

# City of Crosslake Ordinance 2023

**AN ORDINANCE OF THE CITY OF CROSSLAKE, CROW WING COUNTY, MINNESOTA, ADDING A NEW CHAPTER 2023 OF CROSSLAKE CODE ENTITLED SHORT-TERM HOME RENTAL LICENSING; PROVIDING A PURPOSE; DEFINING KEY TERMS; ESTABLISHING LICENSE REQUIREMENTS TO OPERATE A SHORT-TERM HOME RENTAL; CREATING STANDARDS TO OBTAIN A SHORT-TERM HOME RENTAL LICENSE; PROVIDING FOR VIOLATIONS, AND ENFORCEMENT; PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

## **Recitals:**

- A. The City is authorized to exercise its powers to “maintain the peace, good environment and welfare **of its residents**”.
- B. The City is authorized to “implement such reasonable regulations as it deems necessary to safeguard the public health, life safety and general welfare in order to protect the integrity of residential neighborhoods in which short-term home rentals or vacation rentals operate.”
- C. The significant growth of short-term home rentals within the City has created a need for reasonable regulations so as to protect the health, life safety, and welfare of short-term home rental guests, as well as neighboring property and the public.
- D. A licensing system provides a reasonable, regulatory approach to seek to balance the operation of short-term home rentals with the health, life safety, and welfare impacts upon guests, neighbors, and the public.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Crosslake, Crow Wing County, Minnesota;

**SECTION 1:** That a new **Chapter 2023 of Title \_\_\_\_\_** of the Crosslake City Code is created to read as follows:

## **Chapter 2023 SHORT-TERM HOME RENTAL LICENSING**

- 2023.010: Purpose**
- 2023.020: Definitions**
- 2023.030: License Required**
- 2023.040: License Standards**
- 2023.050: Violations and Enforcement.**

**2023.010 Purpose.** Short Term Home Rentals provide additional tourism opportunities and economic impacts, but also increased impacts on guests, neighbors, and the public. The purpose of this ordinance is to provide the city with reasonable regulatory procedures to protect the health, life safety and welfare of short-term home rental guests, neighboring residents, and the public. These regulations are further intended to protect the integrity of neighborhoods and the waters in which short-term home rentals operate.

**2023.020 Definitions.** For the purposes of this section, ~~is to define~~ the following terms, phrases, words, and their derivations shall have the meanings as given here. When consistent with the context, words in the plural include the singular and words in the singular include the plural.

1. **LOCAL REPRESENTATIVE:** An area manager, owner, resident, or agent who is readily available to respond to guest and neighborhood or City questions or concerns.

2. **RESIDENT:** The person or entity that holds legal and/or equitable title (owner) or lease rights (Renter) to the private property.

3. **PRIMARY RESIDENT:** Means a person living on a property where the property is the person's primary residence.

**SALE TRANSFER:** Any change of Resident, whether for consideration or not, during the term of the permit.

4. **SHORT-TERM HOME RENTAL:** Any individually or collectively owned single-family house or dwelling unit or any unit or group of units in a condominium, cooperative or timeshare, or Resident-occupied Residential home that is offered for a fee and for (30) days or less. **Note if the STHR application is in a zoning district where residential use is a conditional use, the Applicant must first obtain a CUP to allow for such residential use in that zoning district.**

### **2023.030 License Required.**

**A. License Application:** Any property owner desiring to undertake short-term home rentals must apply to the City of Crosslake for a short-term home rental license. A license must be approved prior to operating within the city. The license application request must be submitted on the form provided by the city and must include all the information requested on the application form.

**B. License fee.** The license application form must be accompanied by payment in full of the required license application fee. **This fee shall be non-refundable.** The license application fee will be determined by the City Council in the city fee schedule.

1. **License Required:** No property may be used for short-term home rental unless a license is granted by the City of Crosslake.

2. **License Application:** The City shall prepare and make available an application form for a STHR License reflecting appropriate information, standards compliance, and fee as may be established in the City's fee schedule.

