

ORDINANCE NO. 20-160

OFFERED BY: MAYOR SHUBERT

(as revised 1/19/2021 shown in **bold/underline**)

(as revised 2/2/2021 shown in *italics/underline*)

AN ORDINANCE ENACTING A NEW CHAPTER 876, “SHORT-TERM RENTAL OPERATIONS,” OF THE BUSINESS REGULATION CODE; AND DECLARING AN EMERGENCY.

WHEREAS, in recent years, City staff has noticed an increase in the number of short-term residential real estate rentals within the City; and

WHEREAS, municipalities across the United States have implemented, or are in the process of implementing, regulations and standards for short-term rental operations; and

WHEREAS, the State of Ohio and the City of Hudson currently have no regulations on short-term rentals; and

WHEREAS, this Council referred the question of whether the City should regulate short-term rentals to City Staff to study and report back to Council recommendations concerning the same; and

WHEREAS, this Council reached out to local stakeholders for comment on short-term rentals including holding a public hearing for the purpose of both engaging the Hudson community and soliciting testimony with respect to whether the City of Hudson should implement regulations concerning short-term rentals; and

WHEREAS, City Staff recommends that the City regulate the use of short-term rentals to maintain and preserve the distinct character of the City of Hudson’s residential neighborhoods while also protecting and ensuring the rights of private property owners; and

WHEREAS, this Council finds and concludes that enacting new Chapter 876, “Short-term Rental Operations,” of the Business Regulation Code of the Codified Ordinances of the City of Hudson, promotes the public health, safety and welfare of the City and its residents and effectively balances the diverse interests of the City of Hudson’s short-term rental owners, renters, property owners, and residential communities.

NOW, THEREFORE, BE IT ORDAINED by the Council of Hudson, Summit County, State of Ohio, that:

Section 1. New Chapter 876, “Short-Term Rental Operations,” of the Business Regulation Code, of the Codified Ordinances of the City of Hudson be enacted to read as follows:

**“CHAPTER 876
Short-Term Rental Operations**

876.01 DEFINITIONS

As used in this chapter:

(a) “Short-Term Rental” means any room or dwelling that is rented wholly or partly for a fee for less than thirty (30) consecutive days by persons other than the permanent occupant or owner from which the permanent occupant or owner receive monetary compensation, whether such compensation is paid directly by the short-term rental guest or is collected and remitted to the permanent occupant or owner by a hosting platform. “Short-Term Rental” does not include a room in any Hotel or Motel, as defined elsewhere in the Codified Ordinances of the City of Hudson.

(b) “Short-Term Rental Operation” or “operation of a short-term rental” means the occupancy for a fee of any room or dwelling in a short-term rental by a transient guest.

(c) “Hosting Platform” means a person or entity in whatever form or format that facilitates, through advertising or any other means, a short-term rental booking transaction for accommodations between a short-term rental host and short-term rental guest, including, but not limited to, reservations and/or collection of payment for such accommodations on behalf of the short-term rental host. Examples include, but are not limited to, Airbnb, VRBO, and HomeAway.

(d) “Transient Guests” means persons occupying a room or rooms for sleeping accommodations for less than thirty (30) consecutive days.

(e) “Short-Term Rental Guests” means persons renting temporary lodging from a short-term rental host, or through a hosting platform on behalf of the short-term rental host, for less than thirty (30) consecutive days.

(f) “Guestroom” means a room offered to the public for a fee that contains, at a minimum, provisions for sleeping.

(g) “Permanent Occupant” means persons who reside in a dwelling more than 51% of the time during a calendar year; the dwelling in which the persons reside shall be referred to as their primary residence.

(h) “Primary Residence” means a residence that is the usual place of return for housing as documented by at least two of the following: motor vehicle registration, driver’s license, tax documents, lease copy, or a utility bill. An owner or permanent occupant can only have one primary residence.

(i) “Dwelling” means any building or structure which is occupied or intended for occupancy in whole or in part as a home, residence, or sleeping place for one or more persons.

(j) “Owner” means an individual(s), corporation, or partnership that has legal title to and control of a dwelling.

(k) “Short-term rental host” or “host” means the owner and/or permanent occupant of a short-term rental who offers the short-term rental for temporary lodging.

