

Exhibit D

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Draft Ordinance Title 7

ORDINANCE NO. ____

AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AMENDING SECTION 7.02.060 AND AMENDING CHAPTER 7.120 OF THE MONTEREY COUNTY CODE RELATING TO VACATION RENTAL ACTIVITIES

County Counsel Summary

This ordinance amends Section 7.02.060 and Chapter 7.120 of the Monterey County Code to regulate the vacation (also known as short-term or transient) rental of residential property. This ordinance aims to strike a balance, allowing opportunity for property owners and residents of unincorporated Monterey County to benefit from the tourism economy, while ensuring that residential neighborhoods are protected from loss of long-term housing and the potential negative social and behavioral impacts of vacation rentals. This ordinance requires a business license and a vacation rental operation license for any vacation rental operations in unincorporated Monterey County. This ordinance further requires that vacation rentals meet certain operational requirements, and safety and health standards. This ordinance details the vacation rental operation license application requirements, the criteria for granting the license, and the fees. This ordinance also includes requirements that online vacation rental platforms are required to satisfy to ensure unlicensed vacation rentals are not advertised or rented. Lastly, this ordinance details the process for revocation and enforcement against vacation rental operations that are violating their licenses.

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Findings and Declarations

A. Pursuant to Article XI, Section 7 of the California Constitution, the County of Monterey (“County”) may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its residents.

B. If not properly regulated, vacation (also known as short-term or transient) rental operations have the potential to be a nuisance and disrupt the sense of safety, security, and peaceful enjoyment of residences in residential neighborhoods.

C. Agriculture and tourism are top economic drivers of the regional economy, and Monterey County is recognized globally as a premier tourist destination. Regulations for the operation of vacation rentals are necessary to protect the health, safety, and welfare of visitors staying in vacation rental accommodations and residents of Monterey County: to provide accommodations for visitors to stay in Monterey County; to provide the opportunity for the agriculture industry to participate in the tourist economy to enhance the economic viability of agriculture in the region; and to safeguard the reputation of Monterey County and the economic benefits tourism provides the region.

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D. Regulation of vacation rentals is also necessary because they potentially could create impacts that are different than residential uses, including but not limited to: different character, density, and intensity than residential uses; removal of long-term housing from the market; and hazards to the public health, safety and general welfare in areas known to have infrastructure limitations.

E. On August 27, 2024, the County of Monterey (County) adopted Ordinance No. 5422 amending Title 21 (Non-coastal Zoning Ordinance) to regulate the short-term vacation rental of residential property in unincorporated Monterey County. On September 10, 2024, the County adopted Ordinance No. 5424 to require business licenses and vacation rental operation licenses for any vacation rental operations in unincorporated Monterey County. The vacation rental regulations for the inland areas became operative on October 14, 2024.

F. On August 27, 2024, the County adopted a resolution of intent to adopt an ordinance amending Title 20 (Coastal Zoning Ordinance) to regulate the vacation rental of residential property in the coastal zone of unincorporated Monterey County.

G. On August 13, 2025, the California Coastal Commission (CCC) approved the Monterey County Local Coastal Program (LCP) Amendment No. LCP-3-MCO-24-0039-1 (Vacation Rentals), an ordinance amending Title 20 (Coastal Zoning Ordinance) to regulate vacation rental as submitted by the County.

H. On September 23, 2025, the County adopted Ordinance No. 5439 amending Title 20 (Coastal Zoning Ordinance) to regulate the vacation rental of residential property in the coastal zone of unincorporated Monterey County. The vacation rental regulations for the coastal zone became operative on October 24, 2025. The Vacation Rental Ordinances that were adopted and operative in 2024 and 2025 are herein collectively referred to as the “original vacation rental ordinances”.

I. On December 12, 2025, due to a lawsuit challenging the County’s original vacation rental ordinances, including homestays (*Monterey County Vacation Rental Alliance v. County of Monterey*, Monterey County Superior Court Case No. 24CV004922), the County suspended from permit and license consideration and enforcement two provisions being challenged and generally related to ownership provisions.

J. On January 6, 2026, the Board of Supervisors directed staff to develop ordinances to address the two challenged provisions of the original ordinances and to prohibit vacation rentals in residential zoning districts except those with commercial agricultural operations, maintaining that unique neighborhoods with existing developments were established with the intent of allowing managed short-term or transient rentals such as Monterey Dunes Colony are exempt from the regulations, and providing a ministerial approval process for vacation rentals on lands with agricultural operations (“Amended Vacation Rental Ordinances”).

K. This Ordinance amends the original vacation rental ordinances and aims to strike a balance, allowing opportunity for property owners and residents of unincorporated Monterey

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County to benefit from the tourism economy, while ensuring that residential neighborhoods are protected from loss of long-term housing and the potential negative social and behavioral impacts of vacation (also known as short-term or transient) rentals.

L. Vacation rentals do not count towards any visitor-serving units or guestroom caps established by Monterey County Code, Monterey County Coastal Implementation Plan, Monterey County Land Use Plan, 2010 County of Monterey General Plan, or any associated Area Plan established by the 2010 County of Monterey General Plan.

M. This Ordinance requires licenses for vacation rental operations in unincorporated Monterey County, and requires that vacation rentals meet certain operational requirements, and safety and health standards. This Ordinance details the vacation rental operation license application requirements, the criteria for granting the license, and the fees. Lastly, this Ordinance contains the process for revocation and enforcement against vacation rental operations that are violating their licenses.

N. This Ordinance recognizes that the Transient Occupancy Tax Certificate is a one-time issuance provided to operators prior to the commencement of business. A transient occupancy tax certificate does not expire and does not indicate to the public whether an operator is in good standing with the County of Monterey. Accordingly, this Ordinance requires a business license for all vacation rentals.

