

## ORDINANCE 1501

AN ORDINANCE OF THE CITY OF PANAMA CITY BEACH, FLORIDA, AMENDING CHAPTER 14 OF THE CITY'S CODE OF ORDINANCES RELATING TO BUSINESS TAX RECEIPTS; REQUIRING THAT HOSTING PLATFORMS INCLUDE THE BUSINESS TAX RECEIPT NUMBER IN ITS TRANSIENT RESIDENTIAL RENTAL LISTINGS; PROVIDING FOR PENALTIES AND ENFORCEMENT; PROVIDING FOR EXCEPTIONS TO PENALTIES FOR VIOLATION UNDER CERTAIN CIRCUMSTANCES; REPEALING ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Panama City Beach is a premier tourist destination which hosts millions of visitors each year; and

WHEREAS, many visitors choose to stay in transient residential rentals and book those rentals through online hosting platforms; and

WHEREAS, the City allows these rentals within designated zoning codes while prohibiting them in certain single family residential areas; and

WHEREAS, owners of residential properties or units seeking to engage in transient residential rentals within the City are required under the City's Code of Ordinances to obtain a business tax receipt; and

WHEREAS, the City has a substantial interest in maintaining the character, aesthetic and tranquility of its residential neighborhoods while also ensuring that visitors are staying in legally compliant accommodations; and

WHEREAS, the City finds that allowing hosting platforms to display the business tax receipt number will promote compliance, provide guests with peace of mind, and further the public health, safety, and welfare of the City.

NOW THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF PANAMA CITY BEACH:

SECTION 1. From and after the effective date of this Ordinance, Section 14-1 of the City's Code of Ordinances is amended to read as follows (new text **bold and underlined**, deleted text ~~struckthrough~~):

**Sec. 14-1. - Definitions.**

*Artisans* shall mean any person engaged in the business of creating, decorating or assembling any merchandise for sale to the consumer at the same location as such creation, decoration or assembly, including by way of example and not limitation, air brush artists, sketch artists, painters, potters, turners, joiners, carpenters, carvers, wood workers, weavers, knitters, toolers, jewelers, metal smiths, glass blowers or other craft persons.

*Gross sale* shall mean the gross sale price at which all sales were made, whether for cash or on time or for credit, and shall not contemplate any deductions for any purpose not specifically provided for in this chapter; and shall mean all sales regardless of the ultimate distribution, place of delivery or purpose of use of any such merchandise. Any merchant having cash and credit sales may, if he desires, report any such cash sales only and he shall thereafter include in each monthly report all credit collections made during the month preceding and shall pay the tax thereon at the time of filing the report.

**Hosting platform means an internet-enabled application, mobile application, or any other digital platform that is used to connect guests with a transient residential rental provider for the purpose of renting a transient residential rental.**

*Merchandise* shall mean any goods, wares or commodities bought or sold in the usual course of trade.

*Merchant* shall mean any person engaged in the business of selling, merchandise at retail or wholesale or the business of renting sleeping or living quarters to transients, or the business of operating, maintaining or conducting amusement rides or devices or amusement parks, or attractions, or the business of an artisan, and when used in this chapter shall include but not in any way be limited to manufacturers and distributors of bottled soft drinks, ice cream and bakery products, job printers, undertakers, dealers in motor vehicles and house trailers, blacksmith shops, retail butcher shops, distributors of tobacco products, manufacturers of building material blocks, dairy products and milk distributors, dealers in automobile accessories and parts, vendors of electric or gas machinery and equipment, dealers in selling engines and supplies, dealers in gravel and sand, operators of soda fountains, lumber dealers whether operating a sawmill, planing mill, novelty works or not, newsstands where papers and periodicals are sold, dealers in pianos or organs, dealers in secondhand merchandise, dealers in sewing machines and transit-mix concrete plants, and other service establishments whose gross receipts include the sale of merchandise as defined herein. However, that part of the gross receipts accounted for as services rendered shall not be used in calculating the amount of tax due measured by sales. The term "merchant," when used in this chapter, shall further include but not in any way be limited to operators of motels, hotels, apartments, rooming houses, houses rented to transients, tourists and trailer courts and camps and any other such quarters.

*Resale* shall mean a second sale; a sale of what was before sold. To constitute a resale, the second sale must be of the identical article or thing before sold in its original form and shape. Any article or thing sold, where incorporated into or joined with another or other articles or things and then sold together as a new or different article or product, shall not be considered an article or thing sold for resale; provided that nothing in this chapter concerning the definition of the word "resale" shall be deemed or held to apply to manufacturers of building material blocks or transit-mix concrete plants, such manufacturers and plants being hereby defined as "wholesale merchants."

