



Short-Term Rental FAQs, City of Carpinteria

Q1. What is a Short-Term Rental and what are the other key terms associated with Short-Term Rentals?

- **Short-Term Rental (STR)** is the rental of a [residential unit](#) for a period of thirty (30) consecutive calendar days or less, subject to all applicable city land use regulations, permit/licensing requirements, and payment of fees and/or taxes, including [transient occupancy tax \(TOT\)](#) as defined in Chapter 3.20 of the Carpinteria Municipal Code (CMC). Tents, yurts and RVs are not allowed as a part of any short-term rental. Short-term rentals include both [vacation rentals](#) and [home stays](#):
 - **Vacation Rental (VR)** - A type of STR where the owner of the residential unit does not remain in the residential unit during the entire rental period. VRs typically include the rental of an entire dwelling or premises. For the purposes of the CMC, a VR does not include time shares, home stays or home exchanges.
- **Home Stay (HS)** - A type of STR where the owner remains in the residential unit during the overnight portions of the rental period. A home stay does not include the hosting of personal guests, home exchanges or vacation rentals.
- **Residential Unit** - A building or portion thereof designed for or occupied in whole or in part, as a home, residence, or sleeping place, either permanently or temporarily, and containing not more than one kitchen per residential unit, *but not including* a hotel or boarding house, lodging house or motel. For the purposes of the CMC, residential unit includes the term dwelling unit and housing unit. See also CMC section 14.08.190 "Dwelling."

Q2. Where are Short-Term Rentals allowed in Carpinteria?

- **Home Stays** are allowed in residential zones throughout the city;
- **Vacation Rentals** are allowed in an area the city has designated as the [Vacation Rental Overlay District \(VROD\)](#):
 - An overlay district is a special zoning district placed over an existing base zone(s). It identifies special provisions in addition to those in the underlying base zone;
 - The Vacation Rental Overlay District (VROD):

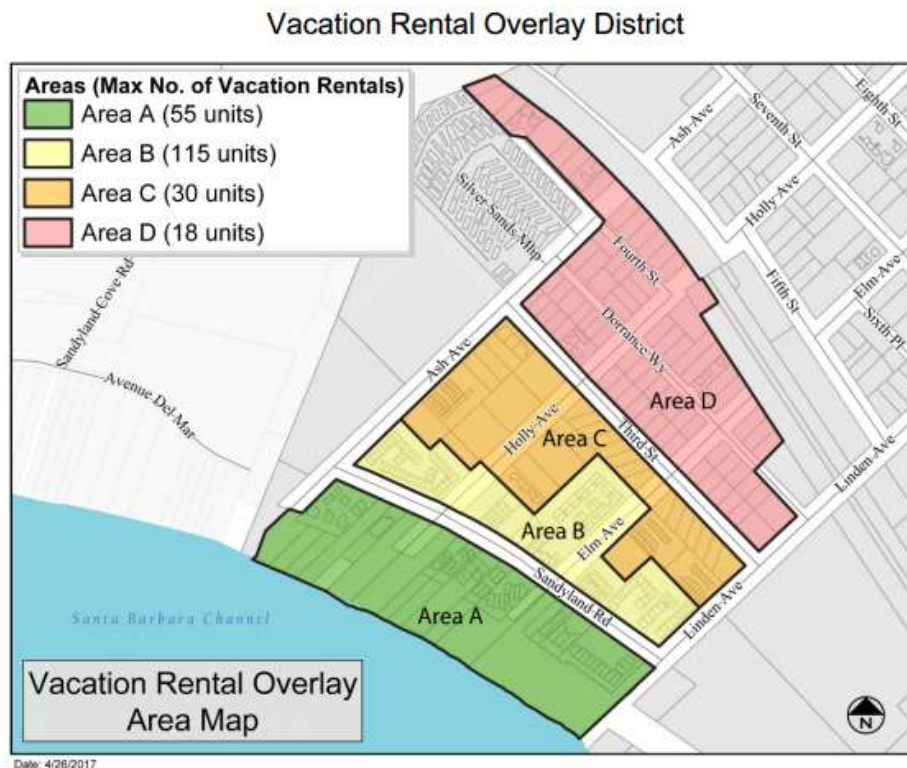
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- Establishes [vacation rentals](#) (VR) as a permitted use in the VROD;
 - Specifies that [VRs](#) are only allowed in the VROD (see temporary exception below);
 - Provides opportunities for [residential units](#) to be used as [vacation rentals](#), as defined by CMC [Section 14.08](#) provided they obtain a license to operate.
- The intent of the VROD is to provide adequate transient occupancy uses in areas serving the beach and downtown and to ensure that such uses are appropriately integrated with residential and commercial needs of the community;
 - Temporary Exception: There are a small number of licensed VRs that existed outside of the VROD area before the city adopted its new STR ordinance. Owners who applied before the city's deadline were issued new licenses, and may continue to operate until 2022, provided they follow all of the rules for VRs, including renewing annually. After 2022, VRs will only be allowed in the VROD.
- Vacation rentals located in commercial zones that allow hotels, motels, bed and breakfasts, etc., are considered lodging facilities and require permits.