O. This Ordinance recognizes that unique neighborhoods with existing developments were established with the intent of managed short-term or transient rentals, such as Monterey Dunes Colony, and these developments are exempt from the regulations set forth in this Ordinance. Such developments are not exempt from compliance with Chapter 5.40, requiring payment of transient occupancy tax, and Chapter 7.02, requiring a business license.

P. In accordance with the California Environmental Quality Act (CEQA), a Draft Environmental Impact Report (EIR) was prepared and circulated and a Final EIR for the Vacation Rental Ordinances Project made available to the public prior to certification by the Board of Supervisors. The County of Monterey adopted a certified Final EIR for the Vacation Rental Ordinances project (SCH # 2022080643) in compliance with CEQA prior to the adoption of the original vacation rental ordinances and reflects the independent judgment and analysis of the County (Resolution No. 24-355).

Q. Section 15162 of the State CEQA Guidelines (California Code of Regulations Section 15000 *et seq.*) provides that, when an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, that either: 1) substantial changes to the project or its circumstances would require major revisions of the previous EIR, due to the involvement of new or worsened significant environmental effects; or 2) new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, shows that the project would have new or worse environmental effects than disclosed in the previous EIR; or

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3) that new or newly-feasible mitigation measures would reduce the severity of a significant impact but the project proponent declines to implement them.

R. In accordance with CEQA Guidelines Section 15164(d), an addendum to the certified Final EIR (SCH# 2022080643) was prepared for this Amended Vacation Rental Ordinances project. The County has determined, on the basis of substantial evidence in light of the whole record, that the Amended Vacation Rental Ordinances would not result in substantial project changes that would require major revisions to the Final EIR. There are no changes in circumstances and no new information, not known at the time the Final EIR was certified, that shows the amendment to Amended Vacation Rental Ordinances may have a significant environmental effect or a substantial increase in the severity of previously identified significant effects. The County finds that the Amended Vacation Rental Ordinances require minor revisions to the original vacation rental ordinances, but none of the conditions described in CEQA Guidelines Section 15162 calling for preparation of a subsequent EIR have occurred.

SECTION 2. Subsection (C) is amended to Section 7.02.060 of the Monterey County Code to read as follows:

C. All ~~Commercial~~ Vacation Rentals, ~~Homestays, and Limited Vacation Rentals~~ as defined ~~respectively~~ by Section 7.120.020~~(E), (J), and (N)~~ of the Monterey County Code, as may be amended from time to time.

SECTION 3. Chapter 7.120 of the Monterey County Code is amended to read as follows:

Chapter 7.120 VACATION RENTAL OPERATION LICENSE

Sections:

7.120.010	Purpose.
7.120.020	Definitions.
7.120.030	Applicability.
7.120.040	Regulations for Vacation Rentals.
7.120.050	Regulations for Homestays<u>Repealed</u>.
7.120.060	Repealed<u>Regulations for Limited Vacation Rentals.</u>
7.120.070	Repealed<u>Regulations for Commercial Vacation Rentals.</u>
7.120.080	Regulations for Hosting Platforms.
7.120.090	License Application Process.
7.120.100	Criteria for Grant of License.
7.120.110	License Renewal Process and Grounds for Denial.
7.120.120	Fees.
7.120.130	Grounds for Revocation.
7.120.140	Process for Hearing by Hearing Officer.
7.120.150	Service Requirements.
7.120.160	Enforcement.
7.120.170	<u>Enforcement – Hosting Platforms</u><u>Operative Date.</u>

7.120.180 Phasing Out Previously Licensed Operations.

7.120.010 Purpose.

- A. The purpose of this Chapter, includes but is not limited to the following:
 1. Ensure that vacation rentals are operated in a manner that complies with all rules and regulations, and are not detrimental to the health, safety, and welfare of ~~residential~~ neighborhoods in which vacation rentals are operating.
 2. Preserve and enhance the residential character of the zoning districts established in Titles 20 and 21 of the Monterey County Code.
 3. Preserve long-term housing and the sense of security and safety in stable residential neighborhoods.
 4. Integrate economic opportunity with the preservation of quality of life.

B. This Chapter seeks to restrict the following inharmonious and injurious outcomes associated with unregulated and uncontrolled residential vacation rentals, including but not limited to:

1. Public nuisances such as litter, parking congestion, and noise.
2. Risk to economic well-being associated with the reputation of Monterey County as a premier tourism destination.

7.120.020 Definitions.

Except as otherwise defined or where the context otherwise indicates, the following words shall have the following meaning in this Chapter:

A. “Advertised Rental Rate” means the range of advertised nightly rates. The Advertised Rental Rate shall not include deposits or ancillary fees.

B. “Agricultural Operation” means cultivating the soil, harvesting of crops, rearing and management of livestock, tillage, husbandry, farming, horticulture, and forestry; the science and art of the production of plants and animals useful to man.

C. “Agricultural Processing Facility” means a structure, building, area, open or enclosed, or any other location for the refinement, treatment, or conversion of agricultural products where a physical, chemical, or similar change of an agricultural product occurs. Examples of agricultural processing include, but are not limited to, coolers, dehydrators, cold storage houses, hulling operations, and the sorting, cleaning, packing, and storing of agricultural products preparatory to sale or shipment in their natural form, including all customarily incidental uses. Agricultural processing facilities include wineries.

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D. “Agricultural Support Facility” means the use of a structure, land, or land and structure principally established to support on-site and/or off-site farming or ranching activities including but not limited to coolers, cold storage, loading docks, and workshops.

BE. “Appropriate Authority” means the County of Monterey Housing and Community Development Department Director or their designee.

