DRAFT ORDINANCE REGULATING THE LICENSING AND OPERATION OF THE SHORT-TERM RENTAL OF DWELLING UNITS IN THE CITY OF ST. LOUIS

An Ordinance pertaining to the licensing of "Short-Term Rentals" as defined herein and to be codified as a new Chapter 8.83B of the Revised Code of the City of St. Louis, establishing requirements for the same; and containing a Severability Clause and an Emergency Clause.

BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

SECTION ONE. Findings.

There is a clear and urgent need for comprehensive standards governing the short-term rental of private dwelling units for lodging or sleeping purposes, and to establish requirements and enforcement mechanisms intended to encompass and regulate all persons engaged in the business of short-term rentals, including without limitation, property owners, property managers, leasing agents, and platforms that facilitate short-term rentals. Unregulated short-term rentals in the City of St. Louis, while intended primarily for lodging purposes, are increasingly used as venues for parties and other large gatherings, resulting in negative effects on adjacent properties, property damage, criminal activity, and violence.

Regulation and management of short-term rentals is necessary to address the City's need to preserve permanent housing stock, balance the economic opportunity created by short-term rentals with the need to maintain a supply of long-term rental housing stock available at a range of prices, reduce any indirect negative effects on the availability of affordable housing that results from the dedication of long term housing stock to short-term rental use, and to create a level playing field for all parties engaged in the business of providing lodging. Regulation is also necessary to ensure the sufficient collection of tax revenue, mitigate the disruptive effects that unmonitored short-term rentals can have on adjacent properties and surrounding neighborhoods, and protect the livability and quality of life of the City's neighborhoods.

SECTION TWO. Definitions.

The following definitions shall be added to Section 26.08 of the Revised Code of the City of St. Louis:

- (a) "Short-Term Rental" means an accommodation where, in exchange for compensation, a residential dwelling unit is provided for lodging for a period of time not to exceed 30 consecutive days.
- (b) "Short-Term Rental Agent" means a person or organization designated by the owner or long-term tenant of a Short-Term Rental on the Short-Term Rental license application. Such a person shall be available for and responsive to contact at all times.
- (c) "Short-Term Rental Guests" means guests, tourists, lessees, vacationers or any other person who, in exchange for compensation, occupy a dwelling unit for lodging for a period of time not to exceed 30 consecutive days.
- (d) "Short-Term Rental Owner" means the owner of record of the property. Owners operating through multiple corporate entities, legal affiliates, subsidiaries, or related parties shall be recognized as a single owner for the purposes of meeting the terms of this ordinance.

- (e) "Short-Term Rental License" is the license issued by the Building Commissioner to owners or designated agents of Short-Term Rental units who have submitted the required documentation and met the requirements set forth in this Chapter for operation of a Short-Term Rental dwelling unit.
- (f) "Primary Residence" (or "Principal Residence") A primary residence is the main home of an individual. An individual has only one primary residence at a time. If an individual owns and lives in just one dwelling unit, then that property is his/her primary residence. If an individual owns or lives in more than one dwelling unit, then he or she must apply a "facts and circumstances" test to determine which property is his/her primary residence. While the most important factor is where he or she spends the most time, other factors are relevant as well. The more of these factors that are true of a home, the more likely that it is a primary residence: Factors include, but are not limited to, the address listed on an individual's U.S. Postal Service address, voter registration card, federal and state tax returns, driver's license, state identification card. and/or vehicle registration.
- (g) "Booking Transaction" means any contractual agreement between a guest and an owner or agent relative to a Short-Term Rental.
- (h) "Platform" means one or more portals, listing services, or websites under common ownership or control through which a person, other than an Owner, collects or receives a fee, directly or indirectly, for facilitating Booking Transactions. A Platform shall not include a service that merely posts advertisements for Short-Term Rentals.
- (i) "Security Incident" means any incident occurring in a Short-Term Rental unit or related to the occupants, guests, or agents of a Short-Term Rental unit that results in a disturbance affecting surrounding properties, criminal harm to any person, destruction or theft of property, discharging of firearms, violation of city code, nuisance behavior, or any other incidents that threaten the health, safety, and welfare of the public.

