

Residential Short-Term Rentals

Town Council Request to Planning Commission

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 Town Clerk 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 previously received a CUP and business license for their operating location,

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 CUP 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 was discussed at the December 5 Town Council Meeting. The council determined that there is legislative support for the goals as proposed.

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

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

4) A formal request from the council to the Planning Commission regarding action being high priority 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.

5) Request Michael Winn to draft a letter to business license holders, and include notification in business license request from Town Clerk at beginning of year.