

CITY OF STEAMBOAT SPRINGS, COLORADO

ORDINANCE NO. _____

AN ORDINANCE ADDING A NEW ARTICLE IX TO CHAPTER 12 OF THE STEAMBOAT SPRINGS REVISED MUNICIPAL CODE RELATING TO LICENSING OF SHORT-TERM RENTALS; PROVIDING FOR SEVERABILITY; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING AN EFFECTIVE DATE; AND SETTING A HEARING DATE.

WHEREAS, the City Council hereby finds and determines that short-term rentals have reduced the availability of housing for the local workforce by creating demand for such housing on the part of employees and contractors who provide services to property owners engaged in short-term rentals and by removing housing units from the supply of long term rental units; and

WHEREAS, the City Council hereby finds and determines that short-term rentals have a detrimental impact on the character of some neighborhoods and the community due to the transient nature of their occupancy and the fact that transient occupants do not participate in the community in the same way as long term residents; and

WHEREAS, the City Council hereby finds and determines that short-term rentals have a detrimental impact on some neighborhoods and neighboring property owners resulting from violations of City regulations, including those relating to solid waste, parking, noise, and traffic, due to the unfamiliarity of transient occupants with City regulations and the local mountain environment; the fact that short-term rentals are a holiday or vacation environment for some of their occupants; and also due to the lack of traditional neighborhood relationships between the occupants of short-term rentals and neighborhood residents; and

WHEREAS, the City Council hereby finds and determines that short-term rentals are an essential component of the City's visitor economy and lodging infrastructure; are a substantial contributor to the City's sales tax and property tax base; and operate in many neighborhoods with minimal impact to surrounding neighborhoods and property owners; and

WHEREAS, the City Council acknowledges that many owners of short-term rental property, having purchased, owned, and used their property for many years, have developed strong ties to the community and expect that they will be able to continue to be part time members of the community and/or transition to full time residence in the community and that in order to protect the expectations of such property owners this ordinance provides for the issuance of licenses to registered lawfully nonconforming short-term rental properties and permitted Vacation Home Rental properties notwithstanding licensing caps or prohibitions created by this

ordinance; and

WHEREAS, the City Council hereby finds and determines that it is necessary to the public health, safety, and welfare to adopt a comprehensive regulatory plan to reduce the impacts of short-term rental uses, including tax policy, land use policy, and enhanced licensing and enforcement measures; and

WHEREAS, the City Council finds that renting of residential dwelling units on a short term basis is an activity that has elements of a commercial enterprise; is widely regulated by business and occupational licensing requirements by municipal governments throughout the State of Colorado; creates substantial impacts to local communities in general, and in the City of Steamboat Springs in particular; and is properly the subject of a City of Steamboat Springs licensing requirement and licensing fee for the purpose of managing community impacts and offsetting the City's costs of enforcement; and

WHEREAS, this licensing ordinance imposes a cap on the number of licenses that can be issued in various geographical areas of the City for the purpose of minimizing the impact of short-term rentals in those areas and provides that licenses terminated due to the transfer of the licensed property shall be renewed in those areas subject to a waitlist in order to distribute in an equitable manner the benefits and burdens of short-term rental uses to property owners in those areas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEAMBOAT SPRINGS THAT:

SECTION 1. Chapter 12 of the City of Steamboat Springs Revised Municipal Code is hereby amended by the addition of the following Article IX:

"Article IX – SHORT TERM RENTAL LICENSING

DIVISION 1. GENERALLY

Section 12-541. Definitions.

- (a) *Dwelling unit* has the meaning set forth in the Steamboat Springs Community Development Code.
- (b) *Hosted short-term rental* means one guestroom located within a dwelling unit offered, provided, used, or operated as a lodging accommodation to guests in exchange for remuneration for a period of less than 30 consecutive days while the owner or other permanent resident is residing and present in the dwelling unit.
- (c) *Licensed premises* means the dwelling unit and property specified in an approved short-term rental license issued pursuant to this Article IX.

- (d) *Local responsible party* means an individual or management company located in Routt County during the entire length of a short-term rental period who has access to the licensed premises and is authorized to make decisions regarding the licensed premises.
- (e) *Owner* means a natural person with a recorded fee title interest in the subject property or, in the case of property owned by a partnership, corporation, limited liability company, or other business entity, a natural person with an ownership interest in the business entity.
- (f) *Short-term rental* means a dwelling unit offered, provided, used, or operated as a lodging accommodation to guests in exchange for remuneration for a period of less than 30 consecutive days while the owner or other permanent resident does not reside in the dwelling unit.

