

Memorandum

REPORT TO: City Commission

FROM: Nakeisha Lyon, Associate Planner
Brian Krueger, Development Review Manager
Erin George, Deputy Director of Community Development
Anna Bentley, Director of Community Development

SUBJECT: Ordinance 2131, Provisional Adoption of The Short Term Rental Affirmative Obligations Text Amendment, Application 23147

MEETING DATE: June 27, 2023

AGENDA ITEM TYPE: Ordinance

RECOMMENDATION: Having reviewed and considered the staff report, draft ordinance, public comment, and all information presented, I hereby adopt the findings presented in the staff report for application 23147 and move to provisionally adopt Ordinance 2131, The Short Term Rental Affirmative Obligations.

STRATEGIC PLAN: 4.2 High Quality Urban Approach: Continue to support high-quality planning, ranging from building design to neighborhood layouts, while pursuing urban approaches to issues such as multimodal transportation, infill, density, connected trails and parks, and walkable neighborhoods.

BACKGROUND: The City regulates short term rentals (STRs) within our community through Section 38.360.260 of the Bozeman Municipal Code. These standards set forth where STRs are allowed to locate based on type, require STR hosts to register their rental with the city prior to operation, and to submit annual renewals. Such registration includes submittal of information, payment of a registration fee, and completion of a safety inspection prior to city approval.

Since the adoption of these provisions, the prevalence of STRs has increased, and monitoring of online listings has revealed a significant number of unregistered STRs. The city has undertaken enforcement efforts to bring more STRs into compliance, but these efforts are time-consuming and costly for city staff. On August 9, 2022, the City Commission directed staff to update STR regulations in two phases. The first phase includes drafting an Ordinance regulating short term rental hosting platforms as one measure to increase compliance with existing regulations and to require regular reporting to obtain more information about STRs in Bozeman. The second phase will include analysis of the STR types and where they are allowed.

As drafted, Ordinance 2131 (Attachment 1) implements the first phase – regulating hosting platforms and other measures to increase compliance

with existing regulations. It revises the STR regulations within Sec. 38.360.260 to include obligations for hosting platforms such as hosting permit requirements for booking transactions, quarterly reporting requirements, and violation and enforcement provisions regarding the removal of listings from hosting platforms without a hosting permit. The proposed revisions also include administrative changes to improve compliance and support enforcement, such as changing the term “registration” to “permit”, allowing the City to issue administrative subpoenas to obtain information, requiring hosts to disclose where they have listed the STR, requiring regular safety inspections of STRs every three years, and imposing specific civil penalties for a violation.

For more details, please see the attached staff report.

UNRESOLVED ISSUES: None related to Affirmative Obligations Ordinance 2131.

ALTERNATIVES:

1. Recommend ordinance not be approved based on findings of non-compliance with the applicable criteria contained within the staff report;
2. Recommend with directed amendments prior to adoption; or
3. Open and continue the public hearing on the application, with specific direction to staff to supply additional information or to address specific items.

FISCAL EFFECTS: None at this time related to this Amendment.

Attachments:

[23147 CC Staff Report - STR Affirmative Obligations Ordinance 2131.pdf](#)

[Attachment 1 - Ordinance 2131.pdf](#)

[Attachment 2 - STR Affirmative Obligations Memo 01.03.2023.pdf](#)

[Attachment 3 - STR Focus Group Summary 02.07.2023.pdf](#)

Report compiled on: June 22, 2023