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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.

Sponsors: Rob Dorans

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Attachments:

Date	Ver.	Action By	Action	Result
5/9/2019	1	CITY CLERK	Attest	
5/8/2019	1	MAYOR	Signed	
5/6/2019	1	COUNCIL PRESIDENT	Signed	
5/6/2019	1	Columbus City Council	Approved	Pass
4/29/2019	1	Columbus City Council	Read for the First Time	

This legislation repeals and replaces various sections of the current Columbus City Code for Chapter 598 to harmonize multiple previous iterations and to reorganize with clarification certain sections involving the licensing process, regulation of host and hosting platform requirements, and criminal penalties 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 rental hosts and hosting platforms, respectively, went into effect March 1, 2019. In this ordinance, the penalties for both short-term rental hosts and hosting platforms are being addressed in Section 598.15 and therefore Section 598.16 is being repealed accordingly.

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.

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

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 Code 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 repeal and replace 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 existing sections 598.01, 598.02, 598.03, 598.04, 598.06, and 598.15 of the Columbus City Code are hereby repealed in their entirety and new sections 598.01, 598.02, 598.03, 598.04, 598.06, and 598.15 are hereby enacted, reading as follows:

598.01 - Definitions.

- (A) "Booking Service" means any mechanism for a reservation and/or payment service provided by a hosting platform that facilitates a short-term rental transaction between a short term rental host and a prospective short-term rental guest, and for which the hosting platform collects or receives, directly or indirectly through an agent or intermediary, a fee(s) in connection with the reservation and/or payment services provided for the short-term rental transaction.
- (B) "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.
- (C) "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).

- (D) "Director" means the director of public safety or the director's authorized designee.
- (E) "Dwelling" means any building, 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.
- (F) "Employee" means any person who earns qualifying wages, commissions or other type of compensation from the hotel/motel.
- (G) "Guestroom" means a room offered to the public for a fee that contains, at a minimum, provisions for sleeping.
- (H) "Hosting Platform" means a person or entity that participates in the short-term rental business by providing and collecting or receiving a fee(s) for booking services through which a short-term rental host may offer a short-term rental to a short-term rental guest. Hosting platforms usually, though not necessarily, provide booking services through an on line platform that allows a short-term rental host to advertise the short-term rental through a website provided by the hosting platform and the hosting platform conducts a transaction by which potential short-term rental guest reserve a guestroom(s) and arrange payment, whether the short-term rental guest pays rent directly to the short-term rental host or to the hosting platform.
- (I) "Hotel/Motel Operation" means the occupancy of any guestroom or use of any hotel/motel facility.
- (J) "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.
- (K) "Interception device" as used in this chapter refers to the definition found in Chapter 2933.51(D) of Revised Code.
- (L) "Manager" means the general manager, shift manager, or any person in any supervisory position at the hotel/motel.
- (M) "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.
- (N) "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.
- (O) "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.
- (P) "Primary Residence" means a 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.
- (Q) "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.
- (R) "Short-Term Rental Host" means the owner or permanent occupant of a short-term rental who offer the short-term rental for temporary lodging.
- (S) "Short-Term Rental Operation" means the occupancy of any room or dwelling of any short-term rental.
- (T) "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.

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

598.02 - Permit Required.

(A)

(1) 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 Columbus, the operation of a hotel/motel without obtaining a permit in accordance with this chapter. It shall be prima facie evidence of hotel/motel operation if a guest is found to be occupying a guest room or if any person is found to be using a hotel/motel facility.

(2) No short-term rental host 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 Columbus, a short-term rental without obtaining a valid 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.

(B) An application for a new permit may be submitted at any time to the Director. If the application is approved and a valid permit is issued, the permit shall take effect on the day of issuance, and shall expire one calendar year from the day of issuance. If a valid permit is issued in conjunction with and contingent upon an explicit and consensual term lease agreement, as contemplated in section 598.04, the permit shall take effect on the day of issuance and shall expire upon the last day of the applicant's leasehold term or at the end of one calendar year from the day of issuance, whichever occurs first.

(C) A permit to operate a hotel/motel or short-term rental shall be renewed by the applicant prior to the expiration date. The renewed permit shall take effect on the day of issuance and shall expire upon the last day of the applicant's leasehold term or at the end of one calendar year from the day of issuance, whichever occurs first.

