



Memorandum

TO: Town Council

FROM: Finance Department

DATE: December 4, 2018

SUBJECT: Short-Term Rental Ordinance No. 19, Series 2018

I. SUMMARY

On November 6th Town Council passed the first reading of Ordinance No. 19, revising the town's current regulations of short-term rentals. Based on Council direction, the second reading of the ordinance was delayed until December 4th to allow more time for public input and discussion. On November 13th town staff met with the lodging/condotel group to gather more information which was provided to Council on November 20th as an update.

II. BACKGROUND

Prior to adopting Ordinance No, 15, Series 2017, Town Council, staff and consultants dedicated over 18 months to research and identify community concerns, analyze peer resort regulations and gather input from multiple public meetings.

On March 1, 2018 the town's Short-Term Rental (STR) Ordinance went into effect. On July 17, 2018 staff provided an update to Council on how things were going. As a result of concerns raised by a number of property management companies and learnings from staff's implementation, recommendations for policy changes were suggested on September 4 2018.

Town Council agreed to revisit certain terms of the town's ordinance regulating short-term rentals. Additional input was gathered from both the property management and lodging community, and revisions to the ordinance address many of their concerns.

III. DISCUSSION

The new ordinance and accompanying tiered fee structure will address many of the concerns that were voiced by both the property management representatives as well as recent input from the condo-tel/lodging community. The following is a **restatement of changes to the regulations** that are currently proposed:

- **Any rental of a residential dwelling unit less than 30 days as a STR requires a registration.**
- Allowing “**professionally managed**” properties to be represented by a designated agent for the registration process and remittance of taxes. This would extend to property managers and “condo-tel” type of lodging properties for example.
- Creation of an umbrella application for professionally managed units, so **multiple properties can be registered under one application** as long as information on each property is listed. The ordinance also allows for multiple properties to be included within one tax return remittance as long as supporting detail by individual property is provided.
- **Decriminalization of violations** of the STR Ordinance. This means that rather than issuing a summons to municipal court, there is a fine structure for unresolved complaints or violations of the ordinance. The fines increase after the first violation within a consecutive 12 month period; upon the fourth violation in that same period, the STR will be prohibited for two years. ***The fines start at \$500 for the first violation, then \$1,500 for the second violation, \$2,500 for the third violation and a two-year prohibition on renting at the fourth violation.***
- Based on feedback from participating citizens, Council agreed to revise the ordinance to ***no longer require the property owner’s name and contact information*** on the posting in the interior of the rental unit. ***The posting must still contain the contact information of the local representative.***
- A majority of Council agreed to the \$150 per property/unit fee during the October 16th meeting, however based on feedback received from property managers and the condo-tel lodging community, ***council directed staff to implement a tiered fee structure. The proposed fee structure:***
 - ***\$150 per unit fee for individually rented units***
 - ***A 50% discount (\$75) per unit fee for professionally managed properties***
 - ***A 75% discount (\$37.50) per unit fee for professionally managed properties with a 24/7/365 onsite manager (“condo-tels”). Fractional units will pay per unit, not per owner.***

This new fee structure will be presented to Council as a separate resolution to coincide with the second reading of the STR Ordinance.

- ***Staff is proposing a March 1st 2019 effective date for the revised regulations.*** The intent is to allow enough time for further public outreach and communication

from the town as well as managers to communicate with their owners about the changes.

IV. ACTION REQUESTED FROM COUNCIL

Approve or approve with amendments second reading of Ordinance No. 19, Series 2018.

**ORDINANCE NO. 19
SERIES 2018**

**AN ORDINANCE REPEALING AND REENACTING CHAPTER 14 OF
TITLE 4 OF THE VAIL TOWN CODE, REGARDING SHORT-TERM
RENTAL PROPERTIES**

**NOW BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF VAIL,
COLORADO, THAT:**

Section 1. Chapter 14 of Title 4 of the Vail Town Code is hereby repealed in its entirety and reenacted to read as follows:

**CHAPTER 14
SHORT-TERM RENTAL PROPERTIES**

4-14-1: PURPOSE AND APPLICABILITY:

A. The purpose of this Chapter is to establish comprehensive registration regulations to safeguard the public health, safety, and welfare by regulating and controlling the use, occupancy, location, and maintenance of short-term rental properties in the Town.

