

Amendment to Ordinance 2145-2018

..Explanation

BACKGROUND

This legislation updates the current Columbus City Code for Chapter 598 to include and clarify regulations for Short-Term Rentals. Due to concerns and interest of community members after the initial passage, continuous clarification and amendments are deemed reasonable and necessary.

The City's goal with the legislation is to balance the well-being and interests of City residents and visitors while allowing short-term rentals to operate and become a piece of the economic and tourism fabric in Columbus. Research and a nationwide scan of policies in other cities informed the legislation, as well as numerous meetings with impacted stakeholders such as residents and community members, the hosting platforms, short-term rental hosts, hotel/motel representatives, the tourism industry, and realtors.

Section 598.02(A)(2) related to prohibiting the operation of a short-term rental without a permit went into effect January 1, 2019. Sections 598.15 and 598.16 related to penalties for short-term rentals and hosting platforms would not go into effect until March 1, 2019.

Given the rapid growth and dynamic nature of short-term rentals, a thorough review and assessment of the current regulations for short-term rentals will occur 2 years from the January 1, 2019 implementation

Title

To amend Chapter 598 of the Columbus City Code in order to clarify and amend regulations for short-term rental operations and hosting platforms.

Body

WHEREAS, the State of Ohio currently has no regulations on short-term rentals and online hosting platforms; and

WHEREAS, the City of Columbus has a 97% apartment occupancy rate in the downtown area and must consider the legal, health and safety concerns of renters and residential property owners; and

WHEREAS, short-term rentals and online hosting platforms innovate economic opportunity for the community and promote tourism within the City; and

WHEREAS, the City of Columbus has a duty to balance the diverse interests of those impacted by these rentals, including, but not limited to, short-term rental owners, renters, property owners, residential communities, and the hotel industry; and

WHEREAS, Chapter 598 of the Columbus City Codes regards regulations pertaining to the industry of hotels/motels, which are similarly structured but uniquely different short-term lodging and accommodations; and

WHEREAS, the City of Columbus, in promotion of its efforts to provide safe and healthy neighborhoods while encouraging and allowing unique lodging accommodations, finds it necessary to amend Chapter 598 which will provide regulations on short-term rental operations; now, therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That Chapter 598 of the Columbus City Code is hereby amended reading as follows:

598.01 - Definitions

(A) "Hotel/Motel" means any structure consisting of one or more buildings, with more than five sleeping rooms, that is kept, used, maintained, advertised, or held out to the public to be a place where sleeping accommodations are offered for pay to guests, including, but not limited to, such a structure denoted as a hotel, motel, motor hotel, lodge, motor lodge, bed and breakfast, or inn.

"Short-Term Rental" means any 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.

(B) "Hotel/Motel Operation" means the occupancy of any guestroom or use of any hotel/motel facility.

"Short-Term Rental Operation" means the occupancy of any room or dwelling of any short-term rental.

(C) "Transient Guests" mean persons occupying a room or rooms for sleeping accommodations for less than thirty (30) consecutive days.

"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.

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

"Primary Residence" means a ~~residence~~ dwelling(s) which 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.

"Dwelling" means any building, ~~or structure, or unit, on the same tax parcel, sharing the same mailing address,~~ which is occupied or intended for occupancy in whole or in part as a home, residence or sleeping place for one (1) or more persons.

(E) "Owner" means a corporation, firm, partnership, association, organization and any other group acting as a unit, or a person who has legal title to any structure or premises with or without accompanying actual possession thereof, and shall include the duly authorized agent or attorney, a purchaser, devisee, fiduciary and any person having a vested or contingent interest in the premises in question.

"Permanent Occupants" means persons who reside in a dwelling more than 51% of the time during a calendar year, and the dwelling in which persons reside shall be referred to as their primary residence.

"Short-Term Rental Host" means the owner or permanent occupant of a short-term rental who offer the short-term rental for temporary lodging.

