

**TOWN OF LAKE CITY
BOARD OF TRUSTEES
ORDINANCE NO. 13-2023**

**AN ORDINANCE REPEALING AND REPLACING SECTION 23-5 OF THE
LAKE CITY TOWN CODE REGARDING SHORT TERM RENTALS**

WHEREAS, the Board of Trustees of the Town of Lake City, Colorado (the “Board”), pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Lake City, Colorado (the “Town”); and

WHEREAS, the Town codified its ordinances in the Town of Lake City Town Municipal Code (the “Code”); and

WHEREAS, the existing Section 23-5 of the Code permits short term rentals in residential districts as a conditional use allowed by special permit and sets forth the process for application and issuance of the same; and

WHEREAS, the Board has considered amending the licensing and regulation of short term rentals within the Town of Lake City in response to various changes in housing availability and enforceability of the existing regulations; and

WHEREAS, the Board finds it necessary and appropriate to revise the Short Term Rental (“STR”) provisions of the Code to ensure the health, safety and welfare of the residents and visitors of the Town of Lake City.

**NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES
OF THE TOWN OF LAKE CITY AS FOLLOWS:**

Section 1. Section 23-5 of the Town of Lake City municipal Code is hereby repealed in its entirety and amended by adding the following language to read in its entirety as follows:

Sec. 23-4. – Short Term Rentals

1. Permit Requirement

(a) It shall be unlawful for any person to operate or advertise to rent any short-term rental unit without a valid short-term rental (“STR”) unit permit approved by the Town Manager or their

designee. A short-term rental shall be defined as any structure, dwelling, or dwelling unit that is rented for periods of time of less than thirty (30) consecutive days.

(b) The short-term rental unit permit does not run with the property but is issued to the specific owner of the property. The permit shall not be transferred or assigned to another individual, person, entity, or address but may be managed by a third party on behalf of the owner.

(c) Any person found to be advertising for rent or renting a short-term rental unit without a permit will be notified by certified mail or other delivery method requiring the signature of the recipient to cease and desist all offending actions. Upon receipt of the notice, the offending party shall have 10 business days to correct the offending action. By way of example, and not limitation, resolutions may include removing the offending advertisement, ceasing the rental of the offending unit(s), obtaining a short-term rental permit, or other corrective action deemed acceptable by the Town Manager or their designee. After the 10-business day period has ended without correction of the offending action or upon any further violation, the offending party shall be determined to be in violation of this section and may be fined \$500 for each day the offending action continues.

(d) The requirements and restrictions of this chapter shall not apply to hotels, motels, lodges, or boarding houses.

2. Permit Application.

Applicants for a short-term rental unit permit shall submit a completed application form which contains such information as required by this section and shall pay all fees required for the permit application. The application shall be reviewed administratively by the Town Manager or their designee who shall approve or deny the application within 10 working days of submittal or as soon thereafter as reasonable.

The permit application shall include:

(a) Standard town application; including an affidavit of compliance with all laws and ordinances of the Town of Lake City, including the STR regulations set forth in Section 23-4, as well as the initial required fire inspection. The contents and requirement of the affidavit of compliance may be amended from time to time by resolution of the Board of Trustees.

(b) A separate short-term rental permit is required for every rental unit.

(c) The name, mailing address, physical address of the rental unit and contact information including a 24-hour contact phone number for the owner or the owner's property manager (responsible agent) who can be contacted in the event of an emergency and who, therefore, can promptly address the needs of guests occupying the short-term rental unit and can respond within two hours.

(d) Proof of insurance. The owner shall maintain and provide proof of property liability insurance in the amount of not less than \$500,000 or provide proof that property liability

coverage in an equal or higher amount is provided by any and all hosting platforms through which the owner will rent the short-term rental unit. Proof of liability insurance is not required if the short-term rental reservations are handled exclusively by hosting platforms (websites) that extend liability coverage of not less than \$500,000.

(e) A narrative addressing all of the short-term rental unit permit review criteria showing how they will be met.

(f) A statement that the owner has read and understands the rules and regulations for a short-term rental unit set forth in this chapter.

(g) The application fee of \$100.

