- Honor system without additional collection efforts
- Proactive approach to ramp up enforcement

North Carolina: Authority To Regulate

- Regulation Allowed: Police Powers
 - Municipalities have the authority to control the location and use of property through zoning regulations. N.C. Gen. Stat. § 160A-381. And zoning ordinances enjoy a strong presumption of validity if they serve a public purpose related to the “public health, safety, morals, or general welfare” of the communities they regulate. *City of Wilmington v. Hill*, 189 N.C. App. 173, 177, 657 S.E.2d 670, 673 (2008).
 - There is some argument that municipalities lack authority to regulate because:
 - I. Cannot limit the duration of a lease between a homeowner and lessor
 - II. Unlawful to regulate ownership of property
 - III. NC Vacation Rental Act bans local governments from prohibiting STR's
 - No evidence that the Vacation Rental Act was intended to preempt local regulation

Local governments are finding ways to regulate land use through legislation

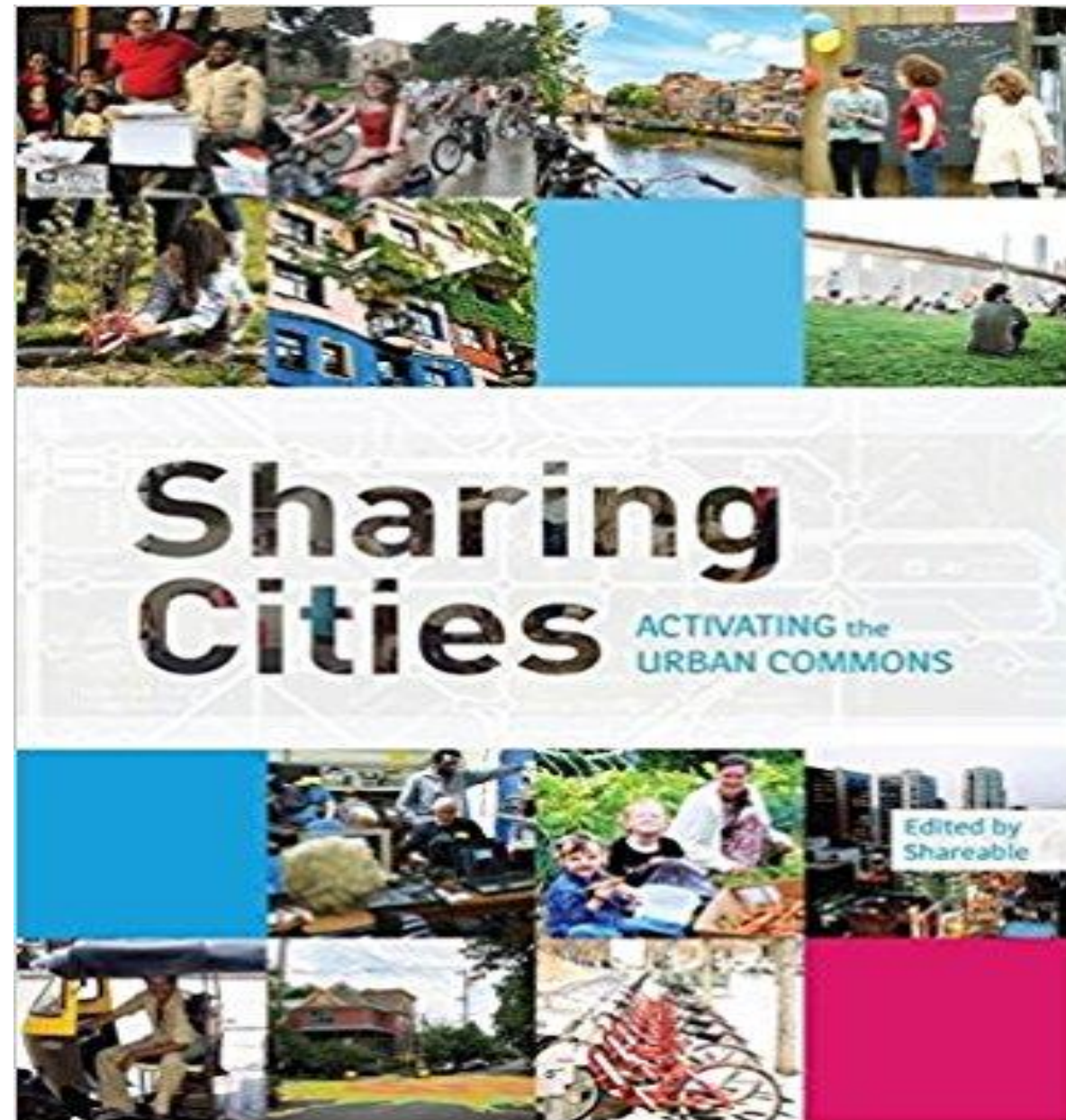
STR Policy Objectives

- Housing Availability
- Neighborhood Preservation
- Economic Development
- Safety

Regulatory Ideas

- Only allow permanent residents to operate STRs (controversial). DC example
- Set quotas for number of houses allowed in neighborhoods
- Require adequate parking and garbage disposal
- Require local contact person*
- Limit number of guests (two per bedroom)
- Encourage STRs in tourist areas by minimizing noise, trash and parking issues
- Require smoke alarms, carbon dioxide detectors, etc.

Regulatory Resource



"Sharing Cities: Activating the Urban Commons" showcases over a hundred sharing-related case studies and model policies from more than 80 cities in 35 countries. It both witnesses a growing global movement and serves as a practical reference guide for community-based solutions to urgent challenges faced by cities everywhere. This book is a call to action meant to inspire readers with ideas, raise awareness of the impressive range of local efforts, and strengthen the sharing movement worldwide. "Sharing Cities" shows that not only is another world possible, but that much of it is already here.



Occupancy Tax/ Accommodation Tax Basics

Requires authorization by General Assembly via local acts.

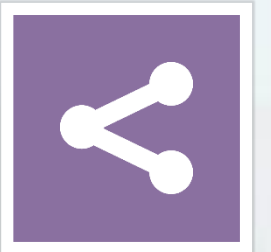


Remedies

Like all local taxes, occupancy taxes may be collected using attachment & garnishment (for wages, bank accounts, and other funds owed to the taxpayer) and levy & sale (of personal property). See G.S. 153A-147 and 160A-207.

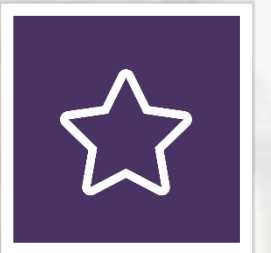


Rates



All local occupancy tax rates are capped, most between 3% and 6%.