Section 12-542. Operational requirements.

Short-term rentals and hosted short-term rentals shall comply with the following operational requirements:

- (1) The licensee shall display each short-term rental license in a visible location inside the licensed premises.
- (2) The maximum number of occupants staying at a short-term rental shall not exceed one (1) per one hundred and fifty (150) square feet of net floor area or 16 occupants, whichever is more restrictive.
- (3) The maximum number of occupants and guests attending any outdoor activities shall not exceed twice the number of permitted occupants.
- (4) A minimum number of parking spaces shall be provided in accordance with the parking requirements for the dwelling unit as established by the Steamboat Springs Community Development Code. In addition, overnight parking of vehicles outside of a garage shall:
 - a. Not exceed six (6) vehicles; and
 - b. Be located on an all-weather, drivable surface; and
 - c. Not be located within a public right-of-way or emergency access easement.
- (5) Each short-term rental shall operate with a designated local responsible party. It is the responsibility of the licensee to inform the city of any changes to the local responsible party name or contact information.
- (6) The local responsible party shall respond to any complaint within one (1) hour of being notified of the complaint.
- (7) A clearly visible and legible notice shall be maintained within each licensed premises that provides the following information:
 - a. The name and 24-hour contact information of the local responsible party; and
 - b. The maximum number of occupants and guests permitted at the licensed premises; and

- c. The maximum number of vehicles allowed and the location of all approved parking spaces; and
- d. Rules regarding overnight parking, trash removal, prohibition on camping and outdoor sleeping, including occupancy of camper or recreational vehicle, and noise.

Section 12-543. Unlawful acts.

- (a) It shall be unlawful to operate a short-term rental or hosted short-term rental without the functioning smoke detectors, carbon monoxide detectors, and fire extinguishers on the licensed premises as identified on the short-term rental self-inspection checklist.
- (b) It shall be unlawful to permit camping, outdoor sleeping, or occupancy of any camper or recreational vehicle on the property while the licensed premises is being used as a short-term rental or hosted short-term rental.
- (c) It shall be unlawful to operate a short-term rental or hosted short-term rental that does not comply with all applicable city and state laws.
- (d) It shall be unlawful to advertise a short-term rental or hosted short-term rental without the license number clearly displayed within the advertisement.

Sections 12-544–570. Reserved.

DIVISION 2. LICENSE

Section 12-571. Required; types.

- (a) It shall be unlawful to advertise, offer, provide, or operate a short-term rental or hosted short-term rental in the City of Steamboat Springs without first obtaining a license as provided in this Article IX. Violation of this provision shall be punishable by citation to municipal court and imposition of a fine in an amount not to exceed \$2,650 per violation per day and the property being operated as a short-term rental or hosted short-term rental shall not be eligible for licensing for a period of two (2) years following conviction.
- (b) The following types of short-term rental licenses are hereby established:
 - (1) Unrestricted licenses are required for all short-term rentals located within Zone A of the Short-Term Rental Overlay as adopted as part of the Official Zone Map of the City of Steamboat Springs.
 - (2) Restricted licenses are required for all short-term rentals located within Zone B or Zone C of the Short-Term Rental Overlay as adopted as part of the Official Zone Map of the City of Steamboat Springs.
 - (3) Hosted licenses are required for all hosted short-term rentals in the City.
- (c) The City Manager shall be responsible for the approval or denial of applications for the issuance or renewal of licenses pursuant to this Division. The City Manager may delegate duties relating to licensing to the City Clerk, the

Planning Director, or other City administrative staff.

Section 12-572. Fee.

The fee to issue or to renew a license shall be established by the City Manager. The fee shall be calculated so as to recover the cost of administration and enforcement of this Article IX, including for example, issuing a license, administering the license program, inspections, compliance checks, complaint tracking and investigation, documentation of violations, and prosecution of violators.

Section 12-573. Application.

- (a) All applicants for a short-term rental license shall file an application with the City Manager.
- (b) A complete application shall include the following information:
 - (1) The name and contact information of the applicant licensee. If the applicant is a corporation, partnership, limited liability company, trust, or other business entity, an affidavit identifying the name and contact information for all persons who hold an ownership or beneficial interest in the business entity and the percentage share of their interest.
 - (2) The name and contact information of the local responsible party.
 - (3) An affidavit affirming the applicant has completed the short-term rental self-inspection checklist.
 - (4) A parking and snow storage plan illustrating the number and location of indoor and outdoor parking spaces to serve the short-term rental.
 - (5) All other documents and information as required by the City Manager.