*Retail merchant* shall mean any merchant who sells to the consumer or for any purpose other than resale, including renting of accommodations and the operating, maintenance or conduct of amusements or amusement parks and including artisans, except that sales to manufacturers and sales to the state, the federal government or any political division of either of them shall be considered wholesale sales.

*Sale* shall mean any transfer of title or possession, or both, exchange, barter, lease or rental, conditional or otherwise, in any manner or by any means whatsoever of tangible personal property for a consideration, and shall include the rental of motel or hotel rooms, apartments, rooming houses, tourist trailer courts or camps, houses rented to transients and any other such quarters.

*Transient* shall mean any person staying, sleeping or living in quarters not owned by him for a consideration, until such person shall have so stayed, slept or lived for an uninterrupted period exceeding three (3) months.

**Transient Residential Rental – A dwelling unit, sleeping or living quarters that is provided for temporary rental to transient individuals, tourists, or groups for a duration of less than six (6) months.**

*Wholesale merchant* shall mean any merchant who sells to another for the purpose of resale.

SECTION 2. From and after the effective date of this Ordinance, Section 14-31 of the City’s Code of Ordinances is created to read as follows:

**Sec. 14-31. - Requirements for operating a Transient Residential Rental; requirements for publishing property listings on Hosting platforms; requiring business tax receipt number.**

(a) No property owner or operator shall offer as a Transient Residential Rental, or allow any person to rent or occupy as a transient residential rental, any property in whole or in part, unless a business tax receipt has first been obtained in accordance with the provisions of this section. A property may be offered as a Transient Residential immediately upon submission of an application for Business Tax Receipt.

(b) Each Hosting platform under this section will not list, or permit any person to list, any Transient Residential Rental on its Hosting platform, unless the hosting platform:

(1) Posts a notice, in a conspicuous place on its website, advising transient residential rental providers, operators, and property owners that such providers are required under this section to obtain a City-issued business tax receipt in order to list a rental property on its hosting platform; and

(2) Requires the property owner or operator to display a City-issued business tax receipt number for each listing that appears on a Hosting platform.

(c) Penalties and enforcement.

(1) A violation of this section shall be subject to the following fines:

a. If the violation is the first offense, a person or business shall receive a civil fine of \$1,000.00;

b. If the violation is the second violation within the preceding six months, a person or business shall receive a civil fine of \$2,000.00;

c. If the violation is the third violation within the preceding six months, a person or business shall receive a civil fine of \$3,000.00; and

d. If the violation is the fourth or subsequent violation within the preceding six months, a person or business shall receive a civil fine of \$5,000.00.

(2) Enforcement. In addition to any other penalty provided by law, compliance with this Section 14-31 may be enforced by the remedies and procedures set forth in Chapter 25 of this Code (the Code Enforcement Hearing Officer System). This shall not preclude other law enforcement agencies from any action to assure compliance with this section and all applicable laws.

(d) Exceptions. Penalties listed in subsection (c)(1) shall not apply to Hosting platforms which post or display user-inputted City-issued business tax receipt numbers but fail to verify the validity of user-inputted data. Upon receipt of notice that the Platform has displayed invalid business tax receipt numbers for any property, the Platform shall remove the listing or correct the listing within ten (10) days of the notice.

(e) Compliance with Exceptions. A Hosting platform will not be held in violation of this section in an event of a property owner providing a false address that falls within a zoning district that allows Transient Residential Rentals and after booking, personally directing the guest to a different property located within a zoning district that prohibits Transient Residential Rentals. However, in an event that a Hosting platform discovers the falsity of the provided property address, it must disclose the falsity and the identity of the property owner to the City within 15 days of the discovery. Should the Hosting platform fail to disclose property owner's misconduct, the Hosting platform shall be punished in accordance with section 1-12 of the City Code.

(1) Any person or property owner who knowingly commits the act described in subsection 14-31(e) or any other act done to bypass the provisions outlined in this section in order to list properties within a zoning district that prohibits Transient Residential Rentals, shall be punished in accordance with section 1-12 of this Code.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are repealed to the extent of such conflict.

SECTION 4. The appropriate officers and agents of the City are authorized and directed to codify, include and publish in electronic format the provisions of this Ordinance within the Panama City Beach Code, and unless a contrary ordinance is adopted within ninety (90) days following such publication, the codification of this Ordinance shall become the final and official record of the matters herein ordained. Section numbers may be assigned and changed whenever necessary or convenient.

SECTION 5. This Ordinance shall take effect on March 1, 2020.

PASSED, APPROVED AND ADOPTED at the regular meeting of the  
City Council of the City of Panama City Beach, Florida, this 14 day of  
November, 2019.

  
MAYOR

ATTEST:

  
CITY CLERK

EXAMINED AND APPROVED by me this 14<sup>th</sup> day of November,  
2019.

  
MAYOR