Expenditures



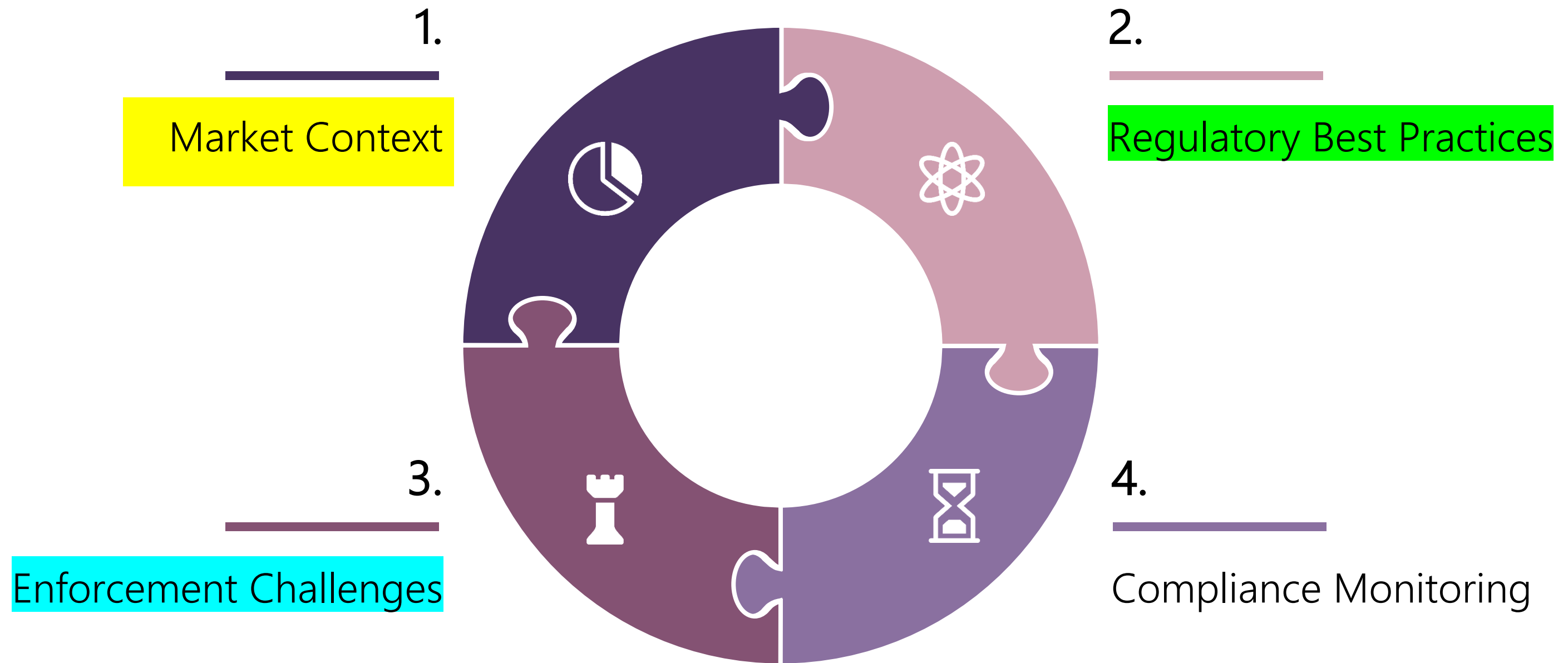
The local TDA may use these funds to promote travel and tourism in the city and for tourism-related expenditures.

Jacksonville's Local TOT Act

*The City of Jacksonville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Jacksonville Tourism Development Authority. The Authority shall use at **least two-thirds** of the funds remitted to it under this subsection to promote travel and tourism in Jacksonville and shall use the remainder for tourism-related expenditures. . . .Definitions. – The following definitions apply in this act:*