Q3. Is there are cap on the number of STRs allowed in Carpinteria?

- There is a cap for vacation rentals. The [VROD](#) is divided into four areas. Each area has an annual cap for VR licenses. See the map below:



- There is currently no cap on the number of Home Stay licenses.

Q4. How many STR licenses will the city issue each year?

- The city will issue up to 218 [VR](#) licenses in the [Vacation Rental Overlay District \(VROD\)](#). The city has also issued a small number of licenses outside the VROD to owners who previously held licenses to operate STRs. These will permanently expire June 30, 2022;
- There is currently no cap on the number of [HS](#) licenses the city will issue.

Q5. What happens if I apply for a VR license and maximum number of licenses has been issued in my area of the VROD?

- The city maintains a wait list for each area of the VROD for which the maximum number of licenses has been issued. Applicants who wish to be placed on the wait list are placed in the order their application in received. Applications for the wait list do not submit a fee at the time of application.
- When a license becomes available in an area with a wait list, the city notifies the first applicant on the wait list. The applicant then has 10 days to notify the city that they are interested and to remit the license fee. If they do not respond or no longer wish to have their application reviewed, the city will move on to the next person on the wait list.

Q6. Why are the numbers of vacation rentals restricted?

- Restricting the number of vacation rentals allows the city to balance preserving the availability of long-term rental housing and affordable housing for the local workforce with promoting appropriate opportunities for visitor-serving accommodations in the Coastal Zone. It also protects neighborhoods from commercialization.

Q7. What do I need to do to operate a Vacation Rental (Owner Off Premises)?

- The property owner must apply for and obtain a license from the City of Carpinteria. [Applications](#) are available on the city's website or at the city offices.
 - To qualify for a Vacation Rental:
 - Property must be within the VROD, and licenses must be available in that area (A-D);
 - Must live within 30 miles of the proposed VR or have a property manager who works or resides within 30 miles who may respond to emergencies;
 - Must affirm that there are no code violations on the property;
 - Must affirm and provide proof of insurance (owner name and property address on the insurance).
 - To operate a Vacation Rental:
 - Owners or their agents must post the property inside and out with notices that the city provides. The notices include the following required information:

Posting Location	Information to be Posted
Outside wall near the entrance to the vacation rental	The property owner or property manager contact information (CMC §14.47.080g.)

Interior of the front door of the vacation rental	The vacation rental license number, TOT rate, property owner or property manager contact information, maximum rental occupancy, maximum number of vehicles allowed to park (CMC §14.47.08oh.)
Interior of the front door of the vacation rental	A copy of the VR license (white with border) (CMC §14.47.08oi.)

- Owners or their agents must also post:

Posting Location	Information to be Posted
Conspicuous location (e.g., near waste bins and/or interior of front door)	Waste collection schedule and information about recycling and green waste separation and disposal (CMC §14.47.08od.) See a sample form on the city's website.

- The owners or their agents must remit [Transient Occupancy Tax \(TOT\)](#) statements (form available on the city's website; more TOT FAQs [below](#)) every quarter whether or not TOT was collected. TOT remittances are due as follows:

City of Carpinteria Fiscal Year Quarters	TOT Remittance Due No Later Than
January 1 – March 31	April 30
April 1 – June 30	July 31
July 1 – September 30	October 31
October 1 – December 31	January 31