(F) "Operator" means any person who works at a hotel/motel in a capacity to facilitate the offering of guestrooms to guests, including, but not limited to, front desk workers.

"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.

(G) "Manager" means the general manager, shift manager, or any person in any supervisory position at the hotel/motel.

(H) "Employee" means any person who earns qualifying wages, commissions or other type of compensation from the hotel/motel.

(I) "Calls for Service" means any and all calls, including but not limited to those to law enforcement and/or the fire department, when those calls:

- (1) result in a representative being dispatched or directed to the hotel/motel or short-term rental;
- (2) allege evidence of criminal activity;
- (3) result in an arrest, charge or citation; or
- (4) find an imminent threat to safety of person(s) or property.

Calls for service shall not include calls made by employees of the hotel/motel or short-term rental property itself as officers to notify the radio room of their location, commonly associated with Columbus Division of Police Directive 3.17 (IV)(A)(1)(a)(3).

(J) "Calls for Service Ratio" means the number of calls for service divided by the number of rooms in service at the hotel/motel or short-term rental.

(K) "Director" means the director of public safety or the director's authorized designee.

(L) "Interception device" as used in this chapter refers to the definition found in Chapter 2933.51(D) of Revised Code.

598.03 - Application for Hotel/Motel or Short-Term Rental Permit, New and Renewal

(A) Application for a new hotel/motel or short-term rental permit, and/or for renewal of a permit, shall be made to the Director, upon approved forms, executed by the License Section. The Director shall establish associated permit fees and costs, with a portion of the short-term rental permit fees supporting affordable housing and home-ownership opportunities in the City of Columbus.

(B) The application for a permit to operate a hotel/motel or short-term rental shall contain the following information:

- (1) Name of the applicant, including mailing address, telephone number, and email address. If the applicant is a corporation, firm, partnership, association, organization or other group acting as a unit, the applicant shall provide the name of the entity set forth exactly as shown on its articles of incorporation, mailing address, telephone number, and email address of an individual who is the statutory agent, president, or managing individual, the state in which the company is incorporated or registered, and the entity or corporation number;

For an 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 598.01(D);

(2) Name of hotel/motel or short-term rental, including address, telephone number, and email address;

(3) The legal owner or owners of the property, including mailing address, telephone number, and email address. If the property owner is a corporation, firm, partnership, association, organization or other group acting as a unit, the applicant shall provide the name of the entity set forth exactly as shown on its articles of incorporation as well as the mailing address, telephone number, and email address of an individual who is the statutory agent, president, or managing individual, the state in which the company is incorporated or registered, and the entity or corporation number;

(4) If an owner of the property has executed a land contract, lease agreement, management agreement, or any other agreement separating the owner from control over the property and/or the hotel/motel or short-term rental, the applicant shall include a copy of said agreement along with the application;

(5) The names and addresses of any other hotel/motels or short-term rentals located in City of Columbus that the applicant or property owner has any interest in, including, but not limited to, ownership, licensure, or management;

(6) Name of the hotel/motel operator or short-term rental host, including mailing address, telephone number, and email address;

(7) The number of guestrooms in service in the hotel/motel or short-term rental;

(8) The names of all hosting platforms that are used by any short-term rental host and proof of liability insurance for the unit rental as required by CCC §598.04(7)(a)(i);

(9) A short-term rental host's permit application shall contain ~~an affidavit, which includes confirmation~~ a notarized affidavit affirming that the host and short-term rental are in compliance with all applicable local, state, and federal laws and regulations. A notarized application affirming compliance is sufficient to meet this requirement.

(10)

A notarized affidavit affirming a completed background check by the hosting platform or, in the instance where no hosting platform is used or the hosting platform does not complete a background check, the results of a background check performed by a BCI approved background check provider. Such background check will be at applicant's personal expense.

(C) The applicant must notify the Director of any change in information contained in the permit application within ten (10) days of the change.

