

**ORDINANCE NUMBER 18-15, SECOND SERIES
AN ORDINANCE AMENDING CHAPTER 9 OF THE CITY CODE
CREATING A SHORT-TERM RENTAL ORDINANCE
CITY OF PEQUOT LAKES
COUNTY OF CROW WING
STATE OF MINNESOTA**

The City Council of the City of Pequot Lakes does ordain as follows:

Section 9-10.1 PURPOSE AND INTENT

The purpose of this article is to regulate short-term vacation rentals within the City of Pequot Lakes, Minnesota, for the purpose of allowing property owners to offer their property for rent while mitigating associated negative impacts upon surrounding properties and neighborhoods, as well as water and environmental quality and general public safety.

Section 9-10.2 DEFINITIONS

For purposes of this article the terms defined in this section have the meanings given them below.

1. Applicant shall mean the property owner of record of the real estate within the City of Pequot Lakes for which a short-term rental permit is sought under this article.
2. Dwelling Unit shall mean a structure or portion of a structure or other shelter designed as living quarters for one or more persons.
3. Rental Period shall mean a period of time for which a dwelling unit is rented.
4. Short-Term Rental Period shall mean a rental period of less than thirty (30) days.

Section 9.10-3 PERMIT

1. Permit required. No property owner shall rent or cause to be rented a dwelling unit within Pequot Lakes for a period less than thirty (30) days without first obtaining a permit from the City.
2. Application. An application for a permit to rent a dwelling unit for a short-term rental period shall be made on a form provided by the City. The application shall contain the full name of the applicant, the applicant's residential address and telephone numbers, the address of the proposed rental property, and any additional information the City deems necessary. The following items shall be submitted with the application:
 - a. Sketch floor plan of structure, including the number of bedrooms numbered 1, 2, 3, etc. and all other sleeping accommodations not specific to a bedroom.
 - b. Site plan which shows locations of property lines, the dwelling unit(s) to be rented, septic tank location(s), drain field location(s), and specific parking areas that will be utilized by renters for vehicles and trailer parking.

- c. A valid Certificate of Compliance for the Subsurface Sewage Treatment System (SSTS) less than three (3) years old showing that the system is compliant with then applicable Minnesota Rules and any applicable municipal ordinances, and then at least once every three (3) years thereafter shall provide an updated certificate of septic testing showing that the system is compliant for the number of bedrooms indicated in the application.
- d. Name and telephone number of a contact person who shall be responsible for responding to questions or concerns regarding the operation of the short-term rental. This information must be kept current. The contact person must be available to accept telephone calls on a 24-hour basis at all times that the short-term rental is rented and occupied. The contact person must have a key to the rental unit and be able to respond to the short-term rental within sixty (60) minutes to address issues or must have arranged for another person to address issues within the same timeframe. The requirement for identifying a contact person applies to each person or entity making arrangements for renting a given short-term rental.
- e. If the property was rented the prior calendar year, a written listing of rental periods the property was rented and number of persons in each rental period.

Upon receipt of a completed application, the City Administrator or his or her designee shall review the same and upon determining that the application complies with this article, shall issue the permit. The City Administrator or his or her designee may delay action for a reasonable period as necessary to complete any investigation of the application or the applicant as he or she deems necessary. If the application does not comply with this article, the City Administrator or his or her designee shall deny the application. If the City Administrator or his or her designee shall determine that an application is incomplete, he or she shall return the application to the applicant with notice of the information necessary to make the application complete.

3. Appeal. If the City Administrator or his or her designee shall deny the permit application, he or she shall provide written notice of the denial to the applicant along with notice of the applicant's right to appeal the denial to the City Council by submitting a written request for a public hearing on the denial to the official who provided the notice of denial within ten (10) days after service of the notice. If requested, a public hearing on the denial of a permit application shall be held at a regular or special meeting of the City Council. The presiding officer shall make a statement as to the reason for the hearing and make every reasonable effort to ensure a fair and full presentation of the facts and arguments by the applicant and the City and representatives or counsel for each. When the public hearing is closed, the presiding officer shall advise the City Council that any decision to affirm the denial of the permit application must be made for failure to comply with the requirements in this article. A decision shall be made by the City Council within a reasonable time after the public hearing is closed and promptly communicated to the applicant in writing.
4. Term. All permits issued under this article shall fall under the calendar licensing year of January 1 to December 31. Permit fees are not pro-rated if issued at any time other than January 1.

5. Transfers. All permits issued under this chapter shall be valid only on the premises for which the permit was issued and only for the person to whom the permit was issued, and may not be transferred to another location or person.
6. Display. All permits shall be posted and displayed in plain view of the general public on the permitted premises.