SECTION THREE. Codification.

 Section Four through Section Sixteen of this ordinance shall be codified as Chapter 8.83B of the Revised Code of the City of St. Louis, except as described otherwise below.

SECTION FOUR. Short-Term Rental License.

- (a) No person or entity shall rent, lease or otherwise exchange for compensation all or any portion of a dwelling unit as Short-Term Rental unit, as defined in Chapter 26.08, without first obtaining a Short-Term Rental license pursuant to the provisions of this chapter.
- (b) Each Short-Term Rental owner or long-term tenant may obtain a rental license for a primary residence and one additional property.
- (c) No licensee shall transfer the right to operate under any license issued under this chapter to any other person or entity by lease, agreement, contract or any other agreement.
- (d) No license issued under this chapter may authorize the operation or shall have any legal effect at any location other than those for which it is issued.
- (e) Nothing in this chapter shall be deemed to alter, affect, supersede or conflict with the requirements of any state or federal law or of the City of St. Louis Code of Ordinances,

- including but not limited to those within the St. Louis Zoning Ordinance, the St. Louis Housing Code, the St. Louis Building Code.
 - (f) No Platform shall facilitate or conduct any Booking Transaction for a Short-Term Rental in the City of St. Louis without first obtaining and maintaining a Short-Term Rental Platform license issued in accordance with section seven of this ordinance.
 - (g) Short-Term Rental and Platform licenses required by this ordinance can be revoked or suspended by the City in accordance with the provisions provided herein.
 - (h) Any change in ownership requires a new Short-Term Rental Owner license.
 - (i) If any required contact information changes for any license, the person possessing the license shall immediately notify the Building Commissioner in writing, and the Building Division shall issue a revised license to reflect the updated contact information.

SECTION FIVE. Application for Short-Term Rental license.

- (a) Applicants for a Short-Term Rental license shall submit, on an annual basis, an application for a Short-Term Rental license to the City of St. Louis Building Division. The application shall be accompanied by a non-refundable application fee in the amount of \$150.00. Such application should include:
 - (1) The address of the unit to be used as a Short-Term Rental;
 - (2) The name, address, telephone number and email address of the Short-Term Rental agent, which shall constitute that person's 24-hour contact information;
 - (3) The Short-Term Rental agent's signed acknowledgement that he or she has reviewed this Chapter and understands its requirements;
 - (4) The number and location of parking spaces allotted to the premises;
 - (5) The Short-Term Rental agent's agreement to use his/her best efforts to assure that use of the premises by Short-Term Rental occupants will not disrupt the neighborhood, and will not interfere with the rights of neighboring property owners to the quiet enjoyment of their properties; and
 - (6) Any other information that this chapter requires the Short-Term Rental agent to provide to the city as part of an application for a Short-Term Rental license. The Building Commissioner or his/her designee shall have the authority to obtain additional information from the applicant as necessary to achieve the objectives of this chapter.
 - (7) A list of Platforms that will be used to solicit booking transactions for the property associated with the Short-Term Rental license, and correlating printed listing or website links soliciting the Short-Term Rental, if any.
- (b) Attached to the submission of the application described in this section, the Short-Term Rental license applicant shall provide:
 - (1) Written rules posted in the Short-Term Rental unit, including:
 - a. Acknowledgement that it shall be unlawful to allow or make any noise or sound that exceeds the limits set forth in the City's noise ordinance. Units are encouraged to provide a noise monitoring device.
 - b. Acknowledgement that the maximum occupancy of a Short-Term Rental unit is limited to two adults per bedroom plus two additional people and, if available, the location and the amount of on-site parking.
 - c. Acknowledgement and agreement that violations of this chapter may result in immediate termination of the agreement and eviction from the Short-Term Rental

unit by the owner or agent, as well as the potential liability for payments of fines levied by the city; and