(D) Any change in ownership of the hotel, the building, the dwelling or the business, change in hotel operator, or change in name of the hotel, or short-term rental host shall void the current permit and shall require submission of a new application and the issuance of a new permit.

(E) A short-term rental shall be assigned an individual permit account number that must be prominently posted with the unit on a hosting platform. Said valid permit shall be displayed but removed upon expiration. Those failing to display the permit are in violation of section 598.11(A); those found to be operating with an expired permit are in violation of section 598.15 (A).

598.04 - Short-Term Rental Hosts and Hosting Platforms—Requirements

(A) Short-term rental host requirements. A short-term rental host may be the owner and/or the permanent occupant of the dwelling. The short-term rental host must provide one form of proof of identity, and two pieces of evidence that the dwelling is the host's primary residence or two pieces of evidence the host is the owner of the dwelling.

- (1) One 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 for use as a short-term rental.
- (3) Short-term rental hosts must provide written notice to the short-term rental guest(s) of any known, non-obvious or concealed condition, whether man made or artificial, which may present a danger to the short-term rental guest(s) and must comply with and post in the short-term rental, as ordered by the Director under sections 501.05 and 501.06, all applicable local laws and regulations; and, designate a local 24 hour emergency contact for the property.
- (4) Short-term rental hosts must comply with Section 2933.52 of the Revised Code. Such compliance shall also include known, non-obvious or concealed surveillance equipment, including, but not limited to, digital video cameras/recorders/monitors, livestreaming video security cameras, audio recorders/monitors, or any other electronic means of secretly watching, listening, or recording. In the event a short-term rental host utilizes an indoor and/or outdoor interception device(s), or any specific or similar aforementioned device, the short-term rental host shall notify the short-term rental guest in writing. In the event the short-term rental guest does not consent to the short-term rental host ~~intercepting any oral, wire, or electronic communication~~ utilizing an indoor interception device(s), or any specific or similar aforementioned device for the duration of the short-term rental period, the short-term rental host must deactivate the indoor interception device(s) and shall not intercept, listen, monitor, record, or like thereof, any activity inside the dwelling.
- (5) Short-term rental hosts must comply with the City of Columbus short-term rental excise taxes;
- (6) Rentals for thirty (30) or more consecutive days by the same guest(s) will not be subject to short-term rental regulations or excise taxes.
- (7) All short-term rental hosts must 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) A general liability insurance policy or certificate that shall provide the 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 Director at least ten (10) days prior to cancellation.

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

(b) In the event that a hosting platform provides liability insurance to a host, such insurance would be deemed acceptable for submission provided the insurance meets the requirements of CCC §598.04(7)(a)(i)

(B) No hosting platform shall list a short-term rental located within the City of Columbus without prominently displaying a valid permit account number for that short-term rental on any medium the hosting platform uses to advertise the short-term rental. Hosting platforms shall not advertise any short-term rental that does not have a valid permit; and,

If the Director notifies a hosting platform that a short-term rental permit is no longer valid, the hosting platform shall remove or deactivate all listings for that short-term rental operation within three (3) business days to prevent that short-term rental from being rented or advertised.

(C) Records required. Short-term rental hosts and hosting platforms that offer short-term rentals shall maintain and provide records as follows:

(1) Upon request, each hosting platform advertising listings of short-term rentals located in the City of Columbus shall provide the Department with the following information for each short-term rental:

(a) The physical address;

(b) The name of the person who registered the unit, and

(c) The dates and duration of stay in a short-term rental, the number of persons who were scheduled to stay each night, and the room rate charged for each short-term rental.

(2) A short-term rental host that offers a short-term rental shall retain and, upon request, make available to the Director or law enforcement officials records to demonstrate compliance with this section, including, but not limited to, primary residency, the name of the short-term rental guest responsible for the reservation and/or who rented the unit on each night, dates and duration of stay in a short-term rental, and the rate charged for each short-term rental on each night.

