

SECTION 425 - SHORT TERM RENTAL

425.01 PURPOSE

The purpose of this section is to allow Short Term Home Rentals where appropriate while mitigating impacts upon surrounding properties by implementing balanced regulations to protect the integrity of the city's neighborhoods as well as protecting the public health, safety, and general welfare.

425.02 DEFINITIONS

Bedroom. A habitable room within a primary residence which is used, or intended to be used, primarily for the purpose of sleeping, but shall not include any kitchen or dining room.

Primary Residence. A dwelling unit with a homestead classification, as defined by Minnesota Statutes, section 273.124, and as determined by the Hennepin County Assessor.

Primary Resident. The owner of a primary residence or a qualifying relative, including parents, grandparents, siblings, children, grandchildren, aunts, uncles, nieces, and nephews of the owner or of the spouse of the owner.

Short Term Home Rental. A primary residence that is offered to transient guests for a period of less than 30 consecutive days at a time.

425.03 GENERAL REQUIREMENTS AND LICENSE ISSUANCE

Subd. 1 **License required.** No property may be used as a Short Term Home Rental unless granted a license by the city pursuant hereto.

Subd. 2 **Homestead status required.** No property may be licensed or used as a short term home rental unless the property is a Primary Residence, as defined herein.

Subd. 3 **License application.** Any property owner desiring to offer or use a Primary Residence as a Short Term Home Rental within the city must apply for a Short Term Home Rental License from the City of Tonka Bay. A license must be approved prior to operating within the city. The license application request must be submitted on the form prescribed by the city and must include all the information requested on the application form.

Subd. 4 **License fee.** The license application form must be accompanied by payment in full of the required license application fee. The license application fee amount will be as determined by the city council in the city fee schedule. Fees for new licenses obtained for less than the two-year license term will be determined on a monthly pro-rated basis until the next full two-year term.

Subd. 5 **Issuance.** All Short Term Home Rental Licenses shall be issued administratively by the city administrator pursuant to the terms contained herein.

Subd. 6 **Criteria for Issuance.** Prior to issuance of a Short Term Rental License hereunder, the applicant shall ensure the following criteria are met:

- a. The licensee certifies on the application form that all applicable items found in this Section are satisfied. Such items shall include, but not be limited to, the following:
- 1) Short Term Home Rentals are a permitted use in the zoning district of the subject property;
 - 2) The Proposed Short Term Home Rental complies with all of the performance standards found in this Section;
 - 3) Certificate of Property Insurance provided to the city; and
 - 4) Compliance with all applicable provisions of the City Code.

425.04 GENERAL PERFORMANCE STANDARDS

The following shall be the general standards for all Short Term Home Rental licenses issued hereunder.

Subd. 1 No Physical Alterations. No physical alterations of a Primary Residence shall be permitted in conjunction with the operation of a Short Term Home Rental, except that additional on-site parking may be provided, to the extent that such parking is otherwise permitted by the applicable provisions of the city's code.

Subd. 2 Non-Transferable. Licenses issued under this section are non-transferable. Each license shall automatically terminate upon the sale or other conveyance of the property to an unlicensed person or entity.

Subd. 3 No Vested Right. Licenses granted hereunder constitute a revocable, limited right. Nothing herein shall be construed as granting a vested property right.

Subd. 4 Insurance Required. The licensee must provide a Certificate of Property Insurance at the time of license issuance. The City may request proof of such insurance at any point during which the license is active, and the licensee must provide evidence that the coverage as remained in effect during the entire license period within one week of the city's request for confirmation. Such obligation shall exist during all times at which a valid license is issued for the property.

Subd. 5 Term. Licenses granted under this section are valid for two years. A renewal license must be applied for every two years. Licenses expire on December 31st of odd numbered years.

Subd. 6 Number of Bedrooms. Each license shall indicate the number of bedrooms which are contained in the Primary Residence. No licensee shall advertise the Primary Residence as containing any more than the identified number of bedrooms. The number of bedrooms, as indicated on the license, shall be used for all calculations required herein.

Subd. 7 Limit on the Number of Guests. The maximum number of guests permitted to stay within a Short Term Home Rental during one rental period shall be the sum of the number of Bedrooms contained in the Primary Residence multiplied by two, up to a maximum of 10. Such sum shall include adults and children.

Subd. 8 Signage. No commercial signage is allowed on the property of any Short Term Home Rental.

Subd. 9 Events. Events are not allowed to be hosted by transient guests on the premises. For purposes of this Section, an event means a gathering on the premises of the total number of people permitted to stay on the premises plus five. Events hosted by the property owner are allowed, but must abide by all applicable city ordinances and policies.

425.05 ENFORCEMENT AND LICENSE REVOCATION

Subd. 1 Enforcement and License Revocation. Upon a finding that a licensee has violated the terms of this section, or any other applicable ordinance, law, or regulation, on two occasions within the license period, the city may revoke the license. Prior to such revocation, the city administrator shall mail written notice of the license violations to the licensee. The licensee shall have ten days to request a hearing, in writing, upon such revocation before the City Council. Failure to request such a hearing, in writing, shall constitute waiver of the right to be heard on such revocation.

- a. Effect of Revocation. Upon revocation of a license under this section, such licensee shall be ineligible for applying for a new Short Term Home Rental license for a period of 12 months from the date of revocation. Such prohibition shall apply not only to the Primary Residence for which the license was revoked, but also any other property held or owned by the licensee.
- b. Violation a Misdemeanor. Each violation of any term of this ordinance shall constitute a misdemeanor. Each day that such violation occurs shall constitute a separate misdemeanor.
- c. Remedies not Exclusive. In the event of a violation or threatened violation of this ordinance, the city, in addition to other remedies, is entitled to seek injunctive relief or proceedings to prevent, restrain, correct, or abate such violations or threatened violations.

Subd. 2 Fines. In addition to provisions herein, the city may impose fines for violations of this section in accordance with the city's approved fee schedule. Failure to pay a fine within 30 days of issuance shall be grounds for immediate revocation pursuant to this Section. A license may not be renewed until all outstanding fines have been paid.