- Vacation rental agreements must include the following:
 - Waste collection schedule, information about recycling, green waste separation and disposal,
 - Maximum occupancy,
 - Maximum number of vehicles allowed and designated parking location(s).
- Occupants of the vacation rental are prohibited from creating unreasonable noise or disturbances, engaging in disorderly conduct or violating provisions of state or local law;
- Waste Collection:
 - The unit must contain adequate waste collection facilities available at all times;
 - Waste bins and refuse shall not be in public view, except in proper containers on collection days;

- Waste collection schedule and information about recycling and green waste separation and disposal shall be posted and included in rental agreement.
- The owner must maintain:
 - An active VR license and any other applicable licenses and permits,
 - An active [TOT](#) certificate,
 - Quarterly [TOT](#) remittances, including quarters when no tax is collected,
 - Adequate and appropriate insurance,
 - Compliance with all fire codes and building and safety codes,
 - Compliance with all relevant federal, state and local laws and ordinances.
- No Home Occupation(s) may be conducted at the VR location
- License must be used; if the licensee does not submit any TOT for a period of 24 months, the license will automatically expire
- Follow the license renewal instructions the city mails in May each year; all licenses must be renewed no later than June 30 each year or applicant will need to reapply (more renewal FAQs [below](#)).

Q8. Can VRs be used for events such as reunions, bachelor parties, and weddings?

- No, VR units may not be rented or used for events, e.g., weddings, bachelor/bachelorette parties, reunions, commercial events, sales events, etc. (CMC §14.47.080e.).

Q9. What do I need to do to operate a Home Stay (Owner On Premises)?

- The property owner must apply for and obtain a license from the City of Carpinteria. [Applications](#) are available on the city’s website or at the city offices.
 - To qualify for a Home Stay:
 - The owner must reside at the property;
 - The property must be in a residential zone.
 - To operate a Home Stay:
 - Owners must post the property inside the premises with notices that the city provides when short-term renters are present. The required information is as follows:

Posting Location	Information to be Posted
Interior of the front door of the home stay	The home stay license number, TOT rate, maximum rental occupancy of four, maximum of one vehicle allowed to park (CMC §14.52)
Interior of any bedroom rented as part of the home stay	A copy of the VR license (white with border) (CMC §14.52)

- The owners must remit [Transient Occupancy Tax \(TOT\)](#) forms (available on the city’s website; more TOT FAQs [below](#)) every quarter whether or not TOT was collected. TOT remittances are due as follows:

City of Carpinteria Fiscal Year Quarters	TOT Remittance Due No Later Than
July 1 – September 30	October 31
October 1 – December 31	January 31
January 1 – March 31	April 30
April 1 – June 30	July 31

- Home stay rental agreements must include the following:
 - Maximum occupancy of four short-term renters;
 - Maximum of one vehicle allowed in designated parking location.
- Occupants of the vacation rental are prohibited from creating unreasonable noise or disturbances, engaging in disorderly conduct or violating provisions of state or local law;
- The owner must maintain:
 - An active HS license and any other applicable licenses and permits,
 - An active [TOT](#) certificate,
 - Quarterly [TOT](#) remittances, including quarters when no tax is collected
- License must be used; if the licensee does not submit any TOT for a period of 24 months, the license will automatically expire
- Follow the license renewal instructions the city mails in May each year; all licenses must be renewed no later than June 30 each year or applicant will need to reapply (more renewal FAQs [below](#)).

Q10. How much does the STR license cost?

- Currently \$315 for the initial license; \$105 for annual renewals.

Q11. How do I apply for an STR license?

- License applications are available on the city’s website or at City Hall. Prepare the application, following all instructions. Sign the application and the included affidavits, and be sure to submit proof of insurance and the application fee. Return the application to the address at the top of the application. If you have any questions, you can call the city or email STR@ci.carpinteria.ca.us.

Q12. What is the City of Carpinteria’s current Transient Occupancy Tax (TOT) rate?

- 12 percent.

Q13. What is TOT? What fees are taxed?

- TOT, Transient Occupancy Tax, is a tax paid by the guest to the city. TOT is based on the **rent charged** which includes fixed fees. The TOT is calculated on the total rent charged; it is not discounted for any services such as cleaning, or profit an online host collects. Carpinteria Municipal Code section 3.20.030 states: "For privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the **amount of twelve percent of the rent charged by the operator**. Such tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator or the city." Rent includes "the consideration charged, whether or not received, for the occupancy of space in a hotel, valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever."

Are cleaning fees included in the taxed total?