3. **License Term:** A Short-Term Home Rental License shall be valid for a period of one year from issuance and ~~may~~ **must** be renewed annually. A license shall expire upon end of its one-year term or upon a sale/transfer of the property.

4. **License Applicability:** A license shall be applicable to the designated dwelling unit to be used as a STHR. The License shall be issued to and in the name of the Resident; and a change in Resident, such as sale/transfer, shall require a new license. If the proposed licensee is a Renter, then consent of the Owner must be provided.

5. **Compliance Responsibility:** A licensee may act through an agent or property manager, but the licensee shall remain responsible for compliance with these provisions.

6. **Existing STHR's:** Short-Term Home Rentals in existence prior to the effective date of this ordinance shall be provided a grace period of ninety (90) days in which to obtain a license according to the standards of this chapter.

### **2023.040. License Standards.**

**A. Declaration of Compliance.** At the time of application for new or renewal Short-Term Home Rental license, the applicant shall submit an affidavit affirming compliance with City standards along with completing a City provided self-inspection checklist.

**B. Inspection.** The City will require an **on-site** inspection to verify compliance with standards upon application, upon complaint of non-compliance, or in relation to other permit enforcement action. **Upon completion of the application and inspection, the City shall either deny or issue a license and said license shall confirm the maximum number of nighttime occupants per the standards set forth below. If the City approves a STHR license, the City shall provide written notice to the adjacent properties. If the City has completed an inspection with a prior application, no on-site inspection shall occur unless the renewal seeks more occupancy or other changes are indicated.**

**C. Minimum Standards.** The minimum standards required for all Short-Term Rental dwelling units are set forth below. These standards are intended to protect that the use of the dwelling unit as a STHR does not generally have greater impacts than would be created by long term occupancy of the dwelling unit. The City retains the ability to add to requirements as necessary, as will be stated on the license application, to provide for health, life safety, and general welfare of the community and for the STHR guests.

1) Windows. Bedroom windows shall be operable to allow emergency egress in accordance with the most recent building fire codes as adopted and amended by the City. **The City license may limit the number of bedrooms and thus occupancy based on the condition of said windows.**

2) Smoke Alarms. Single or multiple-station smoke alarms shall be installed and maintained in accordance with manufacturers specifications and an approved Fire Safety Plan.

3) Carbon Monoxide Detectors. A CO Detector is required on each floor if there is a garage, solid fuel appliance, or gas appliance, and as otherwise required in an approved Fire Safety Plan.

4) Fire Extinguishers. One 2A:10BC type fire extinguisher shall be equipped per floor, and otherwise required in an approved Fire Safety Plan. Fire extinguisher(s) shall be mounted in visible locations with tops of the fire extinguishers mounted between three feet and five feet above the floor, and be accessible to occupants at all times.

(5) Parking. **Improved surface areas on the site shall be sufficient to enable a car for every three occupants.**

(6) Access. The access and ingress to the site shall maintain safe conditions for pedestrians and vehicles and shall be adequately sized and designed so that access to other properties is not impacted or unsafe conditions on public streets created.

(7) Noise. Loud music, outdoor activities or any other source of noise that can be heard beyond the perimeter of the STHR premises shall not be generated during the hours of 10:00PM to 7:00AM the following day.

(8) Exterior Changes. No exterior changes shall be made to the structures or site conditions that would eliminate its appearance or use as a dwelling unit for long term residency.

(9) **Septic System. If the home is not connected to City sewer, the Applicant shall provide a septic compliance certificate before a license is issued; the system shall be pumped for the compliance inspection. If the Applicant can provide such a certificate approved within the last three years, the Applicant need only show the septic system has been pumped within six months of the application. The owner or applicant shall provide the City with written invoices and reports of each compliance report and pumping. The City license may limit the number of bedrooms based upon the capacity of said septic system.**

(10) **If this application is submitted in 2023, the City may grant a license before the on-site inspection has been completed as long as all the Minimum Standards**

are completed by the owner and the City confirms by an onsite inspection within 6 months of issuing the license.