B. This Chapter shall apply to short-term rental properties only, as defined herein. This Chapter shall not supersede or affect any private conditions, covenants, or restrictions applicable to a short-term rental property.

4-14-2: DEFINITIONS:

For purposes of this Chapter, the following terms shall have the following meanings:

LEASE: An agreement or act by which an owner gives to a tenant, for valuable consideration, possession and use of property or a portion thereof for a definite term, at the end of which term the owner has an absolute right to retake control and use of the property.

PROFESSIONAL PROPERTY MANAGEMENT FIRM: An entity comprised of one or more professional property managers with all required licenses in good standing, or a group of one or more employees of a lodge or fractional fee club, as those terms are defined in Section 12-2-2, who are trained in property management and provide such services to owners of STRs within the lodge or fractional fee club.

PROFESSIONALLY MANAGED STR: An STR that is managed, operated or controlled by a professional property management firm.

SHORT-TERM RENTAL PROPERTY ("STR"): A residential dwelling unit, or any room therein, available for lease for a term of less than thirty (30) consecutive days, but excluding bed and breakfasts and accommodation units.

4-14-3: REGISTRATION REQUIRED:

A current, valid registration is required for each STR in the Town.

4-14-4: REGISTRATION PROCEDURE:

A. At least thirty (30) days prior to any advertising of an STR, the owner or property management firm shall register the STR with the Finance Director or designee, on forms supplied by the Town. For professionally managed STRs, registration for multiple STRs may be made by filing a complete list of all the STRs in the Town managed by such firm, on forms supplied by the Town, and the list shall be updated at least quarterly.

B. The fee for STR registration shall be set by resolution of the Town Council.

C. If the STR is located within a duplex, the registration form shall include a copy of a written notice provided by the owner or property manager to the last known address of the record owner of the adjoining residential dwelling unit. The written notice shall be sent by first-class mail at least seven (7) days prior to registering the STR.

D. No registration form shall be accepted without an affidavit, signed by the owner or the property management firm, under penalty of perjury, certifying that the STR is in habitable condition and complies with the health and safety standards set forth in Section 4-14-6.

E. Each STR registration is nontransferable.

F. An STR registration shall expire on February 28 of each calendar year, or when title of the STR transfers to a new owner, whichever occurs first. Each change in ownership of a STR shall require a new registration.

4-14-5: LOCAL REPRESENTATIVE REQUIRED:

Each owner or property management firm shall appoint a natural person who remains within a sixty (60) minute distance of the STR and is available twenty-four (24) hours per day, seven (7) days per week, to serve as the local representative for the STR. The owner or property management firm shall notify the Finance Director or designee in writing of the appointment of a local representative within five (5) days of such

appointment or modification of any such appointment, including contact information.

4-14-6: HEALTH AND SAFETY STANDARDS:

A. Each STR shall comply with all of the following standards, at a minimum, at all times while the STR is occupied:

1. Buildings, structures or rooms shall not be used for purposes other than those for which they were designed or intended.

2. Roofs, floors, walls, foundations, ceilings, stairs, handrails, guardrails, doors, porches, all other structural components and all appurtenances thereto shall be capable of resisting any and all forces and loads to which they may be normally subjected and shall be kept in sound condition and in good repair.

3. Smoke detectors, carbon monoxide detectors and fire extinguishers shall be installed and operable, and all wood-burning fireplaces and stoves shall be cleaned on an annual basis.

4. An operable toilet, sink, and either a bathtub or shower shall be located within the same building, and every room containing a toilet or bathtub/shower shall be completely enclosed by walls, doors, or windows that will afford sufficient privacy.

5. There shall be a sufficient number of trash receptacles to accommodate all trash generated by the occupants, and all receptacles shall comply with Title 5, Chapter 9 of this Code.

6. Occupancy of an STR shall comply with Title 12, Chapter 2 of this Code.

7. The use of portable outdoor fireplaces is prohibited.

8. Electrical panels shall be clearly labeled.

9. All pets shall be subject to Title 6, Chapter 4 of this Code.

4-14-7: PARKING:

Parking for each STR shall comply with all applicable provisions of this Code. All vehicles shall be parked in designated parking areas, and parking is prohibited in any landscaped area.