CF. “Bedroom” means any habitable room of a dwelling unit which is: 1) 70 square feet or greater in size for the first individual in the room and 50 square feet of space for each additional individual in the room; 2) has an exterior door or window for egress meeting Health and Safety Code standards at the time the dwelling was constructed; and 3) has a closing door that separates the room from other areas of the dwelling. The following shall not be considered a bedroom: Any interior room that must be passed through to access another bedroom; a hallway; bathroom; kitchen; living room; dining room; family room; breakfast nook; pantry; laundry room; or closet/dressing room opening off a bedroom.

DG. “Booking Service” means any reservation and/or payment service provided by a Person who facilitates Vacation Rental transactions between the Operator and the Occupant for which the Hosting Platform collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation and/or payment service provided for the transaction.

H. “Commercial Agricultural Operation” means an Agricultural Operation that produces agricultural goods or services for sale.

E. “Commercial Vacation Rental” means a Vacation Rental that is Non-hosted and rented for more than three times per 12 month period.

FI. “Common public viewing area” means a public area such as a public street, road, designated vista point, or public park from which the general public ordinarily views the surrounding viewshed.

JG. “County” means County of Monterey.

KH. “Guesthouse” means an attached or detached living quarters of a permanent type of construction lacking internal circulation with the main dwelling, without kitchen or cooking facilities, clearly subordinate and incidental to the main structure, on the same lot, and not to be separately rented, let, or leased, whether compensation is direct or indirect.

LI. “Hearing Officer” means a person appointed by the County to conduct an administrative hearing under this Chapter. The appointed Hearing Officer shall be an impartial decision-maker selected by a process that eliminates risk of bias, such as:

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1. An administrative law judge provided by the State of California Office of Administrative Hearings to function as the County Hearing Officer pursuant to Chapter 14 of Part 3 of Division 2 of Title 3 of the California Government Code;

2. A person selected randomly from a panel of attorneys willing to serve as a Hearing Officer; or

3. An independent contractor assigned by an organization or entity which provides hearing officers.

MJ. “HomestayHosted” means a Vacation Rental in which the Owner Operator occupies at least one Bedroom within the Vacation Rental while it is being rented as a Vacation Rental. The Vacation Rental must be the Operatorowner’s Primary Residence.

NK. “Hosting Platform” means a Person who advertises Vacation Rentals ~~through an agent or intermediary that by conducting~~ ings a Booking Service transaction using any medium of facilitation.

L. “Individual” means a natural person.

OM. “License” means a Vacation Rental Operation License issued by the County to an Operator to operate a Vacation Rental under this Chapter.

N. “Limited Vacation Rental” means a Vacation Rental that is ~~Non-hosted and rented for not more than three times per 12 month period.~~

PO. “Non-hosted” means that an Operator does not occupy the Vacation Rental while it is being rented.

QP. “Occupant” means a person who occupies a Vacation Rental by reason of concession, permit, rent, right of access, license, or other agreement for a period of 30 consecutive calendar days or less.

RQ. “Operator” means a person who operates the Vacation Rental and, if not the Owner, a person who has the ~~legal~~ permission of the Owner to operate the Vacation Rental on the subject real property.

SR. “Owner” means the person or persons who hold fee title to the real property upon which a Vacation Rental is operated.

TS. “Owner’s Operator’s Primary Residence” means a Residential Property lived in by the Owner Operator for at least 183 days per calendar year, which is documented by at least two of the following: motor vehicle registration, voter registration, homeowner’s exemption on their property taxes, a lease, or a utility bills.

U~~T~~. “OWTS” means an onsite wastewater treatment system, also referred to as a septic system, as regulated by Chapter 15.20 of the Monterey County Code.

V~~U~~. “Person” means any individual, corporation, partnership, firm, business or similar entity, public or private agency, municipality, city, state or federal agency.

W~~V~~. “Property Manager” means the person who is designated by the Operator as being responsible for managing the Vacation Rental operation, and it may include the Owner, professional property manager, realtor, other resident, or ~~nonresident owner~~Operator of the subject property.

X~~W~~. “Residential Property” means improved property, used or occupied, or intended to be used or occupied, for residential purposes.

Y~~X~~. “Single Family Dwelling” means a detached structure, including a mobilehome or manufactured dwelling unit, containing only one kitchen and used to house not more than one familyhousehold.

Z~~Y~~. “Vacation Rental” means the use, by any person, of Residential Property for transient lodging for renumeration where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. “Vacation Rental” includes Commercial Vacation Rentals, Homestays, and Limited Vacation Rentals. “Vacation Rental” does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding.

Z. “Visitor” means an invitee of a Vacation Rental Occupant, who is not an Occupant and not staying overnight at the Vacation Rental.

7.120.030 Applicability.

A. This Chapter shall apply in the unincorporated area of Monterey County.

B. This Chapter shall apply to:

1. Use Permits issued for Commercial Vacation Rentals pursuant to Section 21.64.290 of the Monterey County Code adopted by Ordinance No. 5422; and

2. Coastal Development Permits issued for Commercial Vacation Rentals pursuant to Section 20.64.290 of the Monterey County Code adopted by Ordinance No. 5439.

C~~B~~. This Chapter shall not apply to:

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1. Administrative Permits issued pursuant to Section 21.64.280 of the Monterey County Code for the transient use of residential property adopted by Ordinance No. 3911.

2. Permits or entitlements issued for the transient use of a property for remuneration as a similar use similar to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns), pursuant to Title 20 of the Monterey County Code.

3. Unique neighborhoods with existing developments that were established with the intent of allowing managed Vacation Rentals. The existing permitted unique neighborhoods with managed Vacation Rentals must operate according to the regulations and conditions approved through its-their original land use entitlements.