876.02 PERMIT REQUIRED.

(a) No person, including, but not limited to, an owner, operator, manager, or employee shall engage in, conduct, or carry on, or permit to be engaged in, conducted or carried on, in or upon any premises in the City of Hudson, the operation of a short-term rental in a calendar year without obtaining a permit in accordance with this Chapter. It shall be prima facie evidence of a short-term rental operation if a short-term rental guest is found to be occupying or using a short-term rental or if a residence has been placed on any hosting platform for short-term rental purposes.

(b) An application for a new short-term rental permit may be submitted at any time to the Community Development Director, or his/her designee. If the application is approved and a permit is issued, the short-term rental permit shall take effect on the day of issuance and shall expire on December 31st of the year ~~following the year in which the permit was first issued~~ **in which it was issued**.

(c) A permit to operate a short-term rental shall be renewed by the applicant before the end of ~~the year following the year in which the permit was first issued~~ **each calendar year**. The deadline for submitting an application for renewal shall be the first Monday of November of the year in which the permit is set to expire. Failure to renew shall result in expiration of the short-term rental permit on December 31st. If a short-term rental permit is successfully and timely renewed, it shall be in effect for ~~the next two (2) calendar years~~ **one calendar year**, beginning on January 1st and expiring on December 31st of the ~~next~~ **same** year.

(d) Bed and breakfast establishments lawfully operating within the City, as defined by the City of Hudson Land Development Code, shall not be subject to the requirements of this Chapter 876 provided that such establishments were in operation prior to the effective date of Ordinance 20-**160**, and have not ceased operation for more than ninety (90) consecutive days.

876.03 APPLICATION FOR SHORT-TERM RENTAL PERMIT, NEW AND RENEWAL.

(a) An application for a short-term rental permit, and/or renewal of a permit, shall be made to the Community Development Director, or his/her designee, upon approved forms, for an application processing fee of **\$100.00**. City Council shall have authority to amend the fee amount from time to time to reflect the costs of administering this Chapter.

(b) The application for a permit to operate a short-term rental shall contain the following information:

(1) Name of the applicant, including mailing address, telephone number, and email address. For ~~an~~ **a non-owner-occupied** short-term rental application, the permanent occupant shall provide sufficient information to demonstrate compliance with the primary residency requirement as outlined in Section 876.01(h);

(2) The names of the legal owner or owners of the property, including mailing address, telephone number, and email address;

(3) Sufficient information to demonstrate compliance with either the permanent occupancy or ownership requirements defined and outlined in Sections 876.01 and 876.04 of this Chapter;

(4) The names and addresses of any other short-term rental located in the City of Hudson that the applicant or property owner has any interest in, including, but not limited to, ownership, licensure, or management;

(5) The names of all hosting platforms that are used by the short-term rental host and proof of rental insurance for the unit rental;

(6) The names of all advertising outlets in which the short-term rental host intends to advertise such rental if the short-term rental host is not using a hosting platform;

(7) The maximum number of occupants that will be accommodated at the short-term rental, not to exceed two (2) per bedroom, **plus three (3) additional occupants. For example, in a short-term rental with two (2) bedrooms, the maximum number of occupants would be seven (7)**;

(8) The maximum number of motor vehicles that will be permitted to park at the short-term rental; this number shall not exceed the number that can be garaged on premises plus two that may park in a driveway;

(9) An affidavit attesting that the short-term rental operation is in compliance with all applicable local, state, and federal laws and regulations concerning the provision of sleeping accommodations to transient guests; and

(10) The contact name and telephone number for the short-term rental that may be used 24 hours a day, seven days a week for any issues that may arise related to the short-term rental unit or its transient guests.

(c) The applicant must notify the Community Development Director, or his/her designee, of any change in information contained in the permit application within ten (10) days of the change.

(d) Any change in ownership of the dwelling shall void the current short-term rental permit and shall require submission and approval of a new short-term rental permit application.

(e) A short-term rental shall be assigned an individual registration account number that must be prominently posted with the unit on any hosting platform(s) or in any other advertisement regarding the unit. Said valid registration shall be displayed but removed upon expiration.