- (1) Net proceeds. – Gross proceeds **less the cost to the city of administering and collecting the tax**, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross proceeds collected each year.*
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.*
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Jacksonville Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.*

Agenda





STR Property Listings are Spread Across 100's of different websites



Policy Considerations for TOT Enforcement

➤ How aggressive will the enforcement effort be?

- Zero tolerance
- Education program or amnesty program

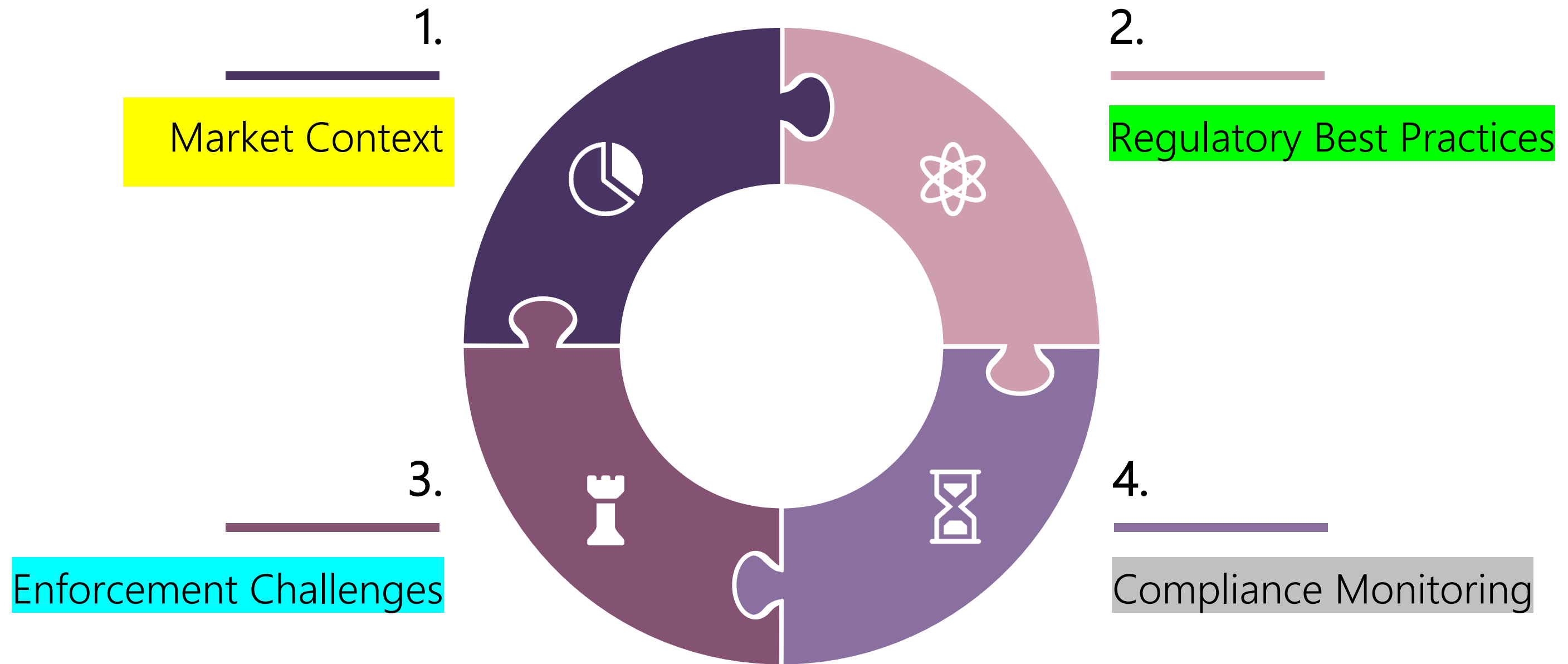
➤ How will you fund enforcement?


