

# **Business Impact Estimate**

Proposed ordinance's title/reference: Ordinance 53-25. An Ordinance of the Mayor and City Council of the City of Cape Coral, Florida, amending the City of Cape Coral, Florida, Code of Ordinances, Chapter 12, "Offenses and Miscellaneous Provisions", Article XIV, "Residential Rental Property", Section 12-129, "Residential Rental Property Registration"; regarding the requirement to register residential rental property with the City; providing for codification and resolution of conflicting laws; providing for severability and an effective date.

This Business Impact Estimate is provided in accordance with section 166.041(4), Florida Statutes.

In accordance with the provisions of controlling law, even notwithstanding the fact that an exemption noted above may apply, the City of Cape Coral hereby publishes the following information:

1. Summary of the proposed ordinance (must include a statement of the public purpose, such as serving the public health, safety, morals and welfare):

The purpose of the proposed ordinance is to amend the requirements for property owners to register their residential rental property with the City and establishes enforcement and penalties if an owner fails to comply with Section 12-129 of the City of Cape Coral, Florida, Code of Ordinances.

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City of Cape Coral, if any:

(a) An estimate of direct compliance costs that businesses may reasonably incur; Residential rental property owners will pay an annual registration fee for the residential rental property as established by resolution of the City Council. There will be an economic impact to a private, for-profit business if that business is the owner of a residential rental property and fails to comply with Section 12-129, will be subject to penalties and enforcement.

(b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible; and

Residential rental property owners will pay an annual registration fee for the residential rental property as established by resolution of the City Council

A private, for-profit business will be subject to a civil penalty under this Ordinance if such business fails to comply with the requirements set forth in Section 12-129 of the City of Cape Coral, Florida, Code of Ordinances, as follows:

i) If a private, for-profit business, registers their residential rental property as a long-term residential rental property, and are found to be operating as a short-term residential rental property shall be subject to a \$1,000 civil penalty for their first offense, and for a second, or subsequent offense within a 36-month period, shall be subject to a \$2,000 civil penalty.

ii) If a private, for-profit business, fails to renew its long-term residential rental property registration with the City and are found to be in violation of Section 12-129 of the City's Code, shall be subject to a \$250 civil penalty, plus the late fee as established by resolution and approved by the City Council, and for a second, or subsequent offense within a 36-month period, shall be subject to a \$500 civil penalty, plus the late fee as established by resolution and approved by the City Council. If a private, for-profit business, fails to renew its short-term residential rental property registration with the City and are found to be in violation of Section 12-129 of the City's Code, shall be subject to a \$500 civil penalty, plus the late fee as established by resolution and approved by the City Council and for a second, or subsequent offense within a 36-month period, shall be subject to \$1,000 civil penalty, plus the late fee as established by resolution and approved by the City Council.

iii) Except as provided in Sections 2(b)(i) and (ii) above, if a private, for-profit business, is found in violation of Section 12-129 of the City's Code of Ordinances, a long-term residential rental property owner shall be subject to a civil violation in the amount of \$500 and for a second and subsequent violation within a 36-month period, the owner shall be subject to a civil penalty in the amount of \$1,000.

If a private, for-profit business, is found in violation of Section 12-129 of the City's Code of Ordinances, a short-term residential rental property owner shall be subject to a \$1,000 civil penalty, and for a second, or subsequent offense within a 36-month period, shall be subject to \$2,000 civil penalty.

(c) An estimate of the City of Cape Coral's regulatory costs, including estimated revenues from any new charges or fees to cover such costs.

There will be an indeterminate impact on the City with respect to the staff and resources necessary to administer the program and enforce the number of violations issued.

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance: The City estimates that there are 8,000 to 10,000 residential rental properties in the City. A business will be further impacted by this ordinance if such business fails to comply with the rental registration requirements as set forth in Section 12-129 of the City's Code Ordinances.

4. Additional information the governing body deems useful (if any):

N/A