(h) Sales Tax License. The property owner or property manager shall provide a current sales tax license for the short-term rental issued by the Colorado Dept. Of Revenue and shall be responsible for remitting sales tax and lodging tax.

(i) Fire Department Inspection Report. All new registrations will be required to pass a fire inspection prior to short-term renting. Inspections must be scheduled 30 days prior to applying for a short-term rental license. Existing short-term rentals will need to complete and pass an inspection within the first year of this ordinance's effective date. A copy of the fire inspection report that includes the occupancy limit shall be submitted with the application.

(j) Proof of ownership. Proof of ownership of the subject property on which the requested use subject to the permit is to be conducted satisfactory to the Town Manager or their designee.

(k) Site Parking Plan. Property owner shall submit a site parking plan that shows adequate on-property parking shall be supplied.

(l) Property Floor Plan. Property owner shall submit a floor plan of the property that clearly shows the number of bedrooms and where they are located.

(m) Notice with contact information. Within five calendar days of filing an application with the town, the concerned applicant(s) shall mail, by certified mail with return receipt requested, on forms provided by the town, notice of the use for which the permit is being sought and 24 Hour contact information of the applicant and the property manager, to all owners of property adjoining the property for which each permit is requested, at the addresses of such owners as is shown by then-current records of the assessor of the county. Satisfactory proof of such certified mailing of notice to all such adjoining property owners must be submitted to the Town Manager no more than ten calendar days following the date of filing of the pertinent application.

3. Fee Schedule and Permit.

(a) The permit fee shall be per year per unit:

(1) Residential Zones: \$375.00.

(2) Non-Residential Zones: \$0.00

(b) No person, LLC, Corporation, or other entity shall be issued more than three (3) Short Term Rental permits within the Residential Zones of Lake City.

(b) The permit application fee is a one-time payment of \$100.00. The purpose of the fee is to finance the cost of administering and monitoring compliance of terms, conditions, and requirements for short-term rental operations.

(c) The permit must be posted within the short-term rental property within 10 days of final approval.

(d) The permit number must be included in all advertisements.

(e) Notwithstanding any provision to the contrary, the purchaser of a property with a pre-existing valid STR Permit held by the seller of the same property may operate a STR under the seller's pre-existing valid STR Permit for up to thirty (30) days so long as the purchaser submits a new application for an STR Permit within ten (10) days of purchase of the subject property.

4. Permit Criteria.

The Town Manager or their designee may approve or approve with conditions an application for a short-term rental unit permit if the following criteria and specific regulations are met:

(a) Sleeping quarters for short-term tenants shall not be in nonresidential areas within buildings or accessory structures (e.g., shed, garage, etc.), in commercial (office/retail) or outdoors (e.g., tent, etc.) or in a recreational vehicle.

(b) A separate short-term rental permit is required for each rental unit with the following limits:

1. Residential Zones

- A. No Person, LLC, Corporation, or other entity may not be eligible to obtain more than three (3) STR permits per person-or entity in the Residential Zones.
- B. Maximum number of STR Permits Issued shall be limited to 43 STR Permits (the "STR Permit Cap"), representing 15% of the total number of residential units in the Residential Zones at the time of passage of this Ordinance. Upon request, this number may be adjusted with approval of the Board of Trustees by resolution.
- C. Qualifying STR Permits will be granted in the order in which they are received up to the STR Permit Cap. If an application is received after the STR Permit Cap is reached, then the applicant will be put on a waiting list. In the event that a permit is not renewed or is revoked then a permit will be issued to the next applicant on the waiting list.

2. Non-Residential Zones

- A. There shall be no restriction on the number of STR Permits issued in the Non-Residential Zones.
- B. There shall be no limit to the number of STR permits that can be issued to an individual, Corporation, limited liability company, or other entity.

(c) The owner shall maintain and provide proof of property liability insurance in the amount of not less than \$500,000 or provide proof that property liability coverage in an equal or higher amount is provided by any and all hosting platforms through which the owner will rent the short-term rental unit. Proof of liability insurance is not required if the short-term rental reservations are handled exclusively by hosting platforms (websites) that extend liability coverage of not less than \$500,000.

(d) Short-term rental units must remain compliant with all planning, zoning, building, health, fire and town codes.