(f) **POSTED PUBLIC NOTICE AND COMMENT; FIRE DEPARTMENT INSPECTION.**

(1) FIRE DEPARTMENT INSPECTION. A short-term rental shall be inspected by the City Fire Department on an annual basis prior to issuance and/or renewal of a permit to ensure compliance with all applicable Federal, State, and local fire safety statutes, regulations, ordinances, and codes including the requirements set forth below in Sections 876.04(a)(4)-(5).

A. If a short-term rental fails to pass the City Fire Department inspection required pursuant to this section, then the short-term rental applicant may request a re-inspection, provided that the re-inspection request is submitted within sixty (60) days of the first inspection. The short-term rental permit application (or renewal application) shall be voided, and no permit will be issued (or renewed) if the proposed short-term rental fails to pass re-inspection.

(2) PUBLIC NOTICE AND COMMENT: For short-term rental permit applications in any residential zoning district, the City shall cause a temporary sign to be placed on the property which is the subject of the short-term rental application for the purpose of giving notice of the proposed short-term rental and soliciting public comment. The City shall use any public comment received for the purpose of assisting in the City's evaluation of the short-term rental application's compliance with Section 876.05 of this Chapter. The temporary sign shall be placed on the property no less than fourteen (14) days before the short-term rental permit is issued by the City. The temporary sign notice requirements described in this Section shall not apply to timely filed renewal applications. Any public comment received during the notice period shall be kept on file by the City.

876.04 SHORT-TERM RENTAL HOST REQUIREMENTS.

(a) Short-term rental host requirements. A short-term rental host shall be the owner and/or the permanent occupant of the dwelling. The short-term rental host must provide: one (1)

form of proof of identity, and two (2) pieces of evidence that the dwelling is the host's primary residence or two (2) pieces of evidence that the host is the owner of the dwelling.

(1) One (1) short-term rental permit per short-term rental operation may be issued.

(2) If a short-term rental host is not the property owner, but a permanent occupant of the dwelling, the host shall obtain permission from the property owner of the dwelling to register the dwelling on any hosting platform or to advertise the dwelling in any other manner for use as a short-term rental.

(3) The short-term rental host must provide written notice to the short-term rental guest of:

(i) The contact information, including a telephone number, of a local person who resides or is located within ten (10) miles of the dwelling unit with responsibility to resolve any complaints, regarding the condition, operation, or maintenance of a dwelling unit;

(ii) The trash and recycling collection days for the dwelling and any applicable rules and regulations pertaining to leaving or storing trash on the exterior of the dwelling. The short-term rental host shall provide proper trash and recycling containers for the short-term rental guest(s).

(4) Smoke detectors shall be provided and maintained ~~adjacent to~~ **within** each sleeping area in each dwelling unit;

(5) One or more carbon monoxide detection devices shall be installed and maintained as close to the center of the dwelling unit and within close proximity to the living **area** and **within each** sleeping areas of the dwelling unit;

(6) Occupancy shall be limited to two (2) individuals per bedroom, **plus three (3) additional occupants** within the dwelling unit. **For example, in a short-term rental with two (2) bedrooms, the maximum number of occupants would be seven (7);**

(7) Maximum number of motor vehicles that will be permitted to park at the short-term rental: the maximum number of motor vehicles that are permitted to be parked at any short-term rental shall not exceed the number that can be garaged on-premises plus two (2) that may park in the attached driveway;

(8) Compliance with all other applicable provisions of the City of Hudson Codified Ordinances related to residential housing;

(9) All short-term rental hosts shall obtain liability insurance for the short-term rental. Each short-term rental shall at all times maintain the following insurance coverage meeting all of the following requirements: A general liability insurance policy or certificate that shall provide the following minimum coverage:

(i) Not less than three hundred thousand dollars (\$300,000). Such policy or certificate must be issued by an insurance company that is admitted to do business in the State of Ohio or by an eligible surplus lines company or risk retention group;

(ii) The policy or certificate shall provide notice of cancellation of insurance to the Community Development Director at least ten (10) days prior to cancellation; and

(iii) Any cancellation of insurance required by this section shall result in an automatic revocation of the respective short-term rental permit.

(10) Rentals for 30 or more consecutive days by the same guest(s) will not be subject to short-term rental regulations.