Section 9.10-4 FEES

No permit shall be issued under this article until the appropriate permit fee shall be paid in full. The fee for a permit under this article shall be established in the City's Ordinance Establishing Fees and Charges, as it may be amended by resolution from time to time.

Section 9.10-5 CONDITIONS OF PERMIT

Short-term rental permits issued under this article shall be subject to the following conditions:

1. The maximum rental period shall not be more than thirty (30) days.
2. The maximum occupancy shall be two (2) people per bedroom.
3. Properties shall not be rented for more than four (4) rental periods between May 20th and September 10th each calendar year.
4. Properties may not be rented to more than one party in any seven (7) day period.
5. Additional occupancy by use of recreational vehicles, tents, accessory structures, garages, boathouses, pole barns, sheds, fish houses, or similar structure is not permitted.
6. The dwelling unit must meet Minnesota Residential Building Code requirements regarding fire egress from all bedrooms/sleeping areas and detector/alarm systems.
7. The applicant shall provide one (1) off-street parking space per bedroom rented with a maximum number of vehicles equal to the number of bedrooms in the dwelling. No on-street parking is allowed for guests.
8. Parking areas must meet the side yard setback for the zoning classification of the subject property.
9. The owner shall keep a report detailing use of the home by recording the full name, address, phone number and vehicle permit number of adult guests using the property. A copy of the report shall be provided to the City upon request.

Section 9.10-6 ENFORCEMENT

1. Order to Correct Violation; Permit Suspension and Revocation.
 - a. If the City determines that a dwelling unit is a public nuisance, operating without a permit or other approval required by this article, or operating in violation of this article or any other applicable provisions of city code, the City shall provide written notice of the violation to the property owner and order the correction of the violation in accordance with this section. Evidence for violation may be gathered at any time and is considered admissible evidence for suspension/revocation of a permit when collected from rental website

information, neighborhood complaints, photographic evidence, or other means of collection.

- b. Any short term rental permit issued pursuant to this article may be suspended for up to six (6) months or revoked by the city for good cause. If the City intends to suspend or revoke a short term rental permit, the City Administrator or his or her designee shall issue written notice of such intent to the permittee at least twenty-one (21) days before such suspension or revocation is set to begin. The notice shall be served on the permittee or licensee in person or by certified mail, return receipt requested, and shall include notice of the permittee's right to appeal the suspension or revocation to the City Council by submitting a written request for a public hearing on the suspension or revocation to the official who provided the notice of suspension or revocation within ten (10) days after service of the notice.
 - c. If requested, a public hearing on the suspension or revocation of a permit application shall be held at a regular or special meeting of the City Council. The presiding officer shall make a statement as to the reason for the hearing and make every reasonable effort to ensure a fair and full presentation of the facts and arguments by the permittee and the City and representatives or counsel for each. When the public hearing is closed, the presiding officer shall advise the City Council that any decision to affirm the suspension or revocation of the permit application must be made for cause as defined in this Article. A decision shall be made by the City Council within a reasonable time after the public hearing is closed and promptly communicated to the applicant in writing.
 - d. For purposes of this section, good cause shall include, but not be limited to:
 - i. Failure to comply with an order to correct a violation issued pursuant to this Section;
 - ii. Issuance of three or more violation notices under this Section;
 - iii. The occurrence of one or more nuisance conditions as defined in Chapter 7, Article 2 on the permitted property;
 - iv. Use or operation of a permitted dwelling unit in a manner that imperils public health, safety or welfare, including but not limited to, violation of this article or any other provision of local, state, or federal law intended to protect occupants of the dwelling or the surrounding neighborhood and community;
 - v. Material inaccuracies in any application materials, reports or other information submitted to the City regarding the activity for which the permit or license was issued; or
 - vi. Conviction of a crime related to the activity for which the permit was issued.
2. Withholding Permits or Approvals. The City may refuse to process applications for permits and approvals under this article if the application concerns a property determined to be in violation of this article and where the city has issued an order requiring the violation that the property owner has not complied with.

3. **Administrative Citations.** The City may issue an administrative citation pursuant to Chapter 7, Article 1 for violations of this article and may take all actions therein authorized.

Section 9.10-7 PENALTY

1. Any person who rents a dwelling unit for a short-term rental period without a valid short-term rental permit issued by the City under this article is guilty of a misdemeanor.
2. Any person who knowingly makes a false report to the City of a violation of this article by another is guilty of a misdemeanor.

Effective Date: This ordinance amendment shall be in full force and effect from and after passage and publication according to state law.

Repeal: This ordinance shall repeal all ordinances inconsistent herewith.

Passed by the Pequot Lakes City Council this 4th day of December, 2018.

Nancy A. Adams
Mayor

ATTEST:

Nancy Malecha
City Administrator