- Can you afford to bring on extra staff to monitor collections
- Will you contract with a third-party vendor to help with compliance. How will you pay for this?


➤ What stance does the local government want to convey?

- Supportive of reasonable regulations?
- Embrace this new culture or prefer to limit it

Agenda



- 
- A decorative graphic consisting of four overlapping chevron arrows pointing to the right, in shades of purple and pink.
- Enforceable regulatory frameworks that simultaneously protects citizens' property rights and the rights of the neighbors
 - A dramatic reduction in noise, parking and trash complaints related to short-term rentals
 - Improved municipal finances resulting from higher TOT collections and permitting fees
 - Dramatically lower monitoring and enforcement costs

- 
- State-of-the-art reporting and analytics
 - 24/7 hotlines for neighbors to report problems
 - Access to easy to use web and mobile applications that allow property owners and local government staff to easily manage compliance duties with no added paperwork
 - TOT audits and data analysis to uncover specific as well as systematic problems that needs to be addressed

Cost

Pricing — Host Compliance - Google Chrome

Secure | <https://hostcompliance.com/pricing/>

Apps SOG SOG ITD UNC IT TIM ConnectCarolina | The Westlaw Sign In | The Current Forms of Gov lawschool.westlaw.co 2010_-landuseplanni PA Contact Us | P&A Gro West Academic PA childcare reimburse Coates' Canons < Log Member Acces

Get our FREE White Paper – A Practical Guide to Effectively Regulating Home-Sharing & Short-term Rentals Enter your email address Send me the FREE whitepaper

APPROXIMATELY HOW MANY SHORT-TERM RENTALS OPERATE IN YOUR COMMUNITY?