(3) Hosting platforms shall retain records for a period of at least four (4) years. Short-term rental hosts that do not use hosting platforms and provide units for short-term rental use shall retain records for a period of at least four (4) years.

(4) If the request for records described in division (C) of this section is denied, any officer or employee of the division of police, division of fire, department of building and zoning services, code enforcement division, or Columbus Public Health may seek an administrative search warrant from a court of competent jurisdiction authorizing said inspection.

(D) If a hosting platform enters into a memorandum of understanding with the City covering the responsibilities for hosting platforms in division (B) and (C) of this section and the liability in section 598.16 of this Code, the hosting platform shall be exempt from those sections and not subject to liability under section 598.16. If a hosting platform does not execute a memorandum of understanding or an existing memorandum of understating is no longer in force or effect, the hosting platform shall be subject to all applicable provisions of this Code.

(E) Nothing in this section 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.

598.05 - Grounds for Denial

(A) The Director shall issue a new permit, or grant the renewal of an existing permit, except as provided in divisions (B) or (C) of this section.

(B) The Director shall deny any application for a new permit, or renewal of permit, if any of the following are shown to have occurred at the hotel/motel or short-term rental property:

- (1) The applicant makes a material misrepresentation of fact on the application;
- (2) The applicant or any owner of the hotel/motel or short-term rental has been convicted of violating sections 598.02(A)(1), 598.02(A)(2) or 598.08(B) of this chapter;
- (3) Any owner, applicant, operator, or manager of the hotel/motel or 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 Revised Code Chapters 2925 or 3719, on the premises of the hotel/motel or short-term rental in question, or any hotel/motel or short-term rental in which that individual has any interest in, including, but not limited to, ownership, licensure, or management;
- (4) The applicant or owner of the hotel/motel does not have a valid State of Ohio license as defined in Ohio Revised Code Section 3731.03;
- (5) The property on which the hotel/motel is located is not in good standing with the City of Columbus Income Tax Division;
- (6) The short-term rental host is not in good standing with the City of Columbus Income Tax Division.

(C) The Director may deny any application for a new permit, or renewal of permit, if any of the following are shown to have occurred at the hotel/motel or short-term rental property:

- (1) The hotel/motel or short-term rental has outstanding orders from the Columbus Division of Fire that have not been corrected;
- (2) Pattern of felony drug related activity;
- (3) Pattern of prostitution related activity or evidence of human trafficking;
- (4) Pattern of gang related activity as defined in Ohio Revised Code Section 2923.41;
- (5) Calls for service ratio greater than 1.2 during a consecutive twelve month period where at least one of the twelve months occurs within the calendar year in which an objection to the permit is lodged;
- (6) The hotel/motel or short-term rental has a documented history of repeated offenses of violence as defined in Ohio Revised Code Section 2901.01;
- (7) The owner, applicant, operator, or manager, or short-term rental host has not made a good faith effort to correct violations of sections 598.05 and 598.11 of this chapter, or has obstructed or interfered with correction of the violations;

(8) Any owner, applicant, operator, or manager of the hotel/motel, or short-term rental host is shown to have engaged in the act of prostitution or soliciting for prostitution, or an act that would constitute a violation of the Ohio Revised Code Chapters 2925 or 3719, on the premises of the hotel/motel or short-term rental in question, or any hotel/motel or short-term rental in which that individual has any interest in, including, but not limited to, ownership, licensure, or management.

(9) The applicant or any owner of the hotel/motel or short-term rental has hindered or prevented any inspection of the hotel/motel or short-term rental authorized by Chapter 501 of the Columbus City Code;

(10) The short-term rental has a documented history or repeated conduct that endangers neighborhood safety. This subdivision shall not apply to a hotel/motel. (D) Evidence of conduct under divisions (B) and (C) 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.

SECTION 2. That existing sections of Chapter 598 of the Columbus City Codes, 598.01, 598.03, and 598.04 are hereby repealed and replaced as provided herein.

SECTION 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.