7.120.040 Regulations for Vacation Rentals.

A. Vacation Rentals are an allowable use in designated zoning districts, pursuant to Titles 20 and 21 of the Monterey County Code, and shall meet all the requirements for Vacation Rentals in Sections 20.64.290 (coastal) or 21.64.290 (inland).

B. Vacation Rentals are limited to only one rental contract at any given time.

CA. The Operator who intends to operate a Vacation Rental shall obtain a License that is renewable annually for the fixed location and dwelling in which the Vacation Rental is to occur.

B. The Operator of the subject property must obtain all necessary land use entitlements as required by Section 20.64.290 or Section 21.64.290 of the Monterey County Code before the Operator commences the Vacation Rental operations.

DC. The Operator shall register the Vacation Rental with the County and obtain a Transient Occupancy Tax Certificate in accordance with the provisions of Chapter 5.40 of the Monterey County Code.

ED. The Operator shall obtain a business license from the County pursuant to Chapter 7.02 of the Monterey County Code before commencing the Vacation Rental use and must keep maintain a valid business license throughout the Vacation Rental use.

F. The maximum allowable vacation rental operation licenses to be issued at any given time shall be based on the limitations set forth in Section 20.64.290 and Section 21.64.290 of the Monterey County Code.

GE. Upon receipt of an approved License, the-an Operator shall mail an informational letter to neighboring owners and occupants of properties within a 300-foot radius of the licensed property; and if applicable, to all properties with ownership or access rights to any shared private road utilized to access the Vacation Rental. At a minimum, the informational letter shall

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include: License Number; address of the Vacation Rental; identification if the Vacation Rental is ~~Commercial, Homestay, or Limited hosted and/or non-hosted~~; name and contact information for the Property Manager; and ~~procedures and~~ contact information and procedures for contacting the County.

FH. Vacation Rentals are prohibited from housing any animal that creates a habitual nuisance, and shall comply with Chapter 8.36 of the Monterey County Code.

GI. Vacation Rentals are prohibited at all times of day and night from making, assisting in making, allowing, creating, or causing to be made outside amplified sound. Vacation Rentals shall also comply with Chapter 10.60 of the Monterey County Code, specifically including adherence to nighttime noise and quiet time requirements set forth in Section 10.60.040.

HJ. Vacation Rentals shall post one outdoor sign no larger than one square foot, which shall be posted in a visible place on a wall, fence, or post immediately inside or on the front boundary of the property where it is easy to see from the ~~c~~ommon public viewing area or private road. This outdoor sign shall only include the Vacation Rental Operation License number, the Property Manager's contact information, and the property's address. No other signs associated with the vacation rental use shall be allowed, and there shall be no direct illumination of the required sign.

HK. All Vacation Rentals must have a Property Manager who is available 24 hours per day, during all times that the property is rented as a Vacation Rental. The Property Manager must be able to respond to complaints and arrive at the site within 30 minutes. The Operator shall provide the name of the Property Manager and their contact information to the County prior to County issuance of the License and shall notify the County, in writing, of any change of Property Manager.

JL. Vacation Rentals shall require a rental contract signed by the Operator and the Occupant, who is responsible for compliance with the contract. The rental contract shall be in writing and identify thereon the name, address, telephone number, and e-mail contact information of the Operator, the Property Manager, and at least one responsible Occupant who is 18 years or older who shall be responsible for compliance with all the regulations in this Chapter.

KM. All ~~rental contracts,~~ advertisements, and listings for the Vacation Rental shall include all of the following:

1. License number for that particular Vacation Rental;
2. Maximum occupancy – overnight ~~and daytime~~ occupancy limits;
3. Notification of quiet hours; and
4. Advertised Rental Rate.

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NL. All rental contracts for Vacation Rentals shall include, - and Vacation Rentals shall ~~shall~~ have a clearly visible and legible written notice posted within the unit in a prominent place within six feet of the front door of the unit and shall include, all of the following information:

1. License number for that particular Vacation Rental;
2. Maximum occupancy – overnight ~~and daytime~~ occupancy limits;
3. Notification of quiet hours;
4. Minimum and Maximum Advertised Rental Rate per 12 month period;
5. A copy of the business license;
6. A copy of their Transient Occupancy Tax Certificate;
7. The name and contact information of the Property Manager;
8. Notification that occupants may be cited and fined for creating amplified noise;
9. Notification to limit excessive water usage; ~~and~~
10. Notification of evacuation routes in the event of an emergency, with a clear map detailing the routes;

11. Notification of the average response time for emergency services to reach the subject property and describe the onsite fire protection systems (such as fire breaks, alarms and/or water storage tanks) available; and

12. Notification of contact information for County emergency services for fire, police and emergency medical.

MO. The Operator shall maintain precise records and documentation of the Vacation Rental operation, that shall, at a minimum, make record of the following information for each Vacation Rental occupancy: name, address, telephone and e-mail contact of at least one responsible Occupant; number of Occupants; motor vehicle license number of each motor vehicle used by the Occupants of the site; and dates of the Vacation Rental. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the County upon request provided that such requests shall be supported by reasonable cause to believe a violation of this Code or other law may have occurred or are part of an administrative inspection program not targeted at a specific property or licensee. The Operator shall retain the written rental contracts and other records of all of the Vacation Rentals during the term of the License plus and two years thereafter.

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NP. No Person, including but not limited to the Operator, shall maintain any advertisements of a Vacation Rental if the Vacation Rental is prohibited by this Chapter.