50 100 **200** 300 400 500 600 800 1000 1200 1200+

TREND MONITORING	ADDRESS IDENTIFICATION	COMPLIANCE MONITORING	TAX COLLECTION SUPPORT	24/7 HOTLINE
\$380 _{/yr}	\$5,700 _{/yr}	\$8,550 _{/yr}	\$12,350 _{/yr}	\$14,630 _{/yr}
<ul style="list-style-type: none"> Active monitoring of jurisdiction's STR listings across 15+ STR websites Monthly report on aggregate STR activity in jurisdiction Monthly analysis of STR trends in jurisdiction Automatic alerts if the # of STR listings reach a pre-determined level 	<p>Get all Trend Monitoring features PLUS</p> <ul style="list-style-type: none"> Detailed monthly report with: <ul style="list-style-type: none"> Up-to-date list of jurisdiction's active STR listings High resolution screenshots of all active listings Full address and contact information for all identifiable STRs in jurisdiction (where available) 	<p>Get all Address Identification features PLUS</p> <ul style="list-style-type: none"> Ongoing monitoring of STRs for zoning and permit compliance Pro-active and systematic outreach to unpermitted and/or illegal short-term rental operators (using jurisdiction's form letters) Monthly staff report on jurisdiction's zoning and permit compliance: <ul style="list-style-type: none"> Up-to-date list of STRs operating illegally or without the proper permits Full case history for non-compliant listings 	<p>Get all Compliance Monitoring features PLUS</p> <ul style="list-style-type: none"> Ongoing monitoring of jurisdiction's listings for tax compliance Pro-active, systematic and data-informed outreach to short-term rental operators regarding their tax remittance obligations (using jurisdiction's form letters) Monthly staff report on jurisdiction's STR tax compliance: <ul style="list-style-type: none"> Up-to-date list of STRs suspected of under-reporting taxes The list of evidence that serves as the foundation for the 	<p>Get all Tax Collection Support features PLUS</p> <ul style="list-style-type: none"> 24/7 staffed telephone and email hotline for neighbors to report non-emergency problems related to STR properties Daily/Weekly staff reports containing: <ul style="list-style-type: none"> The # and types of reported incidents List of properties for which incidents have been reported Full documentation of all reported incidents Digital recordings and written transcripts of all calls

Custom reports and

Paying for compliance services should not come from TDA funds



There is no authority to allow the TDA to help fund the purchase of this software

Appropriation should come from the tax department's general fund.

Alternatively, the funds collected from the first 3% of 500,000 may be used. I

(1) *Net proceeds.* – Gross proceeds **less the cost to the city of administering and collecting the tax**, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross proceeds collected each year.

(2) *Promote travel and tourism.* – **To advertise or market** an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

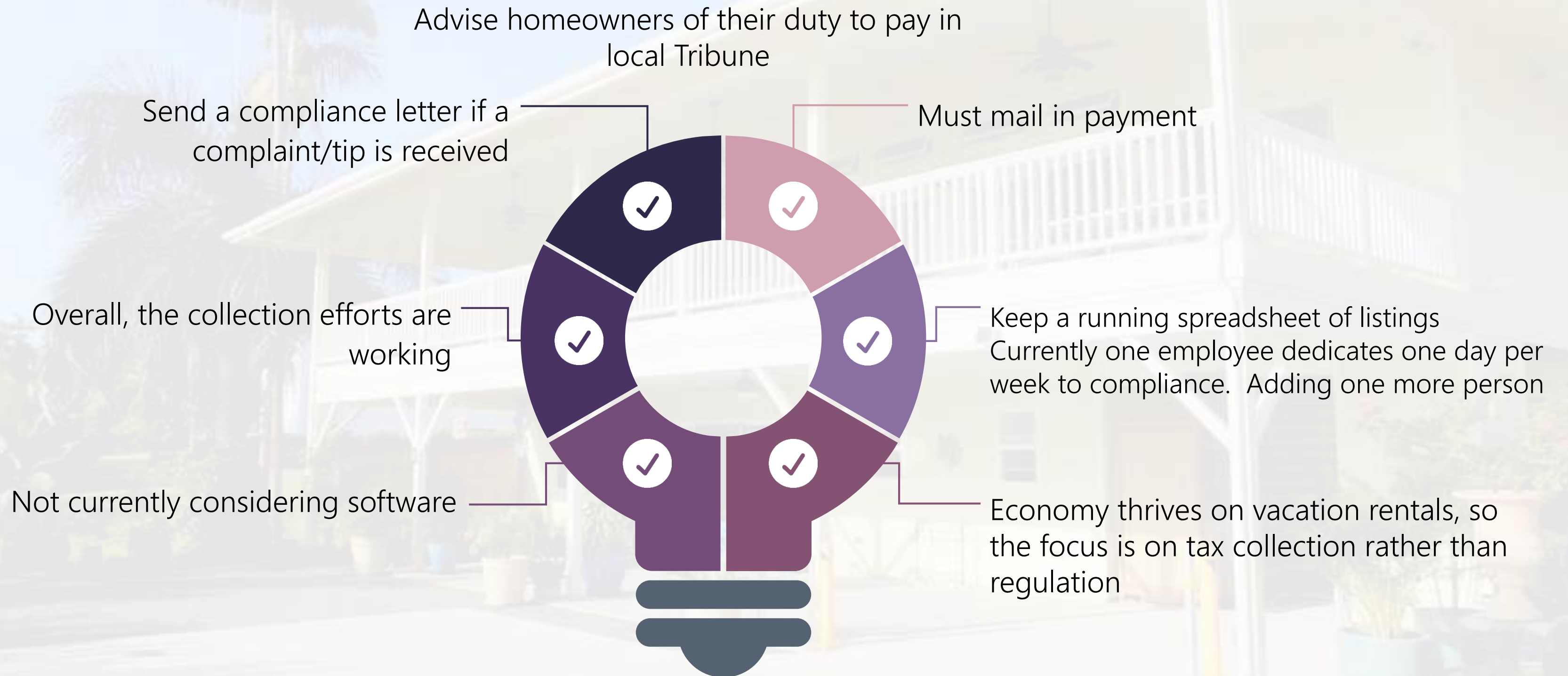
(3) *Tourism-related expenditures.* – Expenditures that, in the judgment of the Jacksonville Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.