- Yes, the TOT owed is calculated on the baseline rent charged to the customer. Rent includes "the consideration charged, whether or not received, for the occupancy of space in a hotel, valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever." Cleaning is a necessary part of providing lodging services; the guest is taxed on that part of the service as well.

What if an online host, such as AIRBNB or VRBO, takes a percentage of my fee—does the guest pay TOT on the total or the total after the host takes their fee?

- The TOT owed is calculated on the baseline rent charged to the customer. Rent includes "the consideration charged, whether or not received, for the occupancy of space in a hotel, valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever." Online host services typically charge certain fixed access and service fees intended to cover logistical costs. These fixed fees are generally passed on to the guests and can be included in the rent charges if they are attributable to the guest's occupancy. The baseline rent should not be discounted when calculating the TOT even if the online host collects a percentage of the nightly/weekly rate.

Q14. How and when do I submit TOT?

- The owners or their agents must remit Transient Occupancy Tax (TOT) statements (available on the city's website) every quarter whether or not TOT was collected. TOT remittances are due as follows:

City of Carpinteria Fiscal Year Quarters	TOT Remittance Due No Later Than
July 1 – September 30	October 31
October 1 – December 31	January 31
January 1 – March 31	April 30

April 1 – June 30	July 31
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Q15. I have a license, but I did not rent this quarter. Do I still submit Transient Occupancy Tax forms?

- Yes, you must submit a TOT remittance statement every quarter whether you collected TOT or not. In approving a limited number of Vacation Rental licenses, the Carpinteria City Council recognized the importance of providing vacation rentals in the city’s coastal area. Because the number of licenses is limited, the city would like to issue licenses to owners who are actively interested in renting their properties to vacationers. If you do not pay any TOT for 24 consecutive months, your license will not be renewed.

But why, if there is \$0 TOT to report?

- All lodging facilities must submit quarterly TOT statements under law. It is also required for practical reasons: if you do not submit a TOT statement, the city will not know whether you owed and forgot to submit (which happens often), or did not owe. Your STR license will be in non-compliance with the city’s ordinance if you do not submit TOT statements every quarter.

Q16. Why do I have to list the 12% tax in my advertising materials and post it in the STR?

- You are not paying the tax; the guest is the “transient occupant” paying the tax. State and federal law require that people be aware when they are being taxed.

Q17. Does AIRBNB collect and pay TOT taxes to the city?

- No. AIRBNB does not collect or pay TOT to the city. You or your property manager must collect the tax from the guest separately and remit it to the city quarterly with your quarterly TOT remittance statement.

Q18. Who pays TOT if I donate a stay at my STR to charity?

- If you donate any amount of time under 30 days at your STR to charity, you or the charity or the party who “wins” the stay must pay 12% TOT on the value of the stay based on your regular rates (nightly/weekly rate plus any cleaning fees).

Q19. Are there any rules regarding advertising STRs?

- Yes:
 - Availability of vacation rental or home stay MAY NOT be advertised on the premises;
 - Advertisements for STRs must include the following:
 - VR or HS license number,
 - The current Transient Occupancy Tax (TOT) Rate which applies to the vacation rental
 - No more than the total occupancy allowed by your license.

Q20. Does my STR license need to be renewed annually?

- Yes, you must renew your STR license each year. The city sends all eligible licensees a renewal application and information packet no later than May 1 of each year. The application the city sends is pre-filled-out. You must check the application information to ensure it is correct, follow all other instructions on the application form (e.g., submit advertising information, confirm compliance with ordinance requirements) and return the application to the city no later than June 30.

Q21. How much does it cost to renew the license annually?

- The annual renewal fee is currently \$105.

Q22. What happens if I fail to renew my license before June 30?

- If you fail to renew your license by June 30, the license automatically expires. If you wish to continue operating an STR, you will need to reapply for a new license using the initial application form and paying the new application fee (\$315 at this time). In addition, if your property is in an area of the VROD that has a wait list, you will be placed on the wait list in the order your application is received.

Q23. Under what circumstances can an owner be denied renewal of their VR or HS license?

- The following are grounds for denial of renewal for a Vacation Rental:
 - The vacation rental license has been revoked w/in the previous 24 mos.;
 - There is an active Municipal Code violation on the premises or unit;
 - A citation for a violation of the Municipal Code was issued w/in the previous 12 mos.;
 - Non-payment of business license fees;
 - Non-remittance of TOT remittance forms for each quarter;
 - Non-remittance of TOT tax for 24 consecutive mos. (Note: non-remittance of TOT for 24 consecutive mos. or more shall deem the VR license automatically expired.)

