

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 11/12/2025

Approx. Start Time: 11:00AM

Approx. Length: 30 mins

Presentation Title: Short Term Rentals Pilot Program Review

Department: County Administration, Finance

Presenters: Caroline Hill, Policy Advisor; Elizabeth Comfort, Finance Director

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Review of the Short Term Rental pilot program and approval of a four-month extension.

EXECUTIVE SUMMARY:

On September 23, 2023, the Board of Commissioners (BCC) unanimously approved establishing a Short Term Rental (STR) pilot program. The pilot took effect on December 7, 2023 and was set to last two years, at which point a review of the program's effectiveness and cost would occur. Staff is seeking direction on a four-month extension of the STR program to engage with the community and collect feedback on their experiences since the inception of the program. A four-month extension will extend the program to April 7, 2026.

Background

The STR program was designed to address a number of issues of concern for the community: accountability for STRs operators, noise and nuisance properties, proper disposal of trash, appropriate collection of Transient Lodging Tax, etc.

The STR regulations, as they are written in Chapter 8.10 of the County code, require all STRs in unincorporated Clackamas County to register with the county Finance Department. At the time of registration, the STR operator will certify that the property meets safety standards and that they will abide by the STR program rules, which include but are not limited to:

- STR owners will also pay the county's Transient Lodging Tax (TLT) of 6%
- The approved STR regulations impose a .85% user fee on the total rental amount to be collected at the same time as the TLT
- STRs must comply with all building and fire standards
- Contact information of the responsible party must be posted at all times while paying guests are on the property
- Adequate parking

Encouraging voluntary compliance with standards was envisioned as the cornerstone of the policy to minimize administrative cost burdens on renters and operators. By requiring posted contact information for each rental, the program relied on the operator to be the first point of contact for complaints. If not resolved within 24 hours, complaints to a County hotline are designed to kickstart a warning and formal response process.

Current Program Review

The Finance Department was tasked with leading the implementation of the STR pilot program.

There are several factors and outcomes from the process to consider today:

- **Software:** It was decided to contract out the managing of the technical aspects of the program. To that end, the County went out for a bid and GovOS was selected. Services in the contract included:
 - Internet sweeping to find operating STRs. However, the software does not match or eliminate redundancies, thus the information received is unmanageable.
 - 24/Hotline was established for the public to log incidents and complaints. The vendor then notifies the County weekly of voice to text submitted calls. This results in minor delays in issuing written warnings to the properties' responsible parties.
- **Transient Lodging Tax:** STRs, along with hotels and motels, are required to collect and submit Transient Lodging Tax (TLT) as outlined in County Code Chapter 8.02. Prior to the STR program, it appeared many STRs were not aware of this requirement, so ensuring TLT compliance and a fair distribution of this tax burden was a goal of the STR program. Data tying TLT registrants to STRs in existence before the start of the STR program is not available.
- **Land Use Verification** – Chapter 8.10 of County Code does not currently provide a mechanism to verify that STR applicant properties are located in a zone allowing STR operations.

Fee revenue from the 1,056 currently registered STRs for FY2025-26 is estimated at \$185,400, and expenses are estimated at \$124,460.

Next Steps

A four-month extension, if approved by the Board, will give us the opportunity to do robust public engagement to learn from the community about their experiences with the program as it is currently operating. Based on community input, staff will return with this feedback and the Board could then determine whether adjustments to program rules or operations are necessary.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? ☒ YES ☐ NO

What is the cost? \$124,460

What is the funding source? STR Administration Fees

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
 - To deliver services while promoting transparency and responsible stewardship of public funds.
- How does this item align with the County's Performance Clackamas goals?
 - Ensure safe, healthy and secure communities
 - Build public trust through good government

LEGAL/POLICY REQUIREMENTS:

PUBLIC/GOVERNMENTAL PARTICIPATION:

The public can sign up to receive STR related news and updates. The most up to date distribution list was used to inform the community of today's session. At the direction of the Board, staff in partnership with PGA would work toward building a robust public engagement plan to gather input from the community.

OPTIONS:

1. Approve a four-month extension of the STR pilot program and direct staff to solicit community feedback.
2. End the STR pilot program and direct staff to begin the process to remove STR language from County Code.
3. Continue the STR pilot program as it is currently operating.

RECOMMENDATION:

- 1.** Approve a four-month extension of the STR pilot program and direct staff to solicit community feedback.

ATTACHMENTS:

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact _____ @ 503-_____
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