



---

Memorandum

TO: Town Council

FROM: Finance Department

DATE: April 2, 2019

SUBJECT: Ordinance No. 3, Series 2019: Business License Code Update

## **I. SUMMARY**

Ordinance No. 3 is a housekeeping update to the business licensing code for accommodation service providers.

## **II. BACKGROUND**

In January of 2016, the town first introduced a business license for short-term rentals and revised the license fee schedule for lodging to encompass all short-term rentals of property, whether in a hotel or in a personal residence. Later, Ordinance No. 15, Series 2017 adopted a new chapter 14 of the Town code, establishing a requirement for short-term rental properties to obtain an STR registration, unique from the Town's business license. As a result, the business license fee section relating to short-term rentals was repealed. However, in repealing that section, it also removed the fee structure for lodging properties and property managers. This part of the code needs to be returned for the proper identification of the Town's current business license fee structure for this business segment.

There are no revenue changes to the business license fee structure, just returning the original fee structure for lodging and property management business license fees back to the Town code.

## **III. ACTION REQUESTED FROM COUNCIL**

Staff is requesting Council's approval of the first reading of Ordinance No. 3, Series 2019.

**ORDINANCE NO. 3  
SERIES 2019**

**AN ORDINANCE AMENDING CHAPTER 1 OF TITLE 4 OF THE VAIL  
TOWN CODE TO ADDRESS BUSINESS LICENSING FEES FOR  
ACCOMMODATION SERVICES**

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

Section 1. Section 4-1-2 of the Vail Town Code is amended by the addition of the following new definitions, to appear in alphabetical order:

**ACCOMMODATION SERVICE:** The furnishing of rooms or accommodations by any person, partnership, association, corporation, estate, representative, or any other combination of individuals, to a person who for a consideration uses, possesses, or has the right to use or possess, any room in a hotel, apartment hotel, accommodation unit, lodge, lodging house, motor hotel, guesthouse, guest ranch, trailer coach, mobile home, auto camp, trailer court and park, fractional fee club, fractional fee club unit, bed and breakfast, or short-term rental property for a period of less than thirty (30) consecutive days under any concession, permit, right of access, license or agreement, including property management and similar services, but excluding owners of short-term rental properties, as that term is defined in Section 4-14-2.

**RENTAL INTEREST:** The smallest portion of an accommodation service that can be separately leased, licensed or used.

Section 2. Section 4-1-4(B) of the Vail Town Code is hereby amended as follows:

**4-1-4: FEES.**

\* \* \*

B. Schedule: An annual business license fee shall be paid by every person doing business in the Town in accordance with the following schedule:

1. ~~Short-term Rentals: Repealed.~~ *Accommodation services: Accommodation services shall pay a fee as follows:*

*a. Accommodation services with more than two (2) rental interests shall pay a flat fee of three hundred twenty-five dollars (\$325.00), plus a fee of seventeen dollars (\$17.00) per rental interest located in Zone 1 and twelve dollars and seventy-five cents (\$12.75) for each rental interest located in Zone 2.*

b. *Accommodation services with two (2) or fewer rental interests shall pay a flat fee of one hundred fifty dollars (\$150.00), plus a fee of seventeen dollars (\$17.00) per rental interest located in Zone 1 and twelve dollars and seventy-five cents (\$12.75) for each rental interest located in Zone 2.*

c. *The accommodation service licensing requirement applies to businesses conducting property management or similar services for short-term rental property, but it does not apply to short-term rental property owners separately registered under Title 4, Chapter 14, of this Code.*

\* \* \*

11. *Lodge support businesses* ~~Lodges~~: Lodge support businesses shall pay a minimum business license fee depending on the category of business being operated at the rate of seventy five percent (75%) of the rate charged for each category listed above, and shall pay an additional fee depending upon the type of business being operated at the same rate as set forth for each category listed above.

\* \* \*

Section 3. If any part, section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not effect 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 4. The Town Council hereby finds, determines and declares that this ordinance is necessary and proper for the health, safety and welfare of the Town of Vail and the inhabitants thereof.

Section 5. 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 2<sup>nd</sup> day of April, 2019 and a public hearing for second reading of this Ordinance set for the 16th day of April, 2019, in the Council Chambers of the Vail Municipal Building, Vail, Colorado.

---

David Chapin, Mayor

ATTEST:

---

Tammy Nagel, Town Clerk

READ AND APPROVED ON SECOND READING AND ORDERED PUBLISHED  
this 16th day of April, 2019.

---

David Chapin, Mayor

ATTEST:

---

Tammy Nagel, Town Clerk