

EXHIBIT A

An Act to Protect Tenants, Prevent Operation of Illegal Short-Term Rentals, and Prohibit Corporate and Large Landlords from Operating Short-Term Rentals

An Act to Protect Tenants, Prevent Operation of Illegal Short-Term Rentals, and Prohibit Corporate and Large Landlords from Operating Short-Term Rentals strengthens tenant protections by prohibiting eviction of tenants for the purpose of immediate conversion to short-term rentals, by prohibiting affordable and workforce housing from being used as short-term rentals, and by ensuring that at least 97.5% of all rental units in the city are reserved for long-term tenants.

The Act institutes severe penalties for anyone operating an illegal short-term rental and incentivizes the city to prosecute repeat offenders. It also prohibits corporate owners and anyone owning more than 9 rental units (either long- or short-term) from registering new short-term rentals.

BE IT ORDAINED:

That Chapter 6, Subsections 6-150.1, 6-153, and 6-155 of the Portland City Code are hereby amended to read as follows:

Sec. 6-150.1. Definitions.

Affiliate shall mean, with respect to an owner: (a) any partnership in which that owner, or a spouse or domestic partner of that owner, is a general partner, as well as any other general partner of that partnership; (b) any limited liability company of which that owner, or a spouse or domestic partner of that owner, is a member or manager; (c) any corporation or other entity of which that owner, or a spouse or domestic partner of that owner, is: (i) a director or officer; or (ii) in control; (d) any individual who is a spouse or domestic partner of that owner; (e) a general partner of an owner that is a partnership, a member or manager of an owner that is a limited liability company, or a director or officer of that owner; (f) a person that is in control of that owner or that is controlled by that owner; and (g) an affiliate of a person that is otherwise an affiliate of that owner.

...

Immediate Family Member shall mean a spouse, domestic partner, parent, child, sibling, or grandparent, including stepparents, stepchildren, stepsiblings and adoptive relationships.

...

New Registration shall mean a short-term rental registration that is not a renewal of a current registration.

...

Sec. 6-153. Limitations on Short Term Rental Units.

(a) *Occupancy Limit.* Overnight short term rental guest occupancy in each rental unit will be limited to two (2) guests per bedroom plus no more than two (2) additional guests.

(b) *Limitation on Total Number of Short Term Rentals.* No more than four hundred (400), or a number equivalent to two and a half percent (2-1/2%) of the total number of rental units registered in the city in the previous calendar year, whichever is less, non-owner occupied mainland short term rental units shall be registered in any one calendar year. If the number of allowed non-owner occupied units in a given calendar year is fewer than that of the previous calendar year, current registrations shall be eligible for renewal provided they meet all other eligibility requirements, but no new non-owner occupied short-term rental units shall be registered once the new limit is reached.

A mainland short term rental unit in an owner-occupied multi-unit, where the unit is not the primary residence of the owner, shall be counted as a non-owner occupied unit.

(c) *Limitations on number of Short Term Rentals an Individual or Entity May Register.* An individual or entity may only register up to five (5) short term rental units in the City, including owner occupied, non-owner occupied, and island short term rental units, in any one (1) calendar year. For purposes of this section, short term rental units registered by an entity in which the registrant has an ownership interest shall be counted towards this limit.

(d) Limitations on Short Term Rentals in Single-Family Homes. No individual or entity may register a short term rental in any single family home unless it is owner-occupied; tenant-occupied with permission of the owner; or located on an Island.

(e) Restrictions on Registrations by Corporate Entities. No individual may apply for a new registration for a non-owner

occupied short term rental unit unless one of the following conditions are met:

1. The owner is a natural person, or;
2. The owner is a single-member limited liability company owned by a local resident, or;
3. The owner is a multi-member limited liability company in which all members are immediate family members;

(f) *Restrictions on Registrations by total rental property ownership.* No individual may apply for a new registration for a non-owner-occupied short term rental unit unless the owner and all affiliates of that owner at the time of registration, are owners of nine (9) or fewer rental units in the City of Portland, not including rental units that are exempt under subsections of §6-231.

(g) *Limitations on Registration of Units Where Tenants Have Been Evicted.* No individual or entity may register a short term rental in a unit where an at-will tenancy has been terminated, except as allowed in accordance with 14 M.R.S. § 6002(1), for a period of twelve (12) months following termination of said tenancy.

(h) *Prohibition of Registration of Affordable Units.* No individual or entity may register a short-term rental in a unit legally required to be maintained as affordable or workforce housing as defined in Chapter 14 of this code.

(i) ~~(e)~~The number of short term rental units that may be operated in a multi-unit building are as follows:

Total # of Units in a Building	# of Short Term Rental Units Allowed in a Building	
	Owner Occupied	Non-Owner Occupied
2	1	1
3	2	2
4	3	2
5	4	2
6-9	5	4
10+	5	5

1. Tenant-occupied units, where the tenant is the registrant, shall be counted towards these limits.
2. Owner-occupied units shall be counted towards these limits.

(j) ~~(f)~~ Notwithstanding the requirements of subsections (c), (f) and (i) ~~(e)~~, owners may register up to five (5) owner-occupied units (bedrooms, separate spaces, etc.) within their primary residence.

Sec. 6-155. Violations.

...

(e) Any person, business entity, or other organization renting any rental unit that is not registered under this article, or to permitting the occupancy of such premises without registration. Notwithstanding the provisions of §6-1, the penalty for renting an unregistered short term rental unit shall be \$100 per day of occupancy for the first offense after written notice by the city, and \$200 per day of occupancy for a second offense. For any subsequent offenses, the city may assess a penalty equal to any rental or other revenue received by the owner or any other party in exchange for the occupancy of the rental unit, assess an additional penalty of \$250 per day of occupancy, and recover fees associated with prosecution in accordance with §6-1(a)(1);

...