

**TOWN OF PIERCE, COLORADO
ORDINANCE NO. 2022-03**

**AN ORDINANCE AMENDING CHAPTER 6 OF THE PIERCE MUNICIPAL CODE
CONCERNING BUSINESS LICENSING, TO ESTABLISH A SHORT-TERM RENTAL
LICENSING PROGRAM AND IMPOSE A PENALTY FOR VIOLATIONS THEREOF**

WHEREAS, the Town of Pierce, Colorado (the “Town”) is a statutory municipality, duly organized and existing under the laws of the State of Colorado; and

WHEREAS, pursuant to C.R.S. § 31-15-101, the Town possesses the authority to regulate the operation and licensing of businesses within its jurisdiction; and

WHEREAS, the Town Board of Trustees (the “Board”) finds that there exists within the Town from time to time, residential dwelling units that may be or are offered for rent for the purpose of vacation or other short-term stays of less than 30 days; and

WHEREAS, the Board recognizes the existence of studies and reports that conclude that short-term rental of residential property creates adverse impacts to the health, safety and welfare of communities, including but not limited to increase in housing costs and depletion of residential housing opportunities for persons seeking full time accommodations; and

WHEREAS, the Board recognizes that regulation of short-term rentals is desirable to prevent adverse affects to the Town, including on use of utilities and parking; and

WHEREAS, the Board desires to create regulations for the health, safety and welfare of Town residents and visitors by adoption and enforcement of ordinances for fire, safety, trash removal, parking and other provisions that support reasonable operating standards for short-term rentals; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PIERCE, COLORADO, as follows:

1. **Amendment and Additions to Chapter of the Pierce Municipal Code.** Chapter 6 of the Pierce Municipal Code is amended to include Article 6, as follows:

Chapter 6

ARTICLE VI Short-Term Rental Licensing

Sec. 6-6-10. Purpose.

The purpose of this Article is to:

- (1) Reasonably regulate and allow limited short-term rentals of residential real property;

- (2) Preserve the residential character of the Town and establish operating standards to reduce impacts on adjacent neighbors resulting from short-term rentals;
- (3) Provide a licensing process for the Town to track and enforce these requirements as needed and ensure appropriate collection of taxes; and
- (4) Establish the regulations for short-term rental licenses.

Sec. 6-6-20. Definitions.

For the purposes of this Article, the following definitions shall apply:

Advertise means any act, method or means of drawing attention to a short-term rental for purposes of promoting the same for rent or occupancy.

Bedroom shall mean a room in lodging unit that is used for sleeping and that contains at least one bed or sleeper sofa. Garages, kitchens, bathrooms, dining rooms are deemed not [to] be bedrooms for the purposes of this definition.

Dwelling unit shall have the same meaning as set forth in Section 16-1-40 of the Pierce Municipal Code.

Host means any person who is the licensee of a primary residence and who offers a dwelling unit, or portion thereof, for short-term rental.

Hosting platform means a manner through which a host may offer a dwelling unit, or portion thereof, for short-term rental. A hosting platform includes, but is not limited to, an internet-based platform that allows a host to advertise and potentially arrange for temporary occupation of the dwelling unit, or portion thereof, through a publicly searchable website, whether the short-term renter pays rent directly to the host or to the hosting platform.

Host present or *host presence* means the host is actually and physically remaining on the licensed premise during the short-term rental period. In the case of a parcel comprised of a single primary unit and one or more authorized Accessory Dwelling Units and/or Accessory Buildings, the host is considered present if he or she is present in any unit on such parcel.

Licensed premises means the dwelling specified in an approved application for a license under this Article.

Licensee shall mean the person to whom a short-term rental license has been issued by the Town Clerk.

Primary residence means a person's fixed, permanent, and principal domicile for more than six months out of each calendar year and to which the person intends to return following any periods of absence. A primary residence is established by the person's actual physical occupancy of the domicile and as demonstrated by at least the following documents: (1) driver's license or Colorado state identification card; and (2) voter registration, motor vehicle registration, or designated residence for income tax purposes. A person shall have only one primary residence.