(e) The owner shall not have had a short-term rental unit permit revoked within the preceding 12 months.

(f) The Town Manager or their designee may, upon request of the applicant, vary any condition or requirement of the STR Permit. Denial of a variance request may be appealed to the Board of Trustees for review and reconsideration.

5. Complaint Procedure.

(a) Complaints concerning the use or occupancy of a licensed short-term rental unit may be made to the town by contacting the Lake City Town Office. The subject of the complaint may include without limitations such things as violations of the parking, trash, noise or other requirements related to short-term rental units as provided in this chapter or in the issued permit.

(b) When a complaint concerning a short-term rental unit has been received, the Town Manager, code enforcement officer, or their designee may attempt to contact the responsible agent for the short-term rental unit using the contact number on file. In the event the responsible agent does not answer the officer's telephone call, the officer may leave a voice message requesting a return call. It shall be a violation of this code, for the responsible agent to fail to respond to the Town Manager's, officer's, or their designee's telephone call within twenty-four (24) hours of the officer leaving a voice message. When the responsible agent is reached by telephone, the agent will be informed of the details of the complaint.

(c) The responsible agent is required to attempt to address the issue that was the subject of the complaint within twenty-four (24) hours of having been notified. A responsible agent shall initially respond to a complaint by contacting the renter of the short-term rental by telephone, electronic methods or in person and requesting the renter take such action as is necessary to eliminate the violation that is the subject of the complaint. A proper response to a complaint may also require the responsible agent to visit the short-term rental unit to attempt to eliminate the violation identified by the complaint.

(d) A responsible agent is not required to and should not place themselves in a situation that could cause them physical harm or cause a public disturbance in order to address a complaint.

(e) The responsible agent shall promptly notify the Town if the agent believes that the complaint has been successfully eliminated by the agent. If the town does not receive notification from the responsible agent that the complaint has been successfully eliminated within twenty-four (24) hours of the agent having been notified of the complaint, it shall be presumed that the complaint has not been successfully eliminated and the complaining party may follow up with the town about the complaint.

(f) If the complaint involves the immediate health or safety of any person or property and the complaint was not eliminated, the responsible agent shall immediately contact the Hinsdale County Sheriff's Office and follow all direction(s) given to the agent by the Sheriff's Office.

(g) If the responsible agent fails to respond to a complaint within twenty-four (24) hours as required by this section, the Town of Lake City code enforcement officer, the Town Manager, or their designee may investigate the matter. If the officer, Town Manager, or their designee determines that there are reasonable grounds to conclude that a violation of this chapter has occurred a code violation citation may be issued.

6. Permit Renewal and Appeal Process.

(a) If two or fewer code violations have been filed related to the subject property in the previous 12 months and the applicant is current on all taxes, fees and other charges owed the town, the applicant is only required to purchase a new yearly permit during the month of January of every year.

(b) If three or more code violations have been filed related to the subject property in the previous 12 months, there shall be no renewal of the permit. All future permit applications for the property shall be treated as new applications. The Board of Trustees may prohibit the approval of any permit that has been revoked or not eligible for renewal pursuant to this section for one year or such other period of time as the Board of Trustees deems reasonably appropriate.

(c) Applicants seeking an appeal shall do so in writing within 10 business days of the date of the notice of denial or revocation to the Town Manager or designee. The notice of appeal shall contain the following information:

- (1) Name of property owner.
- (2) Name of registration holder.
- (3) Property address and legal description.
- (4) Date of violation(s).

- (5) Copy of notice of the violation(s).
 - (6) Brief statement of grounds for appeal.
 - (7) Any documentation the property owner or registration holder wants considered.
 - (8) Names, addresses, email address, and telephone number for contacting the appellant.
- (d) Appeals are to be heard by the board of trustees within 30 days of receipt of notice of appeal.
- (e) The board of trustees shall review the denial or revocation of a permit and shall only overturn the manager's or designee's determination if the board finds the decision to be arbitrary and capricious.