Section 12-574. Number of licenses issued; cap.

- (a) There shall be no limit on the number of Unrestricted and Hosted Short-Term Rental licenses issued within the city.
- (b) The number of Restricted licenses issued within the city shall be limited to the following caps per Subzone of the Short-Term Rental Overlay as adopted as part of the Official Zone Map of the City of Steamboat Springs:
 - (1) Subzone B1 Sunlight: cap of 5.
 - (2) Subzone B2 Old Town: cap of 20.
 - (3) Subzone B3 Fairway / Clubhouse: cap of 20.
 - (4) Subzone B4 Walton Creek / Whistler: cap of 18.
 - (5) Subzone B5 Walton Creek / Village / Columbine: cap of 12.
 - (6) Subzone B6 Alpenglow: cap of 10.

Applications for new licenses in the foregoing Subzones shall be issued in accordance with a waiting list maintained by the City. The City shall notify the

first property owner on the waiting list for a Subzone when the expiration or revocation of a license makes available a license in that Subzone. Notice shall be provided by first class mail, return receipt to the address provided by the property owner. The property owner shall have thirty (30) days to submit a complete application for licensure. If no conforming application is submitted by 5:00 p.m. MT on the deadline, the property owner shall be removed from the waiting list, and the City shall provide notice to the next property owner on the list of the availability of a license.

- (c) Restricted licenses shall be issued for properties in Zone C of the Short-Term Rental Overlay adopted as part of the Official Zone Map of the City of Steamboat Springs only if the property that is the subject of the application is registered as a lawfully nonconforming short-term rental use or is a permitted Vacation Home Rental use.
- (d) The number of Restricted licenses issued by the City in Zone B of the Short-Term Rental Overlay adopted as part of the Official Zone Map of the City of Steamboat Springs may exceed the caps established by this Article IX to accommodate legal nonconforming short-term rental uses that were lawfully established prior to the effective date of the Short-Term Rental Overlay zone and registered with the City in accordance with the provisions of the Community Development Code and Vacation Home Rental uses permitted in accordance with the provisions of the Community Development Code. No application made by the owner of such a property shall be denied on the basis of the limitations on license numbers established by this Section.
- (e) The exemption provided in subsections (c) and (d) shall not apply to any property for which a license has been revoked pursuant to Section 12-579(f).

Section 12-575. Issuance of a License.

- (a) In determining whether to issue or renew a license under this article, the City Manager may consider the following:
 - (1) Whether the application is complete and signed by the applicant;
 - (2) Whether the applicant has paid the application fee;
 - (3) Whether the proposed short-term rental use complies with all the requirements of this Article, the Community Development Code, building and fire codes, and any other applicable government regulations;
 - (4) Whether the application contains any material misrepresentations;
 - (5) Any other facts pertinent to the application; and
 - (6) Whether the applicant has previously had a license suspended or revoked.
- (b) The City may deny the license application for good cause if the application or property does not comply with the requirements of this Article or any other provision of this Revised Municipal Code.

- (c) The City shall not issue a license until the building in which the short-term rental use is to be conducted is ready for occupancy and has been inspected for compliance with applicable regulations.
- (d) The City Manager shall not issue a license for: a property that is subject to the two-year ban on licensure pursuant to Section 12-571(a); a property that is subject to the two-year ban on licensure provided for in Section 101.H.4 of the CDC for violations occurring prior to its repeal; or to a person who is subject to the two-year ban on licensure provided for in Section 12-579(f).

Section 12-576. Term; renewal.

- (a) All licenses granted pursuant to this Article IX shall expire one (1) year after issuance.
- (b) Renewal of an existing license may be had by payment of the annual licensing fee and filing of a complete renewal application not less than thirty (30) days prior to the date of expiration. Renewal applications filed after the date of expiration will be denied, and application for a new license will be required. If the licensed property is in a capped Subzone identified in Section 12-574(b) the new license application will be subject to the waiting list established pursuant to Section 12-574(b). If the licensed property is located in Zone C of the Short-Term Rental Overlay adopted as part of the Official Zoning Map of the City of Steamboat Springs, no new license may be issued.
- (c) A short-term rental license may not be renewed if there is good cause for denial as set forth in Section 12-575 or there is cause for suspension or revocation as provided for in Section 12-579. Renewals may be approved on a provisional basis pending resolution of any action pursuant to Section 12-578.
- (d) Except where the City Manager has received a timely and complete renewal application and fee, it shall be unlawful for any person to operate a short-term rental after the expiration date recorded on the short-term rental license.
- (e) If the licensee is a corporation, partnership, limited liability company, trust or other business entity, the renewal application shall include a notarized affidavit from an authorized partner, member, shareholder, or officer describing any changes to the ownership structure or beneficiaries or confirming that there have been no changes in ownership structure or beneficiaries of the business entity since the license was issued or last renewed.