Tracking down delinquent taxpayers is not a tourism-related expenditure.

This may mean that your county needs to brainstorm ways to collect taxes without relying on this new software.

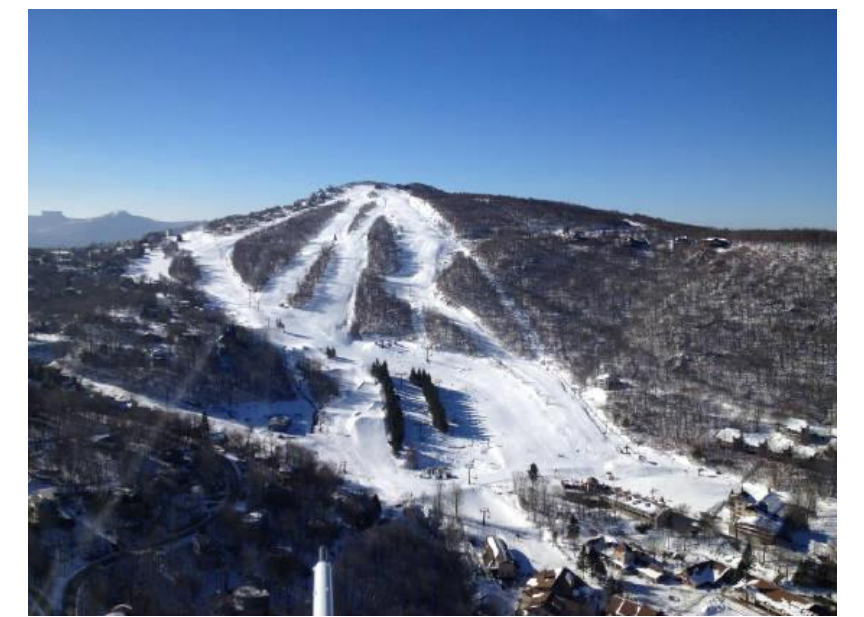
Local Practices:

Town of Oak Isle followed Town of Ocean Isle's lead



Oak Island stepped up enforcement last year


Beech Mountain



- ☐ Voluntary compliance on the rise despite no supplemental education to homeowners
- ☐ No method for online payment
- ☐ In the process of switching to STR Helper. Cost \$15,000/year
- ☐ Current method is to maintain a database of properties and occasionally browse websites to locate possible violations
- ☐ Town believes there is TOT being left on the table, but it's unclear how much

Town of Blowing Rock

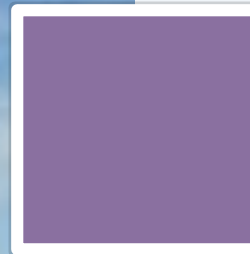
- Bans STRs in city limits: Local homeowners do not want STRs in downtown Blowing Rock
- Some residents have interpreted the ordinance as allowing one rental in every 28-day period—not the intent of the ordinance
- Wealthy visitors will pay for 30 days, but only stay a week
- Plans to use STR Helper software primarily for the purpose of identifying violators
- Town anticipates that there will actually be a decrease in tax revenue once STR Helper is implemented
 - Residents who are illegally renting are still paying OT
 - No method for online payment



Dare County, Outer Banks



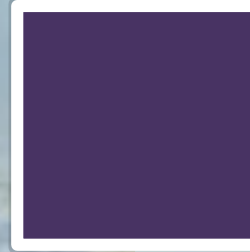
Town of Nags Head—believes a substantial portion of TOT is being collected.