4-14-8: SIGNAGE:

An owner or property management firm shall post a sign conspicuously inside each STR. The sign shall include the local representative's current contact information, the street address of the STR and the STR registration number.

4-14-9: ADVERTISING:

Advertising for an STR shall include the STR registration number, or, for all professionally managed STRs, the Town business license number, immediately following the description of the STR.

4-14-10: TAXES:

A. For each STR, all applicable Town sales and lodging taxes shall be timely collected and remitted.

B. Professionally-managed STRs may submit one tax payment for multiple properties, so long as there is sufficient supporting information to identify each individual STR and the taxes collected on such STR.

4-14-11: NOTICE:

Any notice required by this Chapter is sufficient if sent by first-class mail to the address provided by the owner or property management firm on the most recent registration form or registration list, provided that notice to the local representative shall also be sufficient to satisfy any required notice to the owner under this Chapter.

4-14-12: LIABILITY:

A. An owner shall be liable for any and all violations occurring on the STR.

B. A property management firm shall be jointly and severally liable for any and all violations occurring on any of its professionally managed STRs in the Town.

4-14-13: INITIAL COMPLAINTS:

Initial complaints concerning a short-term rental property shall be directed to the local representative. The local representative shall resolve the issue that was the subject of the complaint within sixty (60) minutes, or within thirty (30) minutes if the problem occurs between 11:00 p.m. and 7:00 a.m., including visiting the site if necessary.

4-14-14: VIOLATIONS, PENALTIES AND ENFORCEMENT:

A. It is unlawful to violate any provision of this Chapter. Violations of this Chapter shall be civil infractions. Each day of violation shall be deemed a separate offense and be punishable as such.

B. Violations of this Chapter shall be subject to the following fines and penalties, per STR:

First violation in a 12-month period:	\$500
Second violation in a 12-month period:	\$1,500
Third violation in a 12-month period:	\$2,500
Additional violation in a 12-month period:	STR prohibited for two years

C. Enforcement of this Chapter may be initiated in any of the following ways:

1. A citation may be served by posting on the front door of the STR, or by personal service on the owner or the local representative, if present, or by mailing first class or certified mail to the last known address of the owner, local representative or property management firm; or

2. A summons and complaint may be served on the owner of the STR as provided in the Colorado Municipal Court Rules of Civil Procedure; or

3. A summons and complaint may be served on the associated property management firm or local representative for the STR as provided in the Colorado Municipal Court Rules of Civil Procedure.

D. In addition to the penalties described above, the Town shall have any and all remedies provided by law and in equity for a violation of this Chapter, including without limitation: damages; specific performance; and injunctive relief, including without limitation an injunction requiring eviction of any occupants of the STR and an injunction to prohibit the occupancy of the Property in violation of this Chapter. All remedies shall be cumulative.

Section 2. If any part, 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; and the Town Council hereby declares it would have passed this ordinance, and each part, section, subsection, sentence, clause

or phrase thereof, regardless of the fact that any one or more parts, sections, subsections, sentences, clauses or phrases be declared invalid.

Section 3. The amendment of any provision of the Vail Town Code in this ordinance shall not affect any right which has accrued, any duty imposed, any violation that occurred prior to the effective date hereof, any prosecution commenced, nor any other action or proceeding as commenced under or by virtue of the provision amended. The amendment of any provision hereby shall not revive any provision or ordinance previously repealed or superseded unless expressly stated herein.

Section 4. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are repealed to the extent only of such inconsistency. This repealer shall not be construed to revise any bylaw, order, resolution or ordinance, or part thereof, theretofore repealed.

INTRODUCED, READ ON FIRST READING, APPROVED, AND ORDERED PUBLISHED ONCE IN FULL ON FIRST READING this 6th day of November, 2018 and a public hearing for second reading of this Ordinance is set for the 4th day of December, 2018, in the Council Chambers of the Vail Municipal Building, Vail, Colorado.

Dave Chapin, Mayor

ATTEST:

Patty McKenny, Town Clerk

READ AND APPROVED ON SECOND READING AND ORDERED PUBLISHED this 4th day of December, 2018.

Dave Chapin, Mayor

ATTEST:

Tammy Nagel, Town Clerk