EXHIBIT B

Chapter 9 – Business Licenses and Regulations

ARTICLE III – SPECIALTY LICENSES

DIVISION 9 – SHORT TERM RENTAL UNITS

Sec. 9-3901. – Definitions.

As used in this division, the following terms shall have the following meanings:

(a) *Agent.* Any person, agent, firm, or corporation designated in writing by the property owner of a short-term rental unit to act as the property owner's representative on issues related to the short-term rental unit or for receipt of notices related to the short-term rental unit.
(b) *Booking service provider*. Any person or entity who facilitates transactions between a prospective guest and a person or entity offering a short-term rental.
(c) *Dwelling Unit.* Any building or portion thereof used as a private residence or sleeping place of one (1) or more persons.
(d) *Principal dwelling unit.* The primary home or dwelling unit on a property.
(e) *Property*. One or more adjacent lots under common ownership.
(f) *Property owner*. The owner of record of the proposed short term rental unit. The property owner's agent may submit a license application on behalf of the property owner, but the license must be issued in the property owner's name.
(g) *Responsible agent*. The person, agent, firm, or corporation designated on the license application to act as the responsible agent in compliance with the requirements set forth in section ~~9-3904~~ 9-3905 of this division.
(h) *Short-term rental unit.* The provision of lodging services within a single-family attached or detached dwelling unit, for compensation, to a person or persons for periods of less than 30 days, but excludes Bed and Breakfast Establishments and other Lodging Establishment uses. Short-term rental unit does not include rental of a dwelling unit for meetings such as luncheons, banquets, parties, weddings, fundraisers, or other similar gatherings for direct or indirect compensation. ~~rental of any non-subsidized house, apartment, condominium, room, dwelling unit, or lodging accommodation on any residential property within the City that is rented to the same guest(s) for thirty (30) days or less~~.

Sec. 9-3902. – Short term rental unit license required; application.

(a) It shall be unlawful for any person to offer, provide, or operate a short-term rental unit in the city without having first obtained a short-term rental unit license in accordance with this division.
(b) It shall be unlawful for any booking service provider to receive payments, directly or indirectly, from an unlicensed short-term rental located in the city. The provisions of the subsection (b) are entirely strict liability in nature.

(c) All applications for a short-term rental license shall be made to the city on forms provided by the city. All applications shall include, in addition to any other requirements detailed in this division:
    (1) Documentation showing the short-term rental address;
    (2) Proof of possession of the short-term rental, either by valid warranty deed, valid lease, or other verification of the right to possess the premises. If the applicant does not own the short-term rental unit, the applicant must also provide written documentation from the property owner allowing the applicant to conduct a short-term rental on the proposed location premises.~~;~~
    (3) An affirmation from the ~~property owner~~ applicant that they have complied with the notice requirements of section 9-3906.
    (4) Proof of liability insurance for the short-term rental unit with a minimum of $500,000 in coverage.

(d) Applicants shall self-certify that the information provided in an application to the city is accurate and truthful under penalty of perjury under the law of the State of Colorado.

(e) All fees required under this division for the licensing of a short-term rental property shall be paid to the city in full at the time the initial license application or renewal application is submitted to the city.
    (1) No application shall be considered complete or approved without full payment of the fees required.
    (2) All fees associated with this division shall be established by resolution of the city council.
    (3) All application fees shall be non-refundable. License fees shall be refunded only if the license is denied. No portion of the license fee shall be refunded in a license issued under this division is suspended, revoked, or terminated for any reason.

Sec. 9-3903 – License term; renewal

(a) All licenses issued under this division shall be valid for one (1) year.

(b) If the licensee has received a notice of violation of any law or regulation, including disciplinary action against the license, the renewal application shall include a copy of the notice or disciplinary action, including the final disposition of the violation or disciplinary action.

(c) The renewal application shall include a copy of all records required to be kept for the prior year under Section 9-3910 of this division.

(d) It shall be unlawful for any person to operate a short-term rental after the expiration date on the face of the short-term rental license unless a complete renewal application and the requisite fee has been accepted and is under review by the city.

Sec. 9-3904. – Property owner responsibilities.

(a) The property owner is ultimately liable for compliance with the provisions of this division and is responsible for the violation of any provision of this division.

(b) The property owner is ultimately responsible for the filing of all required tax returns related to the operation of the short-term rental with any required taxing agency,

including but not limited to the city, and is ultimately responsible for the payment of any tax, interest, or penalties due as determined by any such taxing agency, including but not limited to the city.

(c) No short-term rental may be operated by a licensee who has not properly filed all required tax returns or who is delinquent in the payment of any tax, fee, interest, or penalties related to the operation of a short-term rental to any taxing agency.

Sec. 9-3905. – Responsible agent required.

On the license application, the property owner must designate a responsible agent who satisfies the following requirements:

(a) The responsible agent must have the access and authority to assume management of the unit.
(b) The responsible agent cannot be located more than thirty (30) miles from the short-term rental unit.
(c) The responsible agent shall be available twenty-four (24) hours per day, seven (7) days per week to respond to complaints, issues of concern, and violations related to this division.
(d) The property owner shall inform the city of any update or change to a responsible agent's information within seven (7) days of such update or change.
(e) The property owner may serve as the responsible agent.

Sec. 9-3906. – Notice of intent.

Prior to submission of an application for a license, the ~~property owner~~ applicant will notify all owners and residents of properties adjacent to the proposed short-term rental property of their intent to utilize the property as a short-term rental unit. The ~~property owner~~ applicant must provide the adjoining property owners and residents with the contact information of the property owner and/or the responsible agent.

Sec. 9-3907. – Inspections.