(b) Records required. Short-term rental hosts that offer short-term rentals shall retain and, upon request, make available to the Community Development Director, or his/her designee, official records to demonstrate compliance with this Chapter, including, but not limited to, primary residency, the dates and duration of each stay in the short-term rental, the maximum occupancy permitted at the short-term rental, and the maximum number of motor vehicles permitted at the short-term rental. A short-term rental host that provides units for short-term rental use shall retain records for a period of at least four (4) years.

(c) Nothing in this Chapter shall be construed as permitting any person to obtain a permit or offer a short-term rental, where prohibited by any other provision of law.

876.05 GROUND FOR DENIAL.

(a) The Community Development Director, or his/her designee, shall issue a new permit upon application, or grant the renewal of an existing permit, except as provided in divisions (b) and (c) of this section.

(b) The Community Development Director, or his/her designee, shall deny any application for a new permit, or renewal of permit, if any of the following are shown to have occurred at the short-term rental property:

(1) The applicant makes a material misrepresentation of fact on the application for a short-term rental permit **or, if requested, fails to submit documentation evidencing compliance with the rental host requirements outlined in Section 876.04;**

(2) The applicant or any owner of the short-term rental has been convicted of violating Section 876.02(a);

(3) Any owner, applicant, operator, or manager of the short-term rental is shown to have been convicted of the act of prostitution or soliciting for prostitution, or an act that would constitute a violation of the Ohio R.C. Chapters 2925 (Drug Offenses) or 3719 (Controlled Substances), in or on the premises of the dwelling of the short-term rental in question, or any short-term rental in which the owner has any interest in, including, but not limited to, ownership, licensure, or management;

(4) The property taxes of the short-term rental host are in arrears with the Summit County Auditor's Office;

(5) The short-term rental host is not in good standing with the City of Hudson Income Tax Division;

(6) The short-term rental has a documented history of repeated conduct that endangers neighborhood safety or of conditions interfering with the use and enjoyment of property within its vicinity (as such conditions are defined below in Section 876.06); or of conduct in violation of Section 876.08-;

(7) **The short-term rental has outstanding orders from the City Fire Department that have not been corrected;**

(8) **The owner, applicant, operator, or manager of the short-term rental has hindered or prevented any inspection by the City Fire Department as authorized above by Sections 876.03(f)(1).**

(c) Evidence of conduct under division (b) of this section need only be that of de facto violation of law; evidence of conviction is not a prerequisite for denial unless specifically indicated.

876.06 REVOCATION AND SUSPENSION OF SHORT-TERM RENTAL PERMIT.

(a) The Community Development Director, or his/her designee, may revoke and/or suspend a short-term rental permit if it is determined that the activities set forth above in Sections 876.05(b) are determined to have occurred at the short-term rental; or a short-term rental unit is listed on a hosting platform or advertised elsewhere without the registration number as required under section 876.03(e); or is perpetuating conditions interfering with use and enjoyment of properties within its vicinity; or is delinquent in filing or payment with the City of Hudson Income Tax Division; or is engaging in conduct in violation of Section 876.08. Conditions interfering with use and enjoyment of properties within the vicinity of a short-term rental include, but are not limited to:

- (1) The occurrence of any of the activities set forth in the Hudson Codified Ordinances relating to noise disturbance, nuisance, drug offenses, or disorderly conduct;
- (2) Occupancy by a number of short-term rental users exceeding either (1) the maximum number included in the application for the short-term rental permit or (2) the maximum occupancy permitted pursuant to this Chapter;
- (3) Parking of a number of motor vehicles exceeding either (1) the maximum number included in the application for the short-term rental permit or (2) the maximum number of motor vehicles permitted at any short-term rental pursuant to this Chapter;
- (4) Uninvited entry of short-term rental occupants upon private property within five hundred (500) feet of the short-term rental;

(b) A violation of any of the conditions in Section 876.06(a) shall result in progressive discipline:

- (1) Upon the first violation, the permit for the short-term rental shall be terminated and the short-term rental host prohibited from re-applying for a new permit for six (6) months from the date of termination.
- (2) Upon the second violation, the permit for the short-term rental shall be terminated and the short-term rental host prohibited from re-applying for a new permit for one (1) year from the date of termination.
- (3) Upon the third violation, the permit for the short-term rental shall be terminated and the short-term rental host prohibited from re-applying for a new permit at any time in the future.