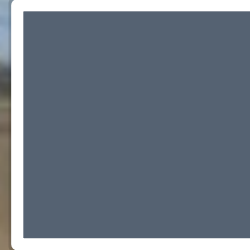
This is because rental agencies and Airbnb remit the TOT directly to the county. Many other homeowners who list properties on VRBO voluntarily remit the tax



Believes there is an overall misconception that no TOT taxes are collected, when this is not the case
-Payment cannot be made online



Allows whole-house STRs, but ordinance bans homestays/room rentals

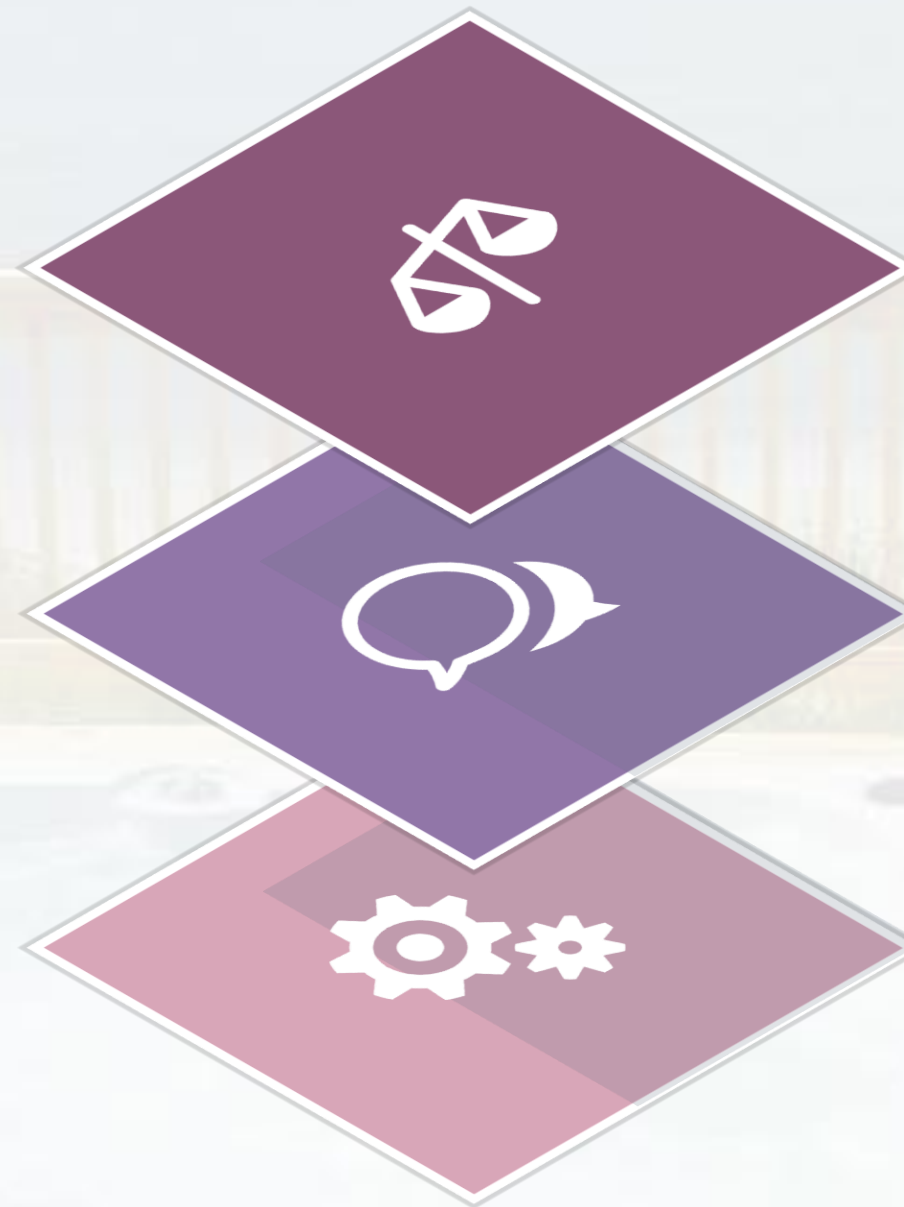


Affordable summer housing for staff has become an issue. Business owners have shot themselves in the foot

