



NIGHTLY RENTAL DISPROPORTIONATE COST OF SERVICE BUSINESS LICENSE FEE ADOPTED

Effective August 11, 2021

Brian Head, Utah – August 10, 2021

On August 10, 2021, the Brian Head Town Council adopted a Disproportionate Cost of Service Business License Fee on all nightly rentals (short term rentals) operating in Brian Head. The Town Council began the discussion in January 2021 and through several meetings, public hearings, and citizen forums, the Council heard the need and adopted the fee beginning August 11, 2021.

Background: The State of Utah allows municipalities to raise revenue by levying and collecting a license fee or tax on a business that causes disproportionate costs of municipal services (UCA §10-1-203(5)). The Council determined that the need for public safety coverage is disproportionately influenced by the existence and operation of nightly rental businesses in town and the fee would go towards funding additional public safety/code enforcement personnel.

A fee analysis was completed based on the following:

1. The community would require at least single-deep public safety coverage 24/7 regardless of the volume of guests created by the nightly rentals.
2. Guests would come to Brian Head for recreational activities during the daytime whether there were nightly rentals or not, meaning two-deep coverage would be needed during the daylight hours at heavy times (weekend/holidays/etc).
3. Two-deep coverage during nighttime hours are required largely due to the nightly rental businesses housing visitors in Brian Head overnight.
4. The public safety manhours were broken down by month and identified as to what would be attributable to nightly rental businesses (1,764 public safety manhours). The current budgeted levels for compensation rates, equipment, and training amount to \$58.05 per hour which resulted in an estimated total of \$102,391 (\$58.05 x 1,764).
5. There are a total of 444 currently licensed operating nightly rental units in Brian Head (June 2021). The breakdown between cabin and condo is as follows: 68 cabins and 376 condos.
6. The average maximum occupancy was broken down by cabin / condo: Cabin average 14.7 persons max occupancy and condos average 5.4 persons max occupancy.
7. The fee was proposed at 100%, 80% or 50% and was proposed by either equal across the board or weighted by unit type. The Council adopted the weighted by unit type at the 50% level: \$248 per cabin and \$91 per condo.

Proposed Fee Table	Full or Partial Fee Levels		
	100%	80%	50%
Equalized Across Units	\$231	\$184	\$115
- or -			
Weighted by Unit Type			
Cabins:	\$496	\$397	<u>\$248 (adopted)</u>
Condos:	\$183	\$146	<u>\$91(adopted)</u>

The Nightly Rental Disproportionate Cost of Service Business License Fee became effective as of August 11, 2021 and will be assessed for the 2021-2022 license renewal or any new nightly rental applications submitted after the August 11th date.

Please note that the Disproportionate Cost of Service Fee is **SEPARATE** from the Enhanced Service Fee which is based on a percentage of taxable sales. The 2021-2022 Nightly Rental Business License Application for new businesses and the 2021-2022 Nightly Rental License Renewal application are updated to reflect the new Disproportionate Fee.

For more information on the Brian Head Disproportionate Cost of Service Business License Fee, please contact the town offices at 435-677-2029 during normal business hours or visit the Town's website at brianheadtown.utah.gov/business.