Rent means allow the use of real property for a period of time. Rent includes such terms as lease, let, and borrow.

Short-term rental means the rent for any form of consideration of a dwelling, dwelling unit, accessory dwelling unit, or portion of any dwelling unit to a particular person or persons for periods of time less than thirty (30) days. A short-term rental is a use that is accessory to the primary or principal use of such dwelling or dwelling unit. Short-term rental does not apply to or include commercial hotels or motels.

Sec. 6-6-30. Short-term rental license required.

- (a) It shall be unlawful for any person to operate a short-term rental in the Town of Pierce without a license issued under this Article VI.
- (b) It shall be unlawful for any person to operate a short-term rental not in compliance with any and all Town or state laws.
- (c) It shall be unlawful for any person to advertise a short-term rental in the Town of Pierce without a license issued under this Article VI.
- (d) A license issued under this Article is not required for rentals of residential property for a consecutive period equal to or greater than thirty (30) days.
- (e) Property which is deed-restricted as affordable housing shall not be eligible for a short-term rental license.
- (f) Only one license of any type (Primary Residence, Class A, Class B, or Class C) license may be issued to a person.

Sec. 6-6-40. Short-term rental license.

- (a) A short-term rental license may be issued to a person who owns a dwelling unit within the Town.
- (b) Short-term rental duration and required residency timeframes for a license:
 - (1) A licensed premises with a host present may be rented as a short-term rental for an unlimited number of days during the calendar year.
 - (2) Whole house rentals: A licensed premises with no host present shall not be rented more than one hundred eighty (180) days per calendar year. It shall be unlawful to operate a short-term rental of a licensed premises with no host present for one hundred eighty-one (181) or more days in a calendar year.

Sec. 6-6-50. Operating standards and requirements.

A short-term rental is allowed only if it conforms to each of the operating standards and requirements set forth in this Section:

- (a) In the licensed premises, the licensee shall post in a prominent place in the dwelling unit a notice containing the following:
 - (1) Licensee's contact information;
 - (2) Emergency contact information if the licensee cannot be reached;
 - (3) Information on the Town's garbage and refuse regulation;
 - (4) Trash and recycling schedule, if applicable;
 - (5) Parking restrictions, if applicable;
 - (6) Water restrictions, if applicable;
 - (7) Fire restrictions, if applicable;
 - (8) Evacuation directions in the event of fire or emergency;
 - (9) Location of the fire extinguisher;
 - (10) Town contact information for purposes of complaints concerning the licensed premises;

- (11) The Town's animal restrictions and requirement that all animals or pets located on the licensed premises must have a valid and current license in either Colorado or some other state, and all vaccinations must be up to date;
 - (12) A copy of the Town's noise ordinance;
 - (13) Good Neighbor Guidelines; and
 - (14) Any other information deemed necessary by the Town Clerk to ensure the public's health and safety.
- (b) There shall be a licensee or emergency contact who is available full time to manage the property during any period which the property is occupied as a short-term rental. The licensee or emergency contact shall be required to respond to all complainants within two (2) hours by phone or in person.
 - (c) The licensee shall equip the licensed premises with the following operational equipment: smoke detector, carbon monoxide detector, fire extinguisher, and other life safety equipment as required by the Town Clerk.
 - (d) The licensee shall display the license number on all hosting platforms and advertising listings of the licensed premises.
 - (e) The licensee shall pay all sales taxes and fees owed to the Town in a timely manner.
 - (f) The maximum occupancy of a dwelling unit rented as a short-term rental shall not exceed the lesser number of two (2) persons eighteen (18) years or older per bedroom or the capacity of the septic system for the dwelling unit. There is no occupancy limitation on persons under the age of eighteen (18).

Sec. 6-6-60. Application for a short-term rental license.