**D. Maximum Occupancy Amount:** The Nighttime occupancy is defined as two people per bedroom, ~~plus two additional people~~, up to a maximum of 12 guests, excluding children under twelve (12) years of age. Nighttime occupancy limits begin at 11:30 PM and shall apply whether the guests intend on sleeping at the premises or not. Daytime occupancy is defined as one and a half times the maximum number of occupants allowed to stay overnight at the unit, excluding children under twelve (12). Occupancy limits shall not exceed septic occupancy design limits. Daytime and nighttime occupancy standards shall be included in all advertisements and listings.

**E. Guest records.** The licensee for short-term rentals must keep a guest record including the name, address, phone number, and vehicle license plate information for all guests and must provide a report to the city upon 48 hours' notice.

**F. Local Representative.** Each STHR shall designate and list a local representative who resides within thirty (30) vehicular miles of the city limits.

1. The local representative must be able to be responsive in a timely manner if the City attempts to contact and address concerns. If the City is not able to make contact with the local representative in a timely manner more than twice during the term of the license, this shall be considered a violation.
2. The permit license holder may change the designated local representative by filing an application amendment with the City. Failure to notify the City of a change in local representative will constitute a violation of this chapter.

**G. Guest disclosures.** The licensee must disclose in writing to their guests the following rules and regulations and must submit a copy of the disclosure to the city with the license application and renewal applications. In addition, the disclosures must be conspicuously displayed in the home. The disclosures must include the following:

- a. The name, phone number and address of the owner, operating lessee or managing agent/representative.
- b. The phone number and website address of the City of Crosslake.
- c. The maximum number of guests allowed at the property, excluding children under the age of twelve (12). (Daytime and Nighttime)
- d. The maximum number of vehicles allowed at the property and the approved parking areas.
- e. Property rules related to use of outdoor features, such as decks, patios, grills, recreational fires, saunas, and other recreational facilities.
- f. That City nuisance ordinances will be enforced by the Crosslake Police Department, including reduced noise levels between 10:00 p.m. and 7:00 a.m.
- g. That no events are allowed to be hosted by a guest on the premises.
- h. The solid waste and recycling collection day.

**H. Fire Safety Plan.** An applicant must submit a Fire Safety Plan, which must be reviewed and approved by the Fire Department as part of the License. The Fire Safety Plan must be posted on site with the license.

**I. Posting of license number.** The licensee must post the city license number at the property and on all print, poster, or web advertisements.

**J. Garbage.** All garbage must be kept in rubbish containers that are stored out of view of a public street **per City of Crosslake Ordinances**.

**K. Signage.** For short-term home rental, no signage is allowed on the property. **The City, however, shall place a small marker on the site after completing the inspection with license number and other contact information as determined by the City.**

**L. Events.** Events are not allowed to be hosted by guests on the premises. Events hosted by the property owner are allowed but must comply with all applicable city ordinances and policies, including the prohibition on renting out private residential property for events.

**M. Insurance.** The licensee must provide proof of sufficient and suitable property insurance with the license application and must be able to confirm that the coverage remains in place within 24 hours of a request by the city.

**N. Short-Term Rental Lodging Tax**

a. Minnesota Sales Tax under Minnesota Statutes, section 297A.61

1. Short-Term Home Rental facilities must charge sales tax on lodging if the rental is less than 30 days.

2. The Short-Term Home Rental is 30 days or more if there is no enforceable written agreement that requires the customer to give prior notice of their intention to terminate the lease.

b. Whitefish Area Lodging Association.

1. Properties in the City of Crosslake who rent Short-Term Rentals are required by law to collect one (1) percent lodging tax.

2. This tax is to be collected at the time each guest pays the Renter and is due quarterly on the twenty fifth (25) of the month after the end of each quarter to the designated tax administrator, Ideal Township.