Q24. Are licenses transferable if the property changes hands?

- No, the VR or HS license is issued to the owner and is non-transferable; the VR or HS license will automatically expire upon sale or transfer of the premises or unit.

Q25. For apartments, is it one vacation rental license per *property* or one license per *unit*?

- Apartment complexes are multi-unit complexes with a single Assessor Parcel Number (APN). If the owner wishes to have vacation rentals in the apartment complex, each unit must have its own license. [Home stays](#) may not be issued in apartment complexes unless the owner of the complex lives on site and is renting a portion of their personal apartment.

Q26. Can I rent longer than 30 days (long-term rental) if I have a Vacation Rental license?

- Yes, but you must still submit Transient Occupancy Tax (TOT) remittance statements quarterly while you have a Vacation Rental license even if you do not collect any TOT. If you do not submit any TOT for 24 consecutive months, your Vacation Rental license will expire.

Q27. If I only rent longer than 30 days (e.g., full-month rentals over the summer) do I need a Vacation Rental license?

- No.

Q28. How do I find out if my neighbor has a license to operate a short-term rental?

- The city has posted a list of licensed Vacation Rental (VR) and Home Stay (HS) properties along with contact information for those STRs on the city's website. You may also call the city offices and ask community development staff. In addition, if the owner has a VR license, the property should be posted on the exterior with a notice similar to the following; Home Stays are not required to be posted on the exterior.

This is a City of Carpinteria licensed Vacation Rental

Please contact
[OWNER NAME/ MANAGER NAME]
regarding noise, waste, or any other concerns at
[PHONE] and [EMAIL], [OTHER INFO]

Carpinteria VR Lic. No. [VR LIC. NO.]

Q29. What do I do if a short-term renter is creating a nuisance?

- Contact the property manager for the property. For [Vacation Rentals](#), the contact information for this person is listed on the notice posted on the exterior of the unit; for [Home Stays](#), the contact person is the owner who is required to be on-site during overnight portions of the rental period. This information is also available on the city's website. If you cannot reach this person, or the nuisance is not resolved, you may contact the city and report the issue to zoning compliance staff. And you can always call the non-emergency police number if you would with another neighbor in the same situation (such as excessive noise).

Q30. What do I do if I suspect my neighbor is operating a short-term rental without a license?

- Check the city's website to see if a VR or HS license has been issued. You may also contact the city community development staff who can look up the property. If a VR license has been issued, the property should be posted with a notice similar to the following, no smaller than a

This is a City of Carpinteria licensed Vacation Rental

Please contact
[OWNER NAME/ MANAGER NAME]
regarding noise, waste, or any other concerns at
[PHONE] and [EMAIL], [OTHER INFO]

Carpinteria VR Lic. No. [VR LIC. NO.]

business-sized envelope; Home Stays do not need to be posted on the exterior.

Q31. Is there a penalty for renting without a license?

- Yes, renting without a license is a violation of city code. Owners may be subject to fines and back TOT payments.

Q32. Can a VR or HS license be revoked?

- Yes, a license for either a VR or a HS may be revoked in the case of:
 - Fraud, misrepresentation or false statement on the application or made in the course of carrying on a vacation rental;
 - Any violation of the provisions of Chapter 14.47, any other provision of the CMC, or of federal, state or local laws.

Q33. Why is the City of Carpinteria allowing vacation rentals?

- When the City Council initiated the amendment to the CMC pertaining to STR use (Ordinance 708 approved April 2017, effective July 2017), they noted the following:
 - A growing number of residential units were being converted to STRs throughout the city;
 - STRs were having negative impacts on the quality and character of residential neighborhoods;
 - STRs were having negative impacts on the availability of affordable housing;
 - Protecting the city's housing stock for long-term residency is important to local workforce housing supporting the city's economy;
 - At the same time, STRs serve as an important lodging resource by:
 - Providing an expandable lodging inventory;
 - Contributing to growth in the retail and restaurant business sector of the local economy and associated tax revenues;
 - The STR ordinance reflects a balance between preserving the availability of long-term rental housing and for the local workforce and promoting appropriate opportunities for visitor-serving accommodations in the Coastal Zone.