Section 12-577. Transferability.

- (a) No license granted pursuant to this Article IX shall be transferable from one (1) person to another or from one (1) location to another. If the property that is subject to the license is transferred, the new owner shall be required to apply for a new license. If the property is owned by a corporation, partnership, limited liability company, trust or other business entity and an ownership or beneficial interest in the business entity is transferred to a person who does

not hold such an interest, the business entity shall be required to apply for a new license.

- (b) Transfers of ownership in the following circumstances shall be exempt from the prohibition on transfers set forth above and, in the Subzones described in Section 12-574(b), shall not require the new owner(s) to obtain a new license via the waiting list:
 - (1) From the owner to a trust established by the owner for the benefit of the owner;
 - (2) From the owner to a corporation, partnership, limited liability company or business entity, so long as the owner has a controlling interest in the business entity;
 - (3) Between the same parties creating or terminating a joint tenancy;
 - (4) Due to death, pursuant to a will, the law of descent and distribution or otherwise;
 - (5) As ordered by a court under bankruptcy code or in equity receivership proceeding;
 - (6) Without consideration for the purpose of confirming, correcting, modifying or supplementing a transfer previously recorded; making minor boundary adjustments; removing clouds of titles; or granting rights of way, easements or licenses;
 - (7) Pursuant to any decree or order of a court of record quieting, determining, or vesting title, including a final order awarding title pursuant to a condemnation proceeding; or
 - (8) Between spouses or former spouses made pursuant to a separation agreement.

Section 12-578. Remedial Action.

- (a) Subject to subsection (d) of this section, the City may on its own motion or on complaint, after investigation and public hearing before a hearings officer appointed by the City at which the licensee shall be afforded an opportunity to be heard, fine a licensee or suspend or revoke, in whole or in part, any short-term rental license for any violation by the licensee or by any of the agents, servants, or employees of the licensee or by any occupant of the licensed premises of the provisions of this article; or any of the terms, conditions, or provisions of the short-term rental license; or of any other provision of this Revised Municipal Code; or on the grounds that false statements were made in any license or renewal application. The City may impose a fine pursuant to this subsection (a) regardless of whether a licensee has petitioned the City pursuant to subsection (d)(1) of this section for permission to pay a fine in lieu of license suspension, and the City need not make the findings specified in subsections (d)(1) of this section.
- (b) The City shall have the power to administer oaths and issue subpoenas to require the presence of persons and the production of papers, books, and

records necessary to the determination of any hearing that the City is authorized to conduct.

- (c) Notice of suspension or revocation, as well as any required notice of such hearing, shall be given by mailing the same in writing to the licensee at the address contained in the license. No such suspension shall be for a longer period than six months. If any license is suspended or revoked, no part of the fees paid therefor shall be returned to the licensee. Any license may be summarily suspended by the City Manager without notice pending any prosecution, investigation, or public hearing. Nothing in this section shall prevent the summary suspension of a license for a temporary period of not more than fifteen days.
- (d) Whenever a decision suspending a license or permit becomes final, whether by failure of the licensee to appeal the decision or by exhaustion of all appeals and judicial review, the licensee may, before the operative date of the suspension, petition for permission to pay a fine in lieu of the license suspension for all or part of the suspension period. Upon the receipt of the petition, the City may, in its sole discretion, stay the proposed suspension and cause any investigation to be made that it deems desirable and may, in its sole discretion, grant the petition if it is satisfied that:
 - (1) The public welfare would not be impaired by permitting the licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired remedial purposes;
 - (2) Suspension would adversely affect the interests of innocent third parties; and
 - (3) The books and records of the licensee are kept in such a manner that the licensee's revenues can be determined with reasonable accuracy.
- (e) The fine accepted by the licensee shall be equivalent to one hundred percent of the licensee's gross revenues during the period of the proposed suspension.
 - (1) Upon payment of the fine pursuant to subsection (d)(3) of this section, the hearings officer shall permanently stay the imposition of the suspension.
 - (2) The City's authority is limited to the granting of such stays as are necessary for it to complete its investigation and make its findings and, if it makes such findings, to the granting of an order permanently staying the imposition of the entire suspension or that portion of the suspension not otherwise conditionally stayed. If the City does not make the required findings and does not order the suspension permanently stayed, the suspension shall go into effect on the operative date finally set by the hearings officer.

