

Title 2 – Finance & Taxation

Chapter 11

ARTICLE B:

NIGHTLY RENTAL DISPROPORTIONATE COST OF SERVICE BUSINESS LICENSE FEE

2-11B-1: FINDINGS

2-11B-2: DISPROPORTIONATE COST OF SERVICE DEFINED

2-11B-3: FEE IMPOSED

2-11B-4: EFFECTIVE DATE

2-11-1: FINDINGS:

- A. Pursuant to Utah Code Annotated §[10-1-203\(5\)](#), the Town Council finds that there is a disproportionate level of service due to the increasing number of nightly rentals on the basic level of municipal services in Town.
- B. The Town Council further finds that the cost of providing public safety services (which include police and fire services) constitutes disproportionate costs which are caused by the increasing demand of nightly rental businesses for these municipal services; and further finds that the disproportionate cost of the enhanced service is approximately \$102,391 annually for public safety personnel.

2-11-2: DISPROPORTIONATE COST OF SERVICE DEFINED

- A. The base level of police and fire service require at least single-deep public safety coverage at all times regardless of the volume of guests created by recreational activities or nightly rental businesses.
- B. Due to the recreational nature of Brian Head Town's local economy, two-deep police and fire coverage would be needed during daylight hours at peak recreational times, namely weekends and holidays.
- C. Two-deep police and fire coverage during nighttime hours are required largely due to the nightly rental businesses housing visitors in Brian Head overnight.
 - 1. There are one thousand seven hundred sixty-four (1,764) overnight hours that require two-deep police and fire coverage due to nightly rental businesses.

2. Current average rates (as of fiscal year 2021) of total compensation for public safety officers is \$53.67 per hour, with an additional \$9,100 budget per officer annually for training and equipment. This results in a total disproportionate cost of \$102,391 for fiscal year 2021.
3. As of fiscal year 2021, four hundred forty-four (444) nightly rental units were licensed in Brian Head Town. Of these, three hundred seventy-six (376) units were condominium units or multi-family residential units and sixty-eight (68) were cabins or single-family residential units, with an average maximum occupancy of 5.4 and 14.7 person per unit respectively.
4. The disproportionate cost of \$102,391 apportioned to nightly rental units based on their type and weighted by average occupancy is \$248 per cabin or single-family residential unit and \$91 per condominium unit or multi-family residential unit.

2-11-3: FEE IMPOSED: A fee shall be paid annually either on the renewal date for business licensing or upon submission of a business license application for a nightly rental business and shall be paid annually hence forth as long as the nightly rental business hold a valid business license with the Town. The Nightly Rental Disproportionate Cost of Service Business License Fee shall be imposed as follows:

- A. Flat rate fee identified by the Consolidated Fee Schedule.
- B. Per unit.
- C. Differentiated by unit type (i.e. cabin or condo).

The Town Council may elect to adopt a fee in the Consolidated Fee Schedule that is equal to or less than the disproportionate cost of service identified in this chapter.

2-11-4: EFFECTIVE DATE: This chapter shall become effective at 12:01 am on August 11, 2021.

Ord. 21-101, 8-10-2021