OQ. Vacation Rentals shall comply with Monterey County Code Chapter 10.41. All solid waste and recycling must be contained within appropriate receptacles with lids. ~~Waste receptacles must be stored out of sight unless in conformity with neighborhood standards.~~

PR. Vacation Rentals shall comply with the water quality standards specified in Monterey County Code Section 15.04.110 and relevant state and federal law to demonstrate that they meet bacteriological and/or acute inorganic primary drinking water standards, to the satisfaction of the County, at the time of License issuance and prior to each annual renewal. The drinking water is presumed to meet water quality standards if the Vacation Rental provides evidence that it is served by a water system, [as defined by California Health and Safety Code Section 116275](#), that has 200 or more service connections.

QS. If the Vacation Rental is found to be part of an unpermitted water system or if the Vacation Rental results in the need for a permit for a water system, the Operator must obtain a water system permit pursuant to Monterey County Code Chapter 15.04 ~~before commencing the Vacation Rental use prior to issuance of the License~~ and must keep the water system permit in good standing throughout the Vacation Rental use.

RT. If the Vacation Rental is served by OWTS, it must comply with Monterey County Code Chapter 15.20. Occupants shall be advised that excessive water use and/or disposal of unsuitable materials through a sink or toilet may negatively impact the OWTS. The rental contract shall include an OWTS disclosure notice and appropriate advisory signs shall be posted at the kitchen sink(s) and at each toilet in the unit.

SU. Outdoor fire areas, including approved recreational fire containers and portable fireplace containers, shall be prohibited at all Vacation Rentals.

TV. Vacation Rentals shall be allowed only in Residential Property and are prohibited in structures intended for temporary occupancy or non-habitable structures.

UW. Vacation Rentals shall be allowed only in a Single Family Dwelling. Vacation Rentals are prohibited in all of the following structures: duplex dwellings; condominiums; multiple-family dwellings; accessory dwelling units; junior accessory dwelling units; structures intended for temporary occupancy; and in dwellings subject to a recorded governmental restriction, including, covenants or agreements for an affordable housing unit, agricultural employee unit, and farmworker housing. Guesthouses cannot be rented separately from the Single Family Dwelling as a Vacation Rental.

X. The Owner of the Vacation Rental shall only have an ownership interest in one Vacation Rental real property within the unincorporated Monterey County at a time.

YV. If there is an active agricultural operation on the property, the Owner, Operator or Property Manager shall concurrently reside on the property while the Vacation Rental is rented.

If there is an active agricultural processing or support facility on the property, the Owner, Operator or Property Manager shall be present on site during hours of active operation of the facility while the Vacation Rental is rented.

Z. The maximum occupancy limits for Vacation Rentals shall comply with state and local building and health and safety laws.

AA. The Vacation Rental property shall only be rented for transient residential-related use. The property shall not be rented or used for the purpose of holding an event, large party, gathering or assemblage of persons, including but not limited to a corporate or private event, unless the County approves a separate entitlement to allow such events on the property.

W. The Owner of the Vacation Rental must be an individual, except if the Vacation Rental is held in a trust, in which case the trustee may apply for a license and operate the Vacation Rental on behalf of the trust beneficiaries.

7.120.050 Regulations for HomestaysRepealed.

A. Homestays are an allowable use in designated zoning districts, pursuant to Titles 20 and 21 of the Monterey County Code, and shall meet all the requirements for Homestays in Section 20.64.290 or Section 21.64.290.

B. Homestays are limited to only one rental contract at any given time and only one rental contract per seven day period.

C. The maximum occupancy limits for Homestays are as follows:

1. The maximum number of overnight Occupants shall be calculated and limited to a not to exceed count of two persons per Bedroom plus one and not counting infants (0—12 months) and shall not exceed a total count of ten persons per unit, no matter how many Bedrooms.

2. The maximum daytime occupancy of Occupants and Visitors shall be calculated and limited to a not to exceed count of 1.5 times the maximum overnight occupancy and shall not exceed a total count of fifteen persons per unit, no matter how many Bedrooms.

7.120.060 Regulations for Limited Vacation RentalsRepealed.

A. Limited Vacation Rentals are an allowable use in designated zoning districts, pursuant to Titles 20 and 21 of the Monterey County Code, and shall meet all the requirements for Limited Vacation Rentals in Section 20.64.290 or Section 21.64.290.

B. Limited Vacation Rentals are limited to only one rental contract at any given time and only one rental contract per seven day period.

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C. ~~The maximum occupancy limits for Limited Vacation Rentals are as follows:~~

~~1. The maximum number of overnight Occupants shall be calculated and limited to a not to exceed count of two persons per Bedroom plus one and not counting infants (0 – 12 months) and shall not exceed a total count of ten persons per unit, no matter how many Bedrooms.~~

~~2. The maximum daytime occupancy of Occupants and Visitors shall be calculated and limited to a not to exceed count of 1.5 times the maximum overnight occupancy and shall not exceed a total count of fifteen persons per unit, no matter how many Bedrooms.~~

7.120.070 Regulations for Commercial Vacation RentalsRepealed.

~~A. Commercial Vacation Rentals are an allowable use in designated zoning districts, pursuant to Titles 20 and 21 of the Monterey County Code, and shall meet all the requirements for Commercial Vacation Rentals in Section 20.64.290 or Section 21.64.290.~~

~~B. Commercial Vacation Rentals are limited to only one rental contract at any given time.~~

~~C. The maximum occupancy limits for Commercial Vacation Rentals are as follows:~~

~~1. The maximum number of overnight Occupants shall be calculated and limited to a not to exceed count of two persons per Bedroom plus one and not counting infants (0 – 12 months) and shall not exceed a total count of ten persons per unit, no matter how many Bedrooms.~~

~~2. The maximum daytime occupancy of Occupants and Visitors shall be calculated and limited to a not to exceed count of 1.5 times the maximum overnight occupancy and shall not exceed a total count of fifteen persons per unit, no matter how many Bedrooms.~~

7.120.080 Regulations for Hosting Platforms.

A. Subject to applicable laws and as requested by the County, Hosting Platforms shall disclose to the County the URL and License number for each Vacation Rental listing located in the unincorporated areas of Monterey County. The Hosting Platform shall require the Operator for each listing to include the License number in the advertisement on the Hosting Platform in unincorporated Monterey County.

