

South Lake Tahoe wins VHR lawsuit

By Kathryn Reed

South Lake Tahoe is justified in charging the fees it imposes on vacation rental owners, according to a court decision.

El Dorado County Superior Court Judge Steve Bailey on June 28 released his decision regarding the lawsuit that was filed in June 2015 by Jim Morris, owner of Lake Tahoe Accommodations.

“We are delighted with the results. It fully justifies what the council has said all along and that they have acted appropriately in setting the fees for vacation home rentals,” Tom Watson, city attorney, told *Lake Tahoe News*. “It is clear vindication for the city in this situation.”

The opposing parties had spent four hours in court in late April arguing their respective opinions.

Morris’ company manages more than 200 rentals on the South Shore. He filed the suit under the parent company of his business – Lake Tahoe Properties. His contention a year ago was “they violated the law in how they passed the ordinance. And they didn’t justify the money and how it is generated.”

Morris was unavailable for comment. However, his Sacramento-based attorney, Brigit Barnes, said, “I do not agree with the court that the city ever established a revised fee structure that matched what their anticipated costs were. And that was the basis of our case.”

The city has been tweaking the VHR ordinance almost since its inception, and even since the lawsuit was filed. Part has had to do with fees, and part with appeasing permanent residents.

In the court ruling Bailey said, “After reviewing and

considering the administrative record, there is nothing in the record to suggest the City Council acted arbitrarily, or that its decision is devoid of evidentiary support. Instead, the record demonstrates that in adopting the VHR ordinance and resolution, the City Council exercised its best judgment based upon the evidence presented to them.”

Another part of the case is still to be decided. According to Barnes, this has to do with if it’s constitutionally allowable for VHR owners to be saddled with the fees as a penalty, so to speak, when VHRs are only responsible for 27 percent of the complaints.

Watson believes based on how Bailey has ruled so far that the city will prevail going forward.

Barnes had not spoken to her client as of Tuesday afternoon, so Morris’ exact course of action going forward is unknown. He could appeal.