7. Rules and Regulations.

It shall be a violation of this chapter for the owner or short-term rental tenants to fail to comply with the following rules and regulations:

- (a) All short-term tenants shall abide by all applicable noise, open fire, housing and public health ordinances and codes of the town and all other town fire and safety regulations.
- (b) A site plan showing adequate parking shall be supplied at the time of application. Parking in private driveways shall be utilized first with overflow parking on the street if permitted. No overnight on street parking is allowed in residential neighborhoods without prior approval of the Town Manager. Occupants must comply with all town parking regulations.
- (c) The town-issued permit number shall be used in all rental marketing materials. It shall be considered a code violation if false or misleading occupancy marketing materials are posted.
- (d) During the term that a short-term rental unit is occupied by a short-term rental tenant, the owner and/or responsible agent shall be available 24 hours per day, seven days a week, for the purpose of responding within two hours to complaints regarding the condition or operation of the short-term rental unit and its tenants. If the local responsible agent designated by the owner changes, then the owner shall update the permit on file within three business days.
- (e) A clearly defined trash storage area and Bear-proof trash containers shall be provided by the applicant if trash is to be stored outside. The property shall be free of trash and debris.
- (f) Short-term rental properties must comply with the town sign code.
- (g) The maximum occupancy of a short-term rental unit shall be determined by the Fire Department during the mandatory initial fire inspection. The maximum occupancy of a STR shall be determined on the basis of two (2) occupants per bedroom plus an additional two occupants or 1 occupant per 200 sq. ft. of interior living square footage, whichever is greater.

The applicant may present conditions or factors specific to the STR property to the Town Manager to support modifying the occupancy calculation by up to an additional two occupants. The Town Manager may authorize such additional occupancy on a case-by-case basis. An appeal of the Town Manager's determination may be brought to the Board of Trustees.

(h) The property owner or property manager shall post the following information in a prominent location within the unit:

- (1) Copy of approved short-term rental permit.
- (2) Primary and secondary 24-hour contact person.
- (3) Maximum occupancy permitted. The posting shall include a statement that it is a code violation of the short-term rental permit for the number of occupants to exceed the permitted occupancy.
- (4) Maximum parking spaces and location on the property where parking is permitted and a statement that parking in non-designated areas is prohibited.
- (5) Notice of Short-Term Rental Rules shall be clearly posted in a conspicuous location.
- (6) Identify the location of the garbage storage areas on the property and the location of the Hinsdale County Transfer Station and its operating hours.

(n) The unit address shall be clearly marked and visible from the roadway with a minimum of three-inch reflective or high contrast numbers.

(o) To ensure the health, safety, and welfare of short-term renters, the following safety equipment must be installed and safety measures must be taken in the Short Term Rental ("STR") unit:

- (1) Smoke detectors inside and outside all sleeping areas of the STR (IFC 2015 907.2.11.2)
- (2) Carbon monoxide detectors on every floor of the STR near sleeping areas and near gas fueled boilers, furnaces, fireplaces, and where an attached garage exist (IFC 2015 915.1.1);
- (3) One 2A/10BC Fire Extinguisher (IFC 2015 906.1)
- (4) Egress doors and windows must remain operable and cleared of snow, debris or any other obstruction.

8. Penalties and Revocation.

(a) Code and permit violation penalties for violation occurring within a 12-month rolling period may be enforced as follows:

(1) First offense: warning.

(2) Second offense: \$500.00.

(3) Third and subsequent offenses: up to \$2,650 and/or revocation of permit.

Section 2. Validity. If any part of this ordinance is held to be unconstitutional or invalid for any reason such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The Board of Trustees hereby declares that it would have approved this ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Section 3. Repeal. Existing ordinances or parts of ordinances covering the same matters as embraced in this ordinance are hereby repealed and all ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed, except that this repeal shall not affect or prevent collection of any fees assessed pursuant to the provisions of any ordinance hereby repealed prior to the taking effect of this ordinance.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF LAKE CITY, COLORADO AND SIGNED THIS 15th DAY OF NOVEMBER 2023.

Votes Approving: 4
Votes Opposed: 1
Absent: 1
Abstained: 0

ATTEST:

BOARD OF TRUSTEES OF THE TOWN OF LAKE CITY, COLORADO

H. Kuellenberg
Heather Kuellenberg
Town Clerk

By: Dave Roberts
Dave Roberts
Mayor