- (2) Evidence that the Short-Term Rental license applicant has provided notification via certified US Postal Service mail to each adjacent property of their intent to secure a Short-Term Rental license. If the Short-Term Rental is located in a multi-unit condominium property, then notice is to be provided in accordance with section five paragraph (b)(4) of this ordinance.
 - a. This notification must include the address of the unit to be used as a Short-Term Rental and the name, address, telephone number and email address of the Short-Term Rental agent.
 - b. This notification must be given to each property adjacent to the property at which the applicant is applying to operate a Short-Term Rental.
 - c. This notification shall be sent certified mail to the address of the adjacent property. For purposes of this section, it shall not be necessary for the applicant to identify and include the name of specific owner of record of the adjacent property in this notification.
- (3) Documentation that the property is not subject to any contractual restrictions precluding the property from being used for Short-Term Rentals, including but not limited to: homeowner association agreements, condominium bylaws, restrictive covenants, leases, or building restrictions.
- (4) For a condominium unit, documentation showing the applicable condominium association has taken action to approve the Short-Term Rental of the subject condominium. This evidence shall be provided in the form of minutes from an officially called meeting of the applicable condominium association board wherein all condominium owners were notified that Short-Term Rental of the subject condominium would be discussed and a majority of the board members voted in favor of permitting /allowing the Short-Term Rental of the subject condominium. In addition, an applicant for a Short-Term Rental license within a condominium shall provide notice of the license application to all condominium owners within the association. Proof of notification shall be by way of affidavit. This provision shall not be waived or adjusted.
- (5) Documentation that the property owner or renter has no outstanding property taxes or City liens associated with the property for that is the subject of the application, nor does the owner owe any other outstanding taxes to the City, including taxes and fees owed in connection with Short-Term Rentals.
- (6) Application for the Short-Term Rental of a leased or rented property shall include written approval by the owner of the property for use of the property as a Short-Term Rental.

SECTION SIX. Grant Or Denial of Application.

Review of an application shall be conducted by the Building Commissioner or his/her designee in accordance with due process principles and shall be granted unless the applicant fails to meet the conditions and requirements of this chapter or federal or state law or local ordinance related to the operation of a Short-Term Rental, or otherwise fails to demonstrate the ability to comply with local, state or federal law through the operation of the proposed Short-Term Rental. Any false statements or information provided in the application are grounds for revocation, suspension and/or imposition of penalties, including denial of future applications.

SECTION SEVEN. Short-Term Rental Platform License.

- (a) Any Platform that receives anything of value for directly or indirectly facilitating or conducting a Booking Transaction for Short-Term Rentals in the City of St. Louis shall possess a Short-Term Rental Platform license.
- (b) The Short-Term Rental Platform license is valid for one year from the date of issuance, and shall be reapplied for and renewed annually.

SECTION EIGHT. Short-Term Rental Platform License Application

The Short-Term Rental Platform License application shall require the following information, at a minimum:

- (1) The applicant's name, trade name, address, and telephone number
- (2) Proof that the applicant is in good standing with the Missouri Secretary of State and has a valid City of St. Louis Business License.
- (3) The name, address, phone number and e-mail address of the Platform's local agent authorized for service of process.
- (4) The name, address, phone number and e-mail address of the Platform's local agent authorized by the applicant to address and remedy any violation of this ordinance.
- (5) The names and web addresses of any portal, listing service, or website under the applicant's ownership or control that facilitates booking transactions in the City of St. Louis.

SECTION NINE. Requirements of Short-Term Rental Platform License Holders.

Any person possessing a Short-Term Rental Platform License shall comply at all times with the following requirements:

- (a) No Platform may conduct, facilitate, or complete any Booking Transaction for a Short-Term Rental of any property in the City of St. Louis that is not in compliance with this ordinance. A Short-Term Rental is not in compliance with this Article if:
 - (1) the property owner or Short-Term Rental agent does not possess a valid Short-Term Rental license for that property.
 - (2) Use of the property for a Short-Term Rental is not in compliance with the Zoning Code or Building Code of the City of St. Louis or any other municipal, state, or federal law.
- (b) Each Platform shall have a duty to obtain commercial general liability insurance, with limits of not less than \$1,000,000 per occurrence, for bodily injury, personal injury (if commercially available) and property damage arising in any way from the issuance of the Short-Term Rental Platform license or activities conducted pursuant to that license. Each policy of insurance shall:
 - (1) be issued by an insurer authorized to insure in the State of Missouri
 - (2) name the City of St. Louis as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the issuance of the license (if commercially available).
 - (3) be maintained in full force and effect for the duration of the license period.
 - (4) include a provision requiring 30 calendar days' advance notice to the Building Division prior to cancellation or lapse of the policy.
- (c) A Platform shall ensure that any portal, listing service, or website under its ownership or control that facilitates booking transactions in the City of St. Louis complies with the terms and requirements of this ordinance.