876.07 APPEAL OF DENIAL OR REVOCATION OF PERMIT.

In the event an applicant has been denied a permit, or if a permit has been revoked or suspended, the party affected shall have the right to appeal to the City Manager from such denial, revocation, or suspension within ten (10) business days. Notice of appeal shall be filed with the City Manager's office on a form created by the City Manager for such purpose, and the City Manager shall set the date and time of the appeal hearing. The burden of proof in such an appeal shall be upon the appellant to show that the denial or revocation was arbitrary or unreasonable.

876.08 TRANSFER OF SHORT-TERM RENTAL PERMIT PROHIBITED.

(a) No permit under this Chapter shall be transferable to another short-term rental operation.

(b) No permit under this Chapter shall be transferable to another individual, corporation, firm, partnership, association, organization, or other group acting as a unit.

876.09 DISCRIMINATION PROHIBITED.

(a) A short-term rental host shall not:

(1) Decline a short-term rental guest based on race, sex, sexual orientation, gender identity or expression, color, religion, ancestry, national origin, age, disability, familial status, or military status;

(2) Impose any different terms or conditions based on race, sex, sexual orientation, gender identity or expression, color, religion, ancestry, national origin, age, disability, familial status, or military status;

(3) Post any listing or make any statement that discourages or indicates a preference for or against any short-term rental guest on account of race, sex, sexual orientation, gender identity or expression, color, religion, ancestry, national origin, age, disability, familial status, or military status.

876.10 RULES AND REGULATIONS.

The Community Development Director may promulgate and enforce reasonable rules and regulations to carry out the intent of this Chapter.

876.11 SHORT-TERM RENTAL PERMIT DISPLAY.

The short-term rental host shall maintain the short-term rental permit and prominently display it in the dwelling.

876.12 SEVERABILITY.

(a) In the event any section or provision of this Chapter shall be declared by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of this chapter as a whole or any part thereof other than the part so declared to be invalid or unconstitutional.

876.99 SHORT-TERM RENTAL PENALTY.

(a) Whoever violates Section 876.02(a) of this Chapter shall be guilty of a misdemeanor of the first degree, the penalty for which shall be a maximum fine of one thousand dollars (\$1,000) and imprisonment for a maximum period of one hundred and eighty (180) days, or both, in addition to any other penalties as imposed by this Chapter.

(ab) Unless otherwise specified, wWhoever violates any provision of this Chapter shall be guilty of an unclassified misdemeanor and shall be fined not more than five hundred dollars (\$500.00) **in addition to any other penalties as imposed by this Chapter.** Upon subsequent convictions, the penalty shall be an unclassified misdemeanor but the guilty party shall be fined not more than one thousand dollars (\$1,000.00), in addition to any other penalties as imposed by this chapter.”

Section 2. The regulations contained herein, including Section 876.02(a), of this Ordinance shall go into effect from and after April 1, 2021.

Section 23. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council, and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 34. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public health, safety and general welfare and for the further reason that it is immediately necessary to adopt regulations for short-term rentals within the City of Hudson so as to immediately begin regulating, in a reasonable and practical manner, a currently unregulated commercial activity that is quickly proliferating throughout the City and which, if allowed to continue unregulated, threatens the health, safety, welfare, comfort, and peace of the City-; wherefore, this Ordinance shall go into effect immediately upon its passage, provided it receives the affirmative vote of five (5) members of Council elected thereto, except that six (6) affirmative votes shall be required if all seven (7) members of Council are present at the meeting at which it is passed; otherwise, it shall be in full force and effect from and after the earliest period allowed by law.

PASSED:

Craig A. Shubert, Mayor

ATTEST:

Elizabeth Slagle, Clerk of Council

I certify that the foregoing Ordinance No. 20-160 was duly passed by the Council of said Municipality on _____, 2021.

Elizabeth Slagle, Clerk of Council

First Reading: December 1, 2020
Second Reading: December 15, 2020
Third Reading: January 19, 2021