- (a) License application. Applicants for a short-term rental license, including renewal applicants, shall submit a completed application form to the Town Clerk on a form provided by the Town. Such form shall require, at a minimum, the following information:
 - (1) The full name, residential address, and telephone number for the licensee applicant.
 - (2) The full name, address, and telephone number for the emergency contact who will be available to respond to complainants within two (2) hours.
 - (3) The address of the proposed licensed premises including a description or illustration of the area(s) that will be used for short-term rental purposes with a total number of bedrooms and an illustration of the off-street parking plan for the short-term rental.
 - (4) Documentation that the applicant has lawful possession of the licensed premises as demonstrated by the deed or lease agreement on the property.
 - (5) Documentation of primary residency by at least the following documents: (1) driver's license or Colorado state identification card; and (2) voter registration, motor vehicle registration, or designated residence for income tax purposes.
 - (6) Proof of liability insurance sufficient to compensate renters for injuries that may be sustained in the dwelling unit proposed to be rented within the coverage limits as determined by the Town Clerk.
 - (7) A license fee in an amount as established by the Town Fee Schedule.
 - (8) A certification by the applicant that the dwelling unit is equipped with operational smoke detectors, carbon monoxide detectors, fire extinguishers, and other life safety equipment as required by the Town Clerk.
 - (9) A signed and completed short-term rental certification form, which form is available from the Town Clerk. This form shall include certification that the applicant has complied and will comply with the requirements of Section 6-6-50(a).

- (10) An acknowledgement that the licensed premises of the dwelling unit may be subject to a request for a pre-arranged inspection by building, fire, and zoning officials, and that a failure to allow such pre-arranged inspection shall, in the discretion of the Town Clerk, result in a suspension of the short-term rental license pursuant to Section 6-6-80 of this Code.
 - (11) Signed copy of Good Neighbor Guidelines.
 - (12) Such other information determined necessary by the Town Clerk to evaluate the compliance of the applicant, licensed premises or proposed short-term rental activity with the requirements of this Code.
- (b) Any application for a short-term rental license shall require a public hearing before it can be approved by the Board of Trustees. The Town Clerk or designee shall deliver notice of the public hearing by first class mail to the owners of all properties within 200 feet of the subject property, and post the notice of the hearing at a conspicuous location on the subject property.
 - (c) If any of the information in the license application changes or is no longer valid, the licensee shall notify the Town Clerk within ten (10) days after knowledge of the changed information.
 - (c) The Town Clerk is hereby authorized to promulgate any necessary rules or regulations associated with the license application.
 - (d) A short-term rental license is valid for a term of one (1) year and shall expire at the end of the calendar quarter during which the original license was issued. The licensee shall be responsible for renewing the license each year.
 - (e) Any person operating more than one short term rental must obtain a separate license for each location.

Sec. 6-6-70. License nontransferable.

All short-term rental licenses are nontransferable. It shall be unlawful to transfer or assign the license to another person or location and such conduct shall render the license subject to suspension or revocation.

Sec. 6-6-80. Suspension and revocation; enforcement.

- (a) The Town shall have the authority to suspend or revoke a short-term rental license and assess administrative penalties for a violation of this Article.
- (b) The Town Clerk or designee will investigate non-anonymous complaints. The subject of the complaint may include, without limitation, such things as parking, trash, noise, or other concerns related to the short-term rental.
- (c) Upon a determination that a violation of this Article exists, the Town Clerk will issue a notice of suspension or notice of revocation with the associated penalty in accordance with the following procedures:
 - (1) The Town Clerk will serve a notice of suspension or notice of revocation by first class and certified mail to the address of the licensee. The notice shall identify:
 - a. The name of the licensee and the license number;
 - b. The applicable section of the violation together with a description of the violation;
 - c. The action, if any, required to correct the violation;
 - d. The amount of the penalty; and
 - e. The effective date of the suspension or revocation which shall commence no earlier than fifteen (15) days after the date of the notice.

The notice shall inform the licensee of the right to appeal the decision appeal right as set forth herein.