SECTION TEN. Collection of Payments of Taxes/Fees for Booking Transactions

- (a) With respect to any booking transaction facilitated by or through a Platform, the Platform shall be responsible for collecting and remitting the Convention and Sports Tax, the Convention and Tourism Tax and all other applicable taxes applicable to short-term lodging in the City of St. Louis.
- (b) When collecting and remitting taxes and fees on behalf of an Owner, each Platform shall comply with all applicable federal, state and local laws and regulations regarding collection and payment of taxes.
- (c) Every Platform remitting taxes pursuant to this section shall maintain its records in such a manner and in such detail that will permit the Collector of Revenue or his duly authorized agents to readily verify the correctness of any tax or fee due pursuant to this ordinance. In furtherance of this requirement and in accordance with applicable law, the Collector may perform an audit and examine the books, records, papers, vouchers, accounts and documents of a Platform to ensure full compliance with this Section.

SECTION ELEVEN. Platform Safe Harbor

Platforms shall be deemed in compliance with the legal duties set forth in this ordinance if:

- (a) The Platform requires any owner or agent who lists a Short-Term Rental unit located in the City of St. Louis to provide the Short-Term Rental license number associated with the dwelling unit at the time of the listing.
- (b) The Platform does not permit the listing of a property located in the City of St. Louis for a Short-Term Rental if the required license information is omitted or appears blank, ensuring that the City may assess whether the owner or agent possesses the appropriate license and is otherwise operating in accordance with the law.
- (c) The Platform removes any improper listings within seven days of the Building Division providing written notification of an unpermitted or unauthorized Short-Term Rental.

A licensed Platform that avails itself of this safe harbor does not warrant the accuracy of user-submitted license data, and shall not be legally responsible for any incorrect information submitted by an Owner or Operator.

SECTION TWELVE. Short-Term Rental Operating Requirements.

- (a) No external signage is permitted. However, a legible copy of the Short-Term Rental unit license shall be posted within the unit and include all of the following information:
 - (1) The name, address, telephone number and email address of the Short-Term Rental agent;
 - (2) The Short-Term Rental unit license number
 - (3) The maximum occupancy of the unit
 - (4) The maximum number of vehicles that may be parked at the unit
- (b) All Booking Transactions must be done through a licensed Platform.
- (c) Food and alcoholic beverages shall not be served or otherwise provided by the short-term owner or agent to any guest.
- (d) Occupancy of a Short-Term Rental is limited to two persons per bedroom plus two additional people.
- (e) The dwelling unit has working smoke detectors inside and outside every bedroom, carbon monoxide alarms outside every bedroom, and a properly maintained and charged fire extinguisher on all habitable floors.

(f) The minimum duration of a Short-Term Rental is two (2) days and maximum stay for a guest shall be twenty-nine (29) consecutive days. A dwelling unit rented to the same occupant for thirty (30) consecutive days or more is not considered a Short-Term Rental.

- (g) The property owner or agent shall not discriminate in guest use or rental of a Short-Term Rental, and will comply with all applicable anti-discrimination laws, including but not limited to: Title VII of the Civil Rights Act of 1968, 173 the Fair Housing Act (FHA), and the Americans with Disabilities Act (ADA).
- (h) To ensure the continued application of the intent and purpose of this chapter, the Police Department shall notify the owner and agent of a Short-Term Rental unit of Security Incidents occurring at or relating to a Short-Term Rental unit.
- (i) The Police Department shall maintain a record of all Security Incidents and calls for service occurring at or relating to a Short-Term Rental unit.
- (j) Holders of Short-Term Rental licenses shall ensure that any online Platforms that provide a website or websites, and that which the licensee enlists to facilitate their Short-Term Rentals within the City of St. Louis must:
 - (1) Provide a phone line and/or website for community members to submit concerns regarding short-term rentals in their neighborhood.
 - (2) Assist with educating Short-Term Rental owners and agents about this ordinance.
 - (3) Within the first year of the ordinance taking effect, meet with the Building Division upon request to provide and receive feedback on implementation.