Asheville—now bans whole-house STRs

Once the software identifies an address, a city employee works to verify that the listing is illegal

Uses Host Compliance to identify illegal properties



Pays \$26,000 per year for the software

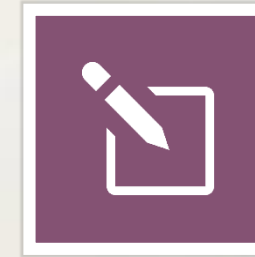
New Hanover County



Historically has used the honor system and has relied on complaints to identify properties not in compliance

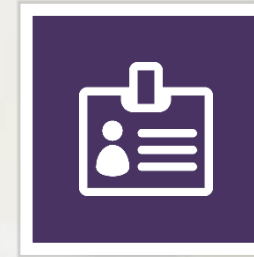


If a complaint is logged, homeowner is sent a compliance letter to advise of the tax ordinance



In July, county will begin to use STR helper.

-TOT will be payable online, which is not something the county can currently accommodate

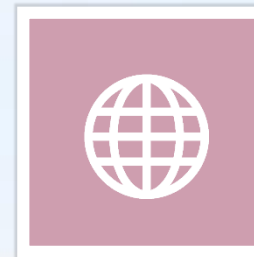


- STR Helper—2 year contract. \$41,000/year.

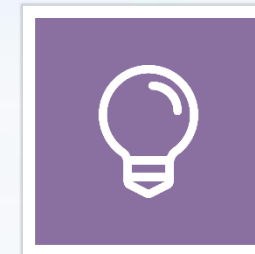
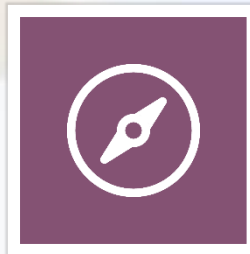
- ✓ \$26,000 for compliance
- ✓ \$15,000 for online tax filing service

Charlotte-Mecklenburg

- Believes it is collecting most of the TOT, but wants to be more proactive

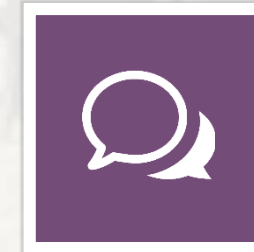
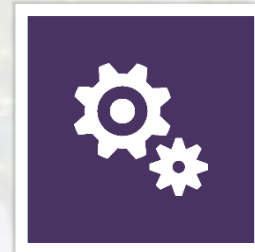


- Contracting with Tax Management Services in the summer of 2018. Service will be used to locate properties not already paying TOT



- Has been allowing homeowners to remit TOT online since 2010

- Tax Management Services allows fees to be paid on a contingent basis. No fee owed unless TOT violations are discovered



- Educating the host is of paramount importance. Non-payment is usually not malicious



Summary

- How to collect TOT is relevant to your local government
- There is a general belief that some TOT is being left on the table; however, many think collection efforts have been successful—meaning there is more being collected than not
- Overall feeling, “we don’t know what we don’t know”
- This is an information gathering phase for local governments

Lessons for general regulation

- A badly worded ordinance is practically impossible to enforce
- Allow for online registration of STRs rather than a traditional paper-based process
- Initiate enforcement activities when an ordinance is passed or amended
- Compliance monitoring must be consistent

Lessons for occupancy tax collection

- Consider launching an educational campaign to bring awareness of this issue to the community (posters, commercials, local paper)
- Implement an online payment system
- Suspend fines for previous non-compliance. Take a clean-slate approach
- Consider temporarily using software to help identify the STR properties listed on these sites. A short-term contract may be affordable and help you create a master list from which to work off of in the future
- Recognize your current success—you are collecting TOT, and probably a good portion of it