B. All Hosting Platforms that display vacation rental listings for properties located in the unincorporated areas of Monterey County shall require all Operators using the platform to include a License number in any listing for a Vacation Rental on the platform, at the time the Hosting Platform receives a fee for the booking transaction. Hosting Platforms with listings shall provide the County with contact information for an employee or representative responsible for

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~~responding to requests for information on behalf of the Hosting Platform, including requests related to possible violations of this Chapter.~~

C. A Hosting Platform shall remove any listing for a Vacation Rental from the platform after notification by the County that the Vacation Rental listing lacks a License number or the License number is invalid, expired, or has been revoked. The notification must identify the listing(s) to be removed by its URL and state the reason for removal. The platform shall remove the listing within 10 business days of notification~~All Hosting Platforms shall provide the following information in a notice to any user listing a Vacation Rental: Monterey County Code Chapter 7.120, Sections 20.64.290 and 21.64.290 regulate Vacation Rentals; violation of the Monterey County Code may result in penalties.~~

D. A Hosting Platform that collects money on behalf of the Vacation Rental Owner or Operator must collect and remit to the County of Monterey all transit occupancy taxes payable pursuant to Monterey County Code Chapter 5.40~~Subject to applicable laws, commencing three months after October 14, 2024 and no later than the fifteenth day of every month thereafter, the Hosting Platform shall provide in a form acceptable to the County each applicable Vacation Rental listing, the License number of each listing, the name of the Operator for each listing, the street address for each listing, and the length of stay for each listing within the reporting period.~~

E. Safe Harbor. A Hosting Platform operating exclusively on the internet, which operates in compliance with subsections (A), (B), (C), and (D) above, shall be presumed to be in compliance with this Chapter, except that the Hosting Platform remains responsible for compliance with the administrative subpoena provisions of this Chapter~~The County shall, upon completion of a Hosting Platform review or the discovery of a potentially non-compliant listing, immediately provide notice to the Hosting Platform by electronic mail of all listings that do not have a valid License or are otherwise not in compliance with the Monterey County Code.~~

F. The provisions of this Section shall be interpreted in accordance with otherwise applicable State and federal law(s) and will not apply if determined by the County to be in violation of, or preempted by, any such law(s)~~Hosting Platforms, within 10 calendar days of receiving notice from the County of non-compliant listings, shall remove those listings from their Hosting Platform.~~

G. The County may fine a Hosting Platform an amount not to exceed \$1,000 per offense, for each violation of this Section. Each and every violation of this Section shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Monterey County Code or otherwise authorized by law.

7.120.090 License Application Process.

A. Each application for a License shall be submitted to the County in the manner prescribed by the Appropriate Authority.

B. In all cases, the application for a License for a Vacation Rental shall contain, without limitation, the following:

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1. Owner, Operator, and/or Property Manager contact information, including name, address, telephone number, and e-mail address.

2. Plans drawn to scale and labeled, in the form and manner required by the Appropriate Authority, including but not limited to: site plans illustrating locations and dimensions of all property lines; rights-of-way; vehicular easements; edge of pavement; driveways; on-site parking areas and all structures; and floor plans showing all rooms, including windows and doors, with clear designation of which bedrooms are intended for rental. For ~~Homestays~~Hosted Vacation Rentals, the Owner must indicate on the floor plans which bedroom(s) the ~~Owner~~Operator will occupy when rented.

3. An operations plan including, at a minimum, the following information:

a. Indicate if ~~it~~the Vacation Rental will be ~~a~~HomestayHosted and/or Non-hosted ~~and the number of Non-hosted rentals per calendar year~~;

b. Safety and emergency plan, including a list of local emergency numbers and addresses for nearest fire, police, emergency room, and 24-hour clinics, evacuation maps;

c. Number of employees anticipated;

d. Provide an on-site parking plan;

e. Evidence of solid waste collection; and

f. Such other information as the Appropriate Authority, or his or her designee may require.

4. An inspection report from a home inspector certified by the California Real Estate Inspection Association, American Society of Home Inspectors, International Code Council, International Association of Certified Home Inspectors, or a similar certification that provides and verifies the following information, to ensure the property is safe and habitable for its intended use, including but not limited to: verification of adequate egress from sleeping quarters and common areas; verification that the Residential Property conforms with applicable state building and fire codes at the time the building was constructed; installation of accessible fire extinguishers; fire alarms; and a carbon monoxide alarm on each level.

5. Evidence that the source of water that serves the proposed Vacation Rental meets bacteriological and acute inorganic primary drinking water standards.

6. Certification, under penalty of perjury, that all the information contained in the application is true and correct.

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7. Such other information as the Appropriate Authority deems necessary to process the application.