SECTION THIRTEEN. Revocation, Suspension, or Non-Renewal of a Short-Term Rental License.

- (a) The Building Commissioner may revoke or suspend an existing permit or deny the renewal of a permit if any of the following deficiencies or conditions exist:
 - (1) There are verified police reports of two Security Incidents that are attributable to the Short-Term Rental in any sixty (60) day period.
 - (2) There are at least two (2) police calls for service or complaints that are submitted to the Short-Term Rental owner, agent, lessee, or the Building Commissioner in any sixty (60) day period for each of three (3) separate Security Incidents occurring attributable to the Short-Term Rental in any sixty (60) day period that are supported by physical, photographic or other substantial evidence.
 - (3) The property is included on the City's list of nuisance properties.
 - (4) The Short-Term Rental is not being operated in compliance with the Short-Term Rental Operating Requirements described in Section Twelve of this ordinance.
 - (5) The Building Commissioner has reason to believe that the renewal of the license will have an adverse impact on the health, safety and welfare of the neighborhood.
- (b) A person aggrieved by the city's decision to revoke, suspend or deny a Short-Term Rental license may appeal the decision in writing to the Building Commissioner. The appeal must be filed within 30 calendar days after the adverse action and it shall contain a concise statement of the reasons for the appeal. The Building Commissioner or appointed designee shall consider and respond to the appeal in writing within 30 days after receipt. The Building Commissioner shall render a determination, which will constitute a final ruling. The decision of the Building Commissioner may be appealed via Certiorari to the Circuit Court. The Building Commissioner is authorized to adopt administrative rules that

- shall govern the implementation of this section including the procedures and processes that shall govern any such appeals. Such procedures and processes must conform to the constitutional principles of due process and shall provide notice and an opportunity to be heard.
- (c) Nothing in this section shall limit the city from enforcement of its code, state or federal law by any other legal remedy available to the city. Nothing in this section shall be construed to limit or supplant the power of any city inspector, deputy marshal or other duly empowered officer under the city's ordinances, rules and regulations and the authority granted under state law, as amended, to take necessary action, consistent with the law, to protect the public from property that constitutes a public nuisance or to abate a nuisance by any other lawful means of proceedings.

SECTION FOURTEEN. Authority to Prescribe Additional Rules and Regulations.

The Building Commissioner shall have the power to promulgate regulations as may be necessary and feasible for the carrying out of the intent of this ordinance and the duties of the Commissioner that are not inconsistent with the provisions of this ordinance. The rules and procedures shall be in writing and kept on file in the Building Commissioner's Office and posted to the City's website.

SECTION FIFTEEN. Enforcement.

This ordinance shall be enforced by the Police Division, the Building Commissioner, and the Collector of Revenue. The Building Commissioner may revoke or suspend any Short-Term Rental or Platform license not in material compliance with the terms of this ordinance.

SECTION SIXTEEN. Contracts Authorized.

The Building Commissioner is hereby authorized to enter into contracts or add change orders to existing contracts to carry out the process authorized herein, and is hereby authorized to expend funds thereunder, with no other review, signature, or approval from any other City agency, board or department, except as provided by Charter, for website programming, and other such necessary related work, for the process created under this ordinance.

SECTION SEVENTEEN. Severability.

If any provisions of this ordinance shall be held to be invalid or unconstitutional, the remainder of this ordinance shall not be affected thereby but shall remain in full force and effect.

SECTION EIGHTTEEN. Emergency Clause.

Passage of this ordinance being deemed necessary for the immediate preservation of the health and welfare of the residents of the City of St. Louis, it is hereby declared to be an emergency measure within the meaning of Sections 19 and 20 of Article IV of the Charter of the City of St. Louis and shall become effective immediately upon its passage and approval by the Mayor.