- (2) The licensee may appeal the suspension/revocation notice by filing an appeal with the Town Clerk within ten (10) days of the date of the notice. An appeal shall stay the suspension or revocation until a final written decision is issued. The appeal shall state in writing why a suspension or revocation is not warranted, which may include a statement contesting the violation itself and information addressing how the licensee has taken measures to address the violation.
- (3) Upon receipt of the appeal, the matter shall be set for a hearing before the Town Clerk or his/her designee. Notice of the hearing shall be provided to the licensee. At the hearing, the licensee and the Town may present evidence and testimony concerning the violation and the appeal. In determining whether to uphold the suspension or revocation, or modify its terms, consideration shall be given to the criteria set forth in Section 6-6-90(b) for renewal of a license. Following the conclusion of the hearing, the Town Clerk or designee shall issue a written decision which shall constitute the final decision.
- (d) Any properties used for short-term rental purposes in violation of this Article, shall be subject to the following penalties in addition to those set forth in Section 6-6-100 of this Article:
 - (1) First offense: a fine as set by a Board of Trustee Resolution.
 - (2) Second offense within a twelve-month period: a fine as set by a Board of Trustee Resolution.
 - (3) Third offense within a twelve-month period: revocation of license without possibility of reapplication for one (1) year together with a fine as set by a Board of Trustee Resolution.

Failure to pay the penalty shall constitute another violation of this Article, which shall subject the license to suspension or revocation.

Sec. 6-6-90. Renewal.

- (a) Upon receipt of a timely renewal application, the Town Clerk shall review the application and shall administratively approve the renewal of the license, provided that in the year immediately preceding the date of renewal the following conditions are satisfied:
 - (1) The property has not been in violation of this Article;
 - (2) The property has not had its short-term rental license suspended; and
 - (3) The property has not been the subject of a nuisance violation conviction or plea of guilty or no contest.

If any one of the conditions are not satisfied, the Board of Trustees shall review, upon the property owner's request, the renewal application at a public hearing. The Town Clerk or designee shall deliver notice of the public hearing by first class mail to the owners of all properties within 200 feet of the subject property, and post the notice of the hearing at a conspicuous location on the subject property.

- (b) At the public hearing, in deciding whether to renew the license, the Board of Trustees shall consider the severity of the violation(s), the culpability of licensee, any measures taken to remedy the violation to ensure it will not reoccur. The Board of Trustees may consider information provided by Town staff, the property owner and/or operator of the short-term rental property, and the neighbors subject to the 200-foot notice.
- (c) If a renewal application is denied, no application for a short-term rental license shall be accepted for such property for one (1) year after the date of the denial decision.

Sec. 6-6-100. Violation and penalty.

- (a) Short-term rental of property without a short-term rental license constitutes a civil infraction punishable in the Municipal Court or any court of competent jurisdiction. The minimum penalty for such a violation is set by a Board of Trustee Resolution.
- (b) Each separate act in violation of this Article is a separate offense. Each calendar day that a violation exists shall be a separate offense and violation of this Article. In addition to the suspension and revocation

proceedings pursuant to section 6-6-80, violations of this Article may be punishable in the Municipal Court. Any person who violates the requirements of this Article may be punished in accordance with the general penalty provisions set forth in Section 1-4-20 of this Code.

2. **Severability.** If any part, section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections of this ordinance. The Board of Trustees hereby declares that it would have passed this ordinance in each part, section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more parts, sections, subsections, clauses or phrases be declared invalid.

3. **Interpretation.** This ordinance shall be so interpreted and construed to effectuate its general purpose pursuant to the laws of the State of Colorado.

4. **Publication.** The Town Clerk shall certify to the passage of this Ordinance and cause notice of its contents and passage to be published.

5. **Effective Date.** Except as otherwise specifically provided herein, the provisions enacted by this Ordinance shall become effective thirty (30) days after publication as provided by law.

PASSED, ADOPTED AND APPROVED THIS 14th DAY OF FEBRUARY, 2022.

TOWN OF PIERCE

By: Nanci Crom
Mayor

ATTEST:

Justin Davis
Town Clerk



SENT FOR PUBLICATION

DATE: 2/18/22
BY: NRD