C. For Vacation Rental operations in a Rural Density Residential zoning district, evidence that the agricultural use of the property is a commercial agricultural operation, agricultural processing facility, or an agricultural support facility. Such evidence may include one or more of the following:

- 1. Redacted tax forms or other business documentation (LLC/partnership/incorporation);**
- 2. Issued Operator ID;**
- 3. Restricted Materials Pesticide Permit;**
- 4. Certified Producer Certificate;**
- 5. California State Organic Program Registration;**
- 6. California Department of Agriculture Livestock Identification Number;**
- 7. Industry Association Letter;**
- 8. USDA Documentation for Commercial Livestock Producer;**
- 9. USDA Farm Services Agency Farm Number;**
- 10. Brand number and/or Brand Certification Documentation;**
- 11. Agricultural Lease or Williamson Act Documentation;**
- 12. Proof of planning use permit or similar entitlement for a permitted commercial; agricultural operation, agricultural processing facility, or agricultural support facility; and/or**
- 13. Other evidence as deemed acceptable by the County of Monterey Agricultural Commissioner.**

C. Unpermitted Vacation Rental operations have six months from October 14, 2024 to make an application for all permits, licenses, certificates, or other entitlements required by the County. The Operator will be allowed to continue to operate as a Vacation Rental for up to six months from October 14, 2024 or until County takes action on the Operator's application for all

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~~required permits, licenses, and entitlements made pursuant to this Chapter, Chapter 7.02, and Sections 20.64.290, and 21.64.290 of the Monterey County Code, whichever is later, unless County requires earlier termination of the Vacation Rental use due to a risk to public health, safety and welfare.~~

7.120.100 Criteria for Grant of License.

A. The Appropriate Authority shall deem the application complete if it contains all required information and documents, and all required application fees have been paid.

B. Upon review of a complete application, the Appropriate Authority shall grant the License ministerially to the Operator if all of the following requirements are met:

1. The proposed Vacation Rental complies with a checklist, in the form prescribed by the Appropriate Authority, enumerating the requirements for a License as set forth in this Chapter.

2. 2. The Operator, if applicable, has received all necessary land use entitlements as required by Section 20.64.290 or Section 21.64.290 of the Monterey County Code.

C. A License is issued to the Operator and covers only the Operator identified on the License solely with respect to the premises identified on the License. The License does not run with the land and is not transferable.

D. Each License issued pursuant to this Chapter shall require that the Operator indemnify, defend, and hold harmless the County and its officers, agents, and employees from actions or claims arising from or related to the ~~of~~ approval of the License and from actions or claims of any description brought on account of any injury or damages sustained, including death, by any person or property resulting from the issuance of the License and the conduct of the activities under said License. This requirement shall remain operative and in effect notwithstanding any proceeding or litigation which may result in invalidation or rescission of the License.

E. The initial License shall be issued for a one-year term and may be renewed annually.

7.120.110 License Renewal Process and Grounds for Denial.

A. The Operator shall notify the County at least 30 calendar days before the expiration of the License that the Operator wishes to renew their License together with a renewal application submittal and renewal fees. If the County does not receive the notice of renewal and,

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as applicable, updated information at least 30 days prior to the expiration date, the License shall expire, and the Operator must apply for a new License.

B. Any application for renewal shall be denied if:

~~1. The application is filed fewer than 30 calendar days before the License's expiration;~~

~~12. The Operator fails to conform to the criteria set forth in this Chapter;~~

~~32. The Operator does not have a valid business license pursuant to Chapter 7.02 or has not paid their Transient Occupancy Tax pursuant to Chapter 5.40 of the Monterey County Code;~~

~~43. The Licensed property has active and substantiated code enforcement action;~~

~~54. The Licensed property has two or more substantiated code enforcement violations within the past year; or~~

~~65. The License is revoked pursuant to Section 7.120.130 at the time of the application.~~

C. If a renewal application is denied, an Operator may file a new application pursuant to this Chapter, provided the reasons for denial have been addressed.

7.120.120 Fees.

Fees, fines, and costs specified by this Chapter shall be established by the Board of Supervisors and as set forth in the Monterey County Fee Resolution, pursuant to Chapter 1.40 of the Monterey County Code, as periodically amended.

7.120.130 Grounds for Revocation.

A. Any of the following shall be grounds for revocation of a License:

1. Any act or omission pertinent to the License by an Operator in contravention of federal law, state law, or the Monterey County Code;

2. If such License was granted on the basis of false material information, written or oral, given willfully or negligently by the Operator;

3. Operating a Vacation Rental in an unlawful manner or in such a manner as to be a nuisance to the health, safety, or welfare of the public; and

4. Failure to pay all applicable taxes, fees, and penalties pertinent to the License required by the County.

B. If the Appropriate Authority determines that grounds for revocation of the License exist pursuant to this Section, the Appropriate Authority shall issue a written notice of intention to revoke the License. The notice of intention shall be served on the Owner and Operator in accordance with the requirements set forth in Section 7.120.140 of this Chapter. The notice of intention shall describe the property, the intention to revoke the License, the grounds for revocation, the action necessary to abate the violation, the time limit for compliance, and the right to a hearing. The notice of intention shall notify the Owner and Operator of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the License should not be revoked, and shall notify them of the 10-day deadline to submit a written request for a hearing.

C. No Person may secure any License if that Person has had any License issued under this Chapter revoked within the preceding twelve-12 months.

7.120.140 Process for Hearing by Hearing Officer.

A. The Owner or Operator shall have 10 calendar days from the service of the notice of intention to submit a written request for a hearing before the Hearing Officer. Failure to submit the written request for a hearing shall be deemed a waiver of the right to challenge the revocation of the License and a failure to exhaust administrative remedies. If the hearing is not timely requested, the Appropriate Authority may revoke the License in accordance with the notice of intention.

B. Upon receipt of a timely written request for a hearing, the Appropriate Authority shall set a date for a hearing to be held within 60 days of receipt of the request, unless an immediate threat to the public health, safety and welfare necessitates an earlier hearing date. Notice of the hearing, including the time, date, and location of the hearing, shall be served in accordance with the requirements set forth in this Section.