(a) *License inspections*. No application for a new license shall be approved until the applicant has completed a self-inspection checklist on a city approved self-inspection form to ensure the safety and habitability of the proposed-short term rental unit. This self-inspection must be completed for the initial license application and all renewal applications.
(b) *Additional inspections required*. Prior to the approval of any short-term rental license application, the city manager or their designee may deem a self-inspection of a short-term rental insufficient and require the property to successfully pass an inspection performed by an inspector employed by the city or approved by the city manager or their designee if the property, in the twelve months prior to the submission of the initial or renewal license application, has been cited with more than one code violation, has been the subject of more than three complaints to the city, or if the city manager or their designee has other good cause to believe a self-inspection of the property may be insufficient to ensure the safety, security, and habitability of the property is sufficient for the property to serve as a

short-term rental. The city will provide to the applicant, in writing, the reason for the additional inspection requirement when such requirement is imposed.

(c) *Other inspections*. Nothing in this division shall be deemed to prohibit the city from conducting an inspection of a short-term rental unit at any time for violations of state law, regulations, or this code or for other good cause shown.

Sec. 9-3908. – Restrictions and operations.

(a) *License Displayed*. A copy of the licensee's short-term rental license shall be displayed prominently and conspicuously within each short-term rental unit.

(b) *Advertisement*. The license number shall be included in any advertisement of the short-term rental unit.

(c) ~~*Parking*. Parking requirements for the short-term rental unit shall meet the number of off-street parking spaces as would otherwise be required to serve residential uses for the specific area of the city in which the short-term rental unit is located, as set forth in section 21-7233 (Off-Street Parking Requirements).~~

~~(d)~~ *Noise*. Each short-term rental unit shall have the city's noise ordinance, section 6-2011 (Unreasonable Noise), posted in a visible location inside the short-term rental unit.

~~(e)~~(d) *Signage*. A short-term rental unit may not have any exterior signage. All short-term rental units must have a sign that displays the current contact information of the owner and/or the responsible agent, the Commerce City Police Department's non-emergency number, and any information pertinent to the neighborhood where the short-term rental is located including, but not limited to, parking restrictions, restrictions on noise and amplified sound, trash collection schedules, relevant water restrictions, fire evacuation routes, and any other information required by the City Manager or applicable to the surrounding neighborhood. The sign shall also comply with the following requirements:

(1) The sign shall be posted on the interior of the front door of the short-term rental unit.
(2) The contents of the sign must be translated in both English and Spanish.
(3) The sign must be legible at all times.

~~*(f) Food*. No food shall be prepared for or served to guests of the short-term rental unit by the property owner or the owner's agents or contractors.~~

~~(g) *Occupancy*. Occupancy of the short-term rental may not at any time exceed the space and occupancy standards for residential dwellings in Section 5-302 of this code.~~

~~(h)~~(e) *Safety requirements*. A short-term rental unit shall be equipped with functioning smoke detectors, carbon monoxide detectors, and a fire extinguisher. All such equipment shall be accessible to guests of the short-term rental unit.

~~(i) *Density restriction*. There may be no more than one (1) short-term rental licenses within 500 feet of another short-term rental in a district zoned as residential.~~

~~(1) Distance between short-term rentals shall be measured in accordance with Section 21-11145 of the code.~~
~~(2) No short-term rental may be licensed in a district zoned R-3.~~
~~(3) This subsection shall not apply to short-term rentals located in districts not zoned as residential.~~

~~(j)~~(f) *HOA rules and covenants*. Nothing in this division shall be interpreted as preventing a functional homeowners association from promulgating additional HOA rules and covenants to govern the operation of short-term rental units.

~~(k)~~(g) *Good Neighbor Guide required*. All short-term rental units shall have a good neighbor guide available which shall, at a minimum, inform the short-term rental occupants of the following:

(4) Trash and recycling pick-up times and days as well as requirements for the storage of trash collection bins;
(5) Quiet hours and any other "quality of life" considerations for the neighborhood where the short-term rental is located;
(6) Designated parking areas and rules;
(7) Emergency and non-emergency contact information for the police and fire departments that service the neighborhood where the short-term rental is located;
(8) The contact information for the licensee and the licensee's responsible agent;
(9) Rules, hours, and regulations concerning the use of any of the neighborhood common or public spaces; and
(10) Any other rules or restrictions imposed on the short-term rental property by any applicable HOA or other similar community association.

(h) *Conformance with Land Development Code.* In addition to any requirements of this section, all short-term rentals shall be in conformance with the applicable provisions of the Commerce City Land Development Code.

Sec. 9-3909. – Grounds for denial, suspension or revocation.

In addition to those grounds set forth in article I of this chapter, the city may deny, suspend, or revoke any license granted pursuant to this division upon a finding of any of the following:

(1) A violation of any provision of this division has occurred.
(2) An advertisement promoting the availability of a property containing a short-term rental unit in violation of this division, which shall be prima facie evidence of a violation.

Sec. 9-3910. – Records.

(a) Each short-term rental licensee shall maintain the following records for the prior license year:
(1) The total number of nights the short-term rental was rented to a guest; and
(2) The dates in which the short-term rental was rented by a guest.

(b) Each booking service provider shall maintain the following information for short-term rental transactions facilitated in the city within the past five years:
(1) The name of the person who offered the short-term rental;
(2) The address of the short-term rental;
(3) The dates for which the short-term rental was booked by a guest;
(4) The price paid by the guest for each short-term rental transaction; and
(5) The short-term rental license number.

(c) It shall be unlawful for any person or entity to fail to comply with this section 9-3910.

Sec. 9-3911. – Rules and administration.

The city manager, or their designee, may promulgate such reasonable rules and regulations as they deem appropriate for the carrying out and administration of the provisions of this division.