**O. Required Health and Life Safety Inspections.**

**Short-term home rentals.** STHR License applications will not be accepted without an approved inspection report signed by the city's fire department and building department. The inspection must have been completed no more than 60 days prior to submission of the license application. The list of health and safety items that will be inspected will be included in license application materials so that the licensee will know in advance what items will be inspected. If the inspection identifies items that must be corrected, all corrections must be completed and verified by the city before the license will be issued.

**P. Site Plan and Floor Plan for Short-Term Home Rentals.**

(1) The applicant must submit a site plan of the property drawn to scale, showing parking and driveways, all structures, and outdoor recreational areas that guests will be allowed to use, including, but not limited to, deck/patio, barbeque grill, recreational fire, or sauna.

(2) The applicant must submit a floor plan of the residence drawn to scale identifying which rooms are proposed to be used as guest bedrooms or sleeping areas.

**2023.050 Violations and Enforcement.**

The following conduct shall constitute a violation for which the penalties and sanctions specified in this section may be imposed.

**A. Violations:**

a. It is unlawful for any party to offer for Rent a Short-Term Home Rental or to operate a Short-Term Home Rental without a City License.

b. It is a violation of this article if a responsible party, or Occupant or guest knowingly and willfully violates any provisions of this article.

c. The occupants of the dwelling have created noise, disturbances, or nuisances, in violation of City Code.

d. Violations of law pertaining to the consumption of alcohol or the use of illegal drugs.

e. The Licensee or local representative has failed to comply with the standards and/or requirements of this chapter.

**B. Penalties (other than violations set forth in Sections F and G below):**

a. For the first violation within a twelve (12) month period, the sanction shall be a warning notice.

b. For the second violation within a twelve (12) month period, the violator shall be subject to a civil penalty in an amount established by Resolution of the City Council

c. For the third violation within twelve (12) month period, the sanction shall be a revocation of the license.

d. Additional penalties, as may be provided for by the specific violation in other sections of City Code, shall remain applicable.

e. These penalties are within the enforcement discretion of the City and may be relaxed or heightened depending upon specific circumstances.

C. **Written Notice:** The City shall provide the permit license holder with a written notice of any violation of this section that a violation has occurred. If applicable, a copy of the warning notice shall be sent to the local representative.

**D. Administrative Hearing Procedure. An Applicant can request a hearing to contest any penalty herein and the procedures for such hearing are as provided in Section 2-3 of City Code.**

E. **Application for License After Revocation:** A Licensee who has had a STHR License revoked shall not be permitted to apply for a subsequent STHR License for the same dwelling unit for a period of one year from the date of the revocation.

F. **Failure to License:** Unless otherwise provided, any person who shall commence or continue to operate a Short-Term Home Rental for which a license is required without first procuring the license shall be deemed guilty of an infraction and subject to a fine of \$1,000 for the first offense, \$2,000 for the second offense and \$3,000 for the third or more offenses. A separate offense shall be deemed committed on each day during or on which a violation occurs or continues.

G. **Advertisement of Short-Term Home Rental:** An advertisement or communication promoting the availability of a STHR property in violation of this code is prima facie evidence of a violation and shall be fined as in Section F above.

**SECTION 2: REPEALER.** All previous ordinances, resolutions, orders, or parts thereof, that are in conflict herewith are hereby repealed

**SECTION 3: SAVINGS AND SEVERABILITY.** It is hereby declared to be legislative intent that the provisions and parts of this ordinance shall be severable. If any paragraph, part, section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid for any reason by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

**SECTION 4: EFFECTIVE DATE.** This ordinance shall be in full force and effect as of Date \_\_\_\_\_ after its passage, approval and publication according to law.

**PASSED BY THE CITY COUNCIL of Crosslake, MN this \_\_\_\_ day of \_\_\_\_\_ 2023.**

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**Dave Nevin, Mayor**

**ATTEST:**

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**Charlene Nelson, City Clerk**