C. Hearing by the Hearing Officer.

1. The Hearing Officer is authorized to conduct hearings, issue subpoenas, receive evidence, administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and render decisions on the revocation of the License.

2. In any proceeding before a Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other designee shall have the power to administer oaths and affirmations and to certify to official acts.

3. All parties to the hearing shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues.

4. The Hearing Officer may postpone the hearing date upon good cause shown, continue the hearing during the course of the hearing, and make such other procedural orders and rulings as he or she deems appropriate during the course of the hearing.

5. Within 30 calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision. The Hearing Officer's written decision shall constitute the final administrative decision of the County but shall be subject to a timely request for judicial review.

D. In the event a civil action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the Person against whom the order of enforcement has been entered shall be liable to pay the County's total costs of enforcement, including reasonable attorney fees.

E. If neither Owner nor Operator, nor their authorized representatives, appear at the noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.

7.120.150 Service Requirements.

Wherever this Chapter requires the County to serve notice to an Owner, Operator, or Property Manager such notice shall be given in writing, and shall be delivered either by personal delivery or by certified U.S. mail, postage prepaid, return receipt requested. In addition, any such notice may be posted at the physical address of the premises on the date of the mailing of notice.

7.120.160 Enforcement.

A. The remedies provided by this Chapter are cumulative and in addition to any other remedies available in law or in equity.

B. It shall be unlawful for any person to violate any provision, or to fail to comply with any of the requirements of this Chapter. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Chapter shall be guilty of a misdemeanor except as provided in Section 1.20.040(a)(4) of this Code. No proof of knowledge, intent, or other mental state is required to establish a violation; ownership or control of property out of compliance with this Code is itself a violation.

C. Any condition caused or allowed to exist in violation of any of the provisions of this Chapter shall be deemed a public nuisance and shall, at the discretion of County, create a

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cause of action pursuant to Chapter 1.20 or cause of action for penalty pursuant to Chapter 1.22 of the Monterey County Code, and any other action authorized by law.

D. The Enforcement Officer, as defined by Monterey County Code Chapter 1.22, is authorized and empowered to enforce the provisions of this Chapter. The Enforcement Officer may issue an administrative citation for the violation of this Chapter as a civil penalty as follows:

1. A civil penalty not exceeding 175% of the Maximum Advertised Rental Rate per day, or part thereof, or \$1,000 per day, or part thereof, for Vacation Rentals without an Advertised Rental Rate, for a first violation;

2. A civil penalty not exceeding 275% of the Maximum Advertised Rental Rate per day, or part thereof, or \$2,500 per day, or part thereof, for Vacation Rentals without an Advertised Rental Rate, for a second violation of this Chapter within ~~one~~ any 12-month period; and

3. A civil penalty not exceeding 375% of the Maximum Advertised Rental Rate per day, or part thereof, or \$5,000 per day, or part thereof, for Vacation Rentals without an Advertised Rental Rate, for a third violation of this Chapter within ~~one~~ any 12-month period.

E. Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Monterey County Code or otherwise authorized by law. Each and every day a violation continues ~~it shall~~ constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Monterey County Code or otherwise authorized by law. Additionally, as a public nuisance, any violation of this Chapter may be subject to injunctive relief, disgorgement, and payment to the County of any and all monies unlawfully obtained, costs of abatement, costs of restoration, costs of investigation, attorneys fees, and any other relief or remedy available in law or in equity.

7.120.170 Operative DateEnforcement – Hosting Platforms.

A. The provisions of this Section shall be interpreted in accordance with otherwise applicable State and federal law(s) and will not apply if determined by the County to be in violation of, or preempted by, any such law(s).

B. In addition to any other remedy provided by law, any Hosting Platform that violates its obligations under Section 7.120.080 shall be subject to a civil penalty of up to one thousand dollars (\$1,000) per violation per day. Such penalties may be issued and processed per any procedure authorized under State or local law.

C. Any interested person may seek an injunction or other relief to prevent or remedy violations of Section 7.120.080. The prevailing party in such an action shall be entitled to recover reasonable costs and attorney's fees.

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D. The Appropriate Authority may issue and serve upon hosting platforms administrative subpoenas as necessary to obtain information regarding vacation rental listings located in the County, including, but not limited to, the names of the persons responsible for each such listing, the address of each such listing, the length of stay for each such listing and the price paid for each stay, to determine whether the home-sharing and short-term rental listings comply with this Chapter. Any subpoena issued pursuant to this Section shall not require the production of information sooner than 30 days from the date of service. A person that has been served with an administrative subpoena may seek judicial review during that 30-day period. No such request shall issue absent reasonable basis to conclude a violation of this Code may exist or as a part of an administrative inspection program not targeted at a particular property or licensee.

E. The remedies provided in this Section are not exclusive, and nothing in this Section shall preclude the use or application of any other remedies, penalties or procedures established by law. This Chapter shall become operative on October 14, 2024.

7.120.180 Phase Out Previously Licensed Operations

A. All vacation rental operation licenses issued for homestays, limited vacation rentals, or commercial vacation rentals prior to Effective Date pursuant to this Chapter 7.120 adopted by Ordinance No. 5424 shall be required to comply with this Section upon expiration of their existing License. If the prior Licensed use is no longer allowed pursuant to this Section, the Operator must cease operations upon expiration of their License.

SECTION 4. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases are declared invalid.

SECTION 5. EFFECTIVE DATE. This Ordinance shall become effective on the thirty-first day following its adoption.

PASSED AND ADOPTED on this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Wendy Askew, Chair
County of Monterey Board of Supervisors

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ATTEST

VALERIE RALPH
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

KELLY L. DONLON
Chief Assistant County Counsel