Sections 12-579. Guidelines for remedial action.

- (a) If after the hearing provided for in Section 12-578 the hearings officer determines that the licensee has violated any of the terms and provisions of

- this article, the terms and conditions of the license, or any other provisions of the Municipal Code relating to the operation of a short-term rental, the hearings officer may impose a fine in an amount not to exceed \$2,650 per violation per day or may suspend or recommend revocation of the license.
- (b) Guidelines for the imposition of fines or the suspension or revocation of licenses shall be as follows:
 - (1) For a first offense in a two-year period: warning, imposition of a fine, or suspension for a period of fourteen (14) to sixty (60) days;
 - (2) For a second offense in a two-year period: suspension for a period of thirty (30) days to ninety (90) days
 - (3) For a third offense in a two-year period: suspension for a period of sixty (60) days to one hundred and eighty (180) days;
 - (4) For a third offense in a one-year period: recommendation of revocation of the license.
 - (5) For operating during a suspension, false statements in a license or renewal application, or for any violation that would be a basis to deny a license: recommendation of revocation of the license.
 - (c) The time periods referred to above shall be calculated on the basis of the date of violation. Suspension periods shall run continuously and shall commence on the first day of one of the following months: June, July, August, December, January, February, or March. The suspension period shall commence on the first day of the first month listed above that is at least sixty (60) days from the date the suspension is imposed.
 - (d) In determining whether to impose a fine or suspend or revoke the license as provided above, the hearings officer and/or City Council shall consider the following factors:
 - (1) Whether the violation presented a danger to public safety or the safety of occupants of the licensed premises;
 - (2) Impacts to neighboring property owners or residents;
 - (3) Whether the violation was a knowing or willful violation by the licensee;
 - (4) Whether the licensee took reasonable steps to correct the violation upon receiving notice of the violation;
 - (5) Whether the licensee had taken or proposes to take measures to prevent the violation from occurring or re-occurring;
 - (6) Whether and to what extent the violation provided an economic benefit to the licensee.
 - (e) In any case in which the hearings officer recommends revocation of a license, the matter shall be scheduled for review by the City Council within forty-five (45) days. Council review shall be limited to determining whether the license should be suspended or revoked. The City Council may revoke the license or impose a lesser period of suspension.
 - (f) In the event a license is revoked, the licensee or, in the case of a licensee that is a corporation, partnership, limited liability company, trust or other business entity, any person holding an ownership or beneficial interest in the business

entity may not apply for or be issued a new short-term rental license or hosted short-term rental license for a period of two (2) years and re-licensing of the property shall be subject to the caps and prohibitions set forth in Section 12-574 without regard to registered nonconforming status or Vacation Home Rental permitting.

Sections 12-579–599. Reserved.”

SECTION 2. This ordinance shall take effect five (5) days after publication following final passage except that enforcement of the prohibition on operating a short-term rental or hosted short-term rental without a license set forth in Section 12-571 shall be suspended until January 1, 2023.

SECTION 3. If any 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 portion of this Ordinance.

SECTION 4. That pursuant to Section 7-11 of the Charter of the City of Steamboat Springs, Colorado, the second publication of this ordinance may be by reference, utilizing the ordinance title.

SECTION 5. A public hearing on this ordinance shall be held on _____ at any time after the meeting is called to order at approximately 5:00 p.m. in the City Council Chambers at Centennial Hall, at the corner of 10th Street and Oak Street, Steamboat Springs, Colorado, or by remote attendance at <https://us02web.zoom.us/j/985289877>.

SECTION 6. All ordinances heretofore passed and adopted by the City Council of the City of Steamboat Springs, Colorado, are hereby repealed to the extent that said ordinances, or parts thereof, are in conflict herewith. Section 1-13(b) of the Revised Municipal Code shall apply to preserve any causes of action existing as of the effective date of this ordinance pursuant to any ordinance repealed by this Ordinance.

SECTION 7. The City Council finds, determines, and declares that this ordinance is necessary for the immediate preservation of the public health, safety, and welfare.

INTRODUCED, READ, AND ORDERED PUBLISHED as provided by law, by the City Council of the City of Steamboat Springs at its regular meeting held on _____, 2022.

Robin Crossan, City Council President

ATTEST:

Julie Franklin, CMC, City Clerk

FINALLY READ, PASSED, ADOPTED, AND APPROVED this ____ day of _____, 2022.

Robin Crossan, City Council President

ATTEST:

Julie Franklin, CMC, City Clerk