Short-Term Rental Registration Ordinance

Commerce CITY
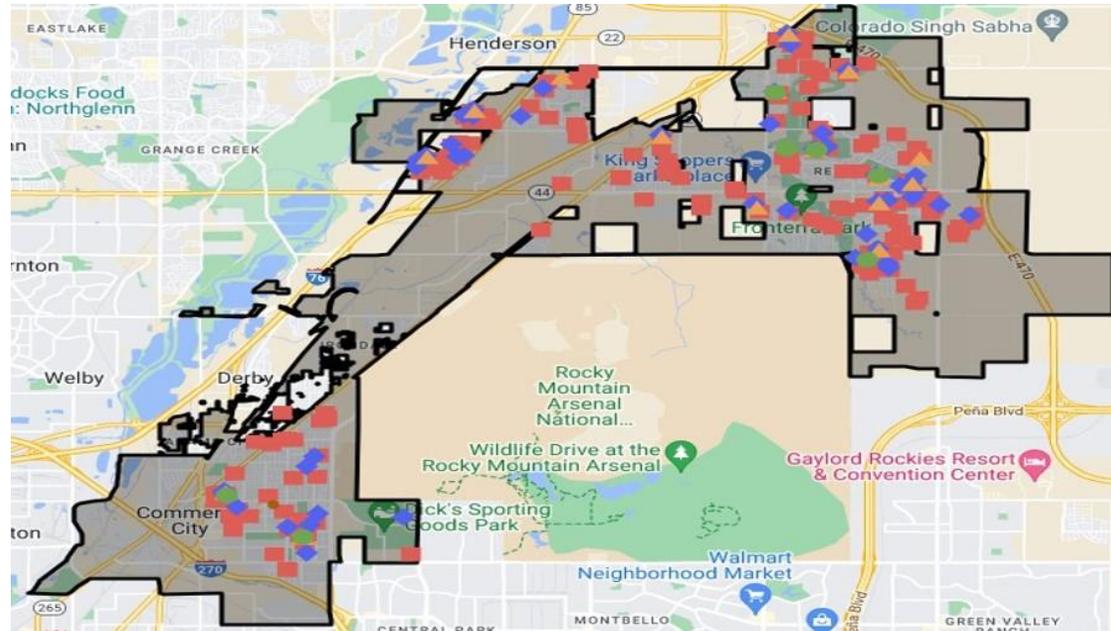
07/15/2024

Purpose

- Discuss proposed short-term rental registration program.
- Discuss next steps.

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Short-Term Rentals in Commerce City

- 99 STR in Commerce City in March 2022
- 250 STR in Commerce City in January 2024

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Short-Term Rental License

- Required for all short-term rental properties that reside in Commerce City beginning on January 1, 2025.

- Valid for one year at the time of issuance.

- Licenses can be renewed on an annual basis and must include all records of prior stays from the previous five years beginning on the date of program implementation.

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Owner Requirements

- The owner of the rental unit must demonstrate they reside on the property at the time of application.

- The owner must designate a responsible agent who lives within 30-miles of the rental unit and must be available 24/7 to respond to complaints or issues of concern.

- The license number must be listed in any advertisement of the short-term rental unit.

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Application Requirements

- Proof of possession of the rental unit.

- Proof of liability insurance for the short-term rental unit, with a minimum of $500,000 in coverage.

- Applicants must notify all adjacent property owners of their intent to utilize their property as a short-term rental and provide contact information of the owner and/or property agent.

License Fee

- The City will need to contract with a third-party vendor to monitor the number of active short-term rental units within the City; the estimated cost of this is $25,000/year.

- For this program to be fully self funded, the City will need to collect ~$150 per short-term rental property annually.

- Once a third-party vendor is selected, staff will have a better estimate of the cost per rental unit needed to fund this program and will bring a fee resolution to Council.

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Density Restriction

- There may be no more than one short-term rental property within 500-feet of another short-term rental in a district zoned as residential.

- No short-term rental unit may be licensed in a district zoned as R-3.

- HOA rules and covenants can impose additional restrictions on short-term rental operations.

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Inspections

- Upon application of a short-term rental license, applicants will be required to submit a city-approved self-inspection checklist affirming the property meets minimum habitability standards.

  - Standards would include functioning smoke and carbon monoxide detectors, an accessible fire extinguisher, and exterior windows that lock, among others.

- If needed, the City Manager can require an inspection from a City Inspector prior to the issuance or renewal of a short-term rental license.

  - Causes for a potential city-inspection include a property receiving more than one code violation or more than three complaints to the city within the previous 12 months.

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Good Neighbor Guide

- All licensed short-term rental properties are required to have a Good Neighbor Guide accessible to guests.

- The Guide must include the following:
  - Trash and recycling pick-up times and days.
  - Quiet hours and other "quality of life" considerations for the neighborhood.
  - Designated parking areas and rules.
  - Contact information for the licensee and the licensee's responsible agent.
  - Rules, hours, and regulations concerning the use of any neighborhood common or public spaces.
  - Any other rules or restrictions imposed on the property by any applicable HOA or community association.
  - Non-emergency contact information for local emergency services.

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Penalties

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

- Penalties for noncompliance will be based on the same fine schedule as other civil infractions, beginning with a $100 for the first offense, and up to a $999 fine for the fourth violation, based on a 12-month cycle.

- Licenses can be revoked for repeated violations.

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Questions and Discussion