

**Residential Short-Term Rentals
Recommendation for Town Council Consideration
December 5, 2024 Meeting**

Executive Summary

Councilmember Veranth recommends the adoption of a temporary ordinance that would allow issuing 2025 calendar year business licenses to all who operated an RSTR and paid the necessary sales, resort, and transient room taxes in 2024 regardless of whether any other provisions of the current town code were strictly followed. A temporary ordinance, which would sunset after one year, is needed since the 2025 reservation season starts in a few months. A year will allow time for updating the RSTR rules, and all rentals operating 2026 will be required to comply with the updated rules.

Background

Income from short-term rentals is important to both individual citizens and to the town budget. It is alleged that the town has not been consistently administering the requirements of §153.204 regarding annual renewal of the business license and that many current rentals are not in compliance. The problem is related to confusing requirements in the codified ordinance. For example, the formula for the allowed number of RSTRs is difficult to administer, and the required waiting list does not exist. The requirement for processing a new CUP annually is cumbersome for the Planning Commission and has not been followed. An equitable solution is to allow a one-year renewal of rentals that have been paying their taxes while the policy and regulatory issues are addressed by the Planning Commission and Town Council.

Proposed Ordinance Provisions in Plain Language

1) Whereas Statements:

a) Town finds that the current RSTR rules need to be revised.

b) Town wishes to allow continued operation of current short-term rentals while addressing problems in the current ordinances.

2) The Zoning Administrator is authorized to issue 2025 calendar year business licenses to all residential short-term rentals, bed and breakfast inns, campgrounds, RV parks and guest ranches that:

a) previously received a CUP for their operating location, AND

b) can document that they paid sales tax and room tax for rentals during calendar year 2023 or 2024.

3) Administration of the following sections is temporarily suspended: §153.204 (C) Ownership, occupancy, and residency; §153.204 (D) Limitations on number and type of RSTRs allowed; §153.204 (E) Conditional use permit required; and §153.204 (G) Violation

4) Administration of the following sections shall continue: §153.204 (A) Definition; §153.204 (B) Allowed zones; and §153.204 (F) Property Management.

5) No new RSTR applications will be processed while this temporary ordinance is in effect.

6) Operating a RSTR without a business license shall be a civil infraction punishable by fines set by the Boulder Town Council.

7) This temporary ordinance will sunset on December 31, 2025.

Procedural Items

1) This proposal can be discussed at the December 5 Town Council Meeting. If the council to determine if there is legislative support for the goals as proposed.

2) The Planning Commission public hearing notice was posted on Monday Dec 2 and can be on the PC agenda for December 12.

3) The ordinance can be prepared and noticed for the January 2 Town Council Meeting.

4) A formal request from the council to the Planning Commission regarding action in 2025 on the a new RSTR ordinance including input on issues that need to be addressed will be presented as a motion for vote in January, but is not part of the formal ordinance.

Short-Term Rental Ordinance Revisions

Request from Town Council to Planning Commission December 5, 2024 Meeting

The Boulder Town Council requests that the Planning Commission review the current town code provisions regarding short-term rentals and provide policy options and recommendations for revised ordinance language by June 2025.

Goals

- 1) Regulate the total number of short-term rentals to preserve community character and to prevent erosion of the available stock of housing available for long-term rental.
- 2) Protect the property rights and investments of persons who currently operate short-term rentals.
- 3) Provide clarity to citizens as to what conduct is required or prohibited when operating short-term rentals.
- 4) Provide clarity to the zoning administrator regarding licensing requirements, renewal policy, and rule administration.

Constraints

- 1) Revenue from short-term rentals is important to the Town's economy.
- 2) State law 10-9a-507 is very explicit regarding the limited circumstances under which a conditional use permit can be denied.

Specific Issues and Legislative Policy Preferences

General

- 1) The primary regulation of short-term rentals should be through a town business license and not through a land-use conditional use permit.
- 2) The planning commission is strongly urged to receive training regarding conditional use permits including the following from Utah League of Cities and Towns
<https://www.youtube.com/watch?v=ggvLFVXbfA0>
<https://www.youtube.com/watch?v=aZBi6F18eI0>
- 3) The planning commission is requested to make a clear distinction between short-term rental issues involving land use (zoning) and business regulation aspects of short-term rental (non-land use).
- 4) The Town Council recommends that the business license to operate a RSTR be renewed upon payment of annual fee and ongoing compliance with a provision to cure any deficiencies before any enforcement. Annual renewal of the Conditional Use permit is inconsistent with the above goals.

Land Use

- 1) Should RSTR's continue to be allowed in all zones, and is the allocation between upper, middle, and lower Boulder appropriate?
- 2) The planning commission is urged to consider a fixed, legislative number of allowed RSTR's in place of the current formula which can increase or decrease annually.
- 3) If short-term rentals are to be a conditional use, then what named impacts, objective standards, and mitigation measures need to be specified in the ordinance in order to comply with state law?
- 4) Residential short-term rentals, bed and breakfast inns, campgrounds, RV parks and guest ranches are all addressed individually in the table of Uses 153.117 and in specific ordinance provisions, but all can involve rental of a room suite or cabin for less than 30 days. Are similar land uses being treated similarly? Are the distinctions between the different sets of rules based on municipal concerns?

Business Regulation

- 1) The planning commission is urged to consult with the town attorney regarding provisions limiting ownership of an RSTR to an individual whose primary residence is in the town or to a corporation whose major owner is a resident of the town.
- 2) Should the right to hold one of the limited number of available RSTR business licenses be treated as a transferable property right separate from the permit to use a specific dwelling unit as an RSTR?
- 3) Should the current provisions regarding first-come basis and waiting list for the limited number of available RSTR business licenses be replaced?
- 4) Are the current provisions regarding a lapsed permits and violations fair and equitable compared to providing a notice of violation with opportunity to correct within a reasonable time?
- 5) Are all of the detailed property management requirements really necessary? Should the town be micro-managing the operation of a business or focusing on impacts to neighbors? s