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 valid 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;

The short-term rental host shall provide sufficient information to demonstrate compliance with the primary residency requirement as outlined in section 598.01(P);

(2) Name of hotel/motel or description of the short-term rental, including property address, and, where applicable,

a registered telephone number;

(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. In order to receive a permit, such documentation must explicitly provide consent for short-term rental operations. Absent such a clause or prohibition of short-term rental operations shall be grounds for a denial of a permit;

(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 on which the applicant has successfully been registered to list a short-term rental, documentation confirming hosting platform registration(s), and proof of general liability insurance for the short-term rental as required by section 598.04;

(9) A short-term rental host's permit application shall be notarized to affirm that the short-term rental host and short-term rental are in compliance with all applicable local, state, and federal laws and regulations.

(10) In the instance where no hosting platform is used or the hosting platform does not complete a background check, then the results of an Ohio statewide background check performed by a BCI approved background check provider. Such background check will be at applicant's personal expense. A new background check will be required to renew any short-term rental permit.

(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 valid permit.

(E) If approved, a short-term rental shall be assigned an individual permit account number that the short-term rental host shall list with the short-term rental on any hosting platform. Only a valid permit shall be listed on a hosting platform. Upon a valid permit's expiration, a short-term rental host shall immediately remove the short-term rental from being listed on any hosting platform and shall not engage in any short-term rental operations. Those found to be operating with an expired permit are in violation of section 598.02(A)(2) and are subject to the penalties as provided for in section 598.15.

598.04 - Short-Term Rental Hosts and Hosting Platforms -- Requirements and Prohibitions.

(A) The short-term rental host shall provide to the Director 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.

(B) One short-term rental permit shall be required for each short-term rental.

(C) 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.

(D) Short-term rental hosts shall 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 designate a local 24-hour emergency contact for the property.

(E) 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, streaming 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 the event the short-term rental guest does not consent to the short-term rental host 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 shall deactivate the indoor interception device(s) and shall not intercept, listen, monitor, record, or like thereof, any activity inside the dwelling.

(F) Short-term rental hosts shall comply with the city of Columbus short-term rental excise taxes as required by Chapter 371 of the Columbus City Code.

(G) Rentals for thirty (30) or more consecutive days by the same guest(s) are not subject to short-term rental regulations or excise taxes.

(H) All short-term rental hosts shall obtain liability insurance for each short-term rental. Each short-term rental shall at all times maintain the following insurance coverage meeting all of the following requirements:

- (1) A general liability insurance policy or certificate that shall provide the minimum coverage;
 - a. 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.
 - b. The policy or certificate shall provide notice of cancellation of insurance to the Director at least ten (10) days prior to cancellation.
 - c. Any cancellation of insurance required by this section shall result in an automatic revocation of the respective short-term rental permit.

- (2) 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 paragraph (1)(a) above.

(I) No short-term rental host shall engage in a short-term rental operation located within the city of Columbus without listing the valid short-term rental permit number associated with the short-term rental on any medium used by the short-term rental host to advertise the short-term rental.

(J) No hosting platform shall provide, and collect a fee for, booking services in connection with any short-term rental operation located within the city of Columbus unless the short-term rental host has provided to the hosting platform a valid short-term rental permit number associated with the short term rental being rented.

(K) Records required.

(1) Short-term rental hosts who engage in short-term rentals and hosting platforms that engage in booking services shall maintain and provide records documenting the following information:

(a) The short-term rental physical address;

(b) The name of the person who registered the short-term rental on the hosting platform or who listed the short-term rental using any medium; 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 daily rate charged for each short-term rental.

(2) Hosting platforms and short-term rental hosts shall retain records for a period of at least four (4) years.

(3) In order to determine whether a short-term rental host or hosting platform is in compliance with the requirements of this chapter, the Director may request that any records required to be kept by this section be provided for inspection. If such request is denied, the Director may seek an administrative search warrant from a court of competent jurisdiction authorizing said inspection.

(L) 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.

598.06 - Objection, Revocation and Suspension of Hotel/Motel or Short-Term Rental Permit.

(A) The License Section may submit an objection to the Director with regards to a new permit application or a renewal application if it is determined that activities set forth in divisions (B) or (C) of section 598.05 are shown to have occurred at the hotel/motel or short-term rental.

(B) At any time during the calendar year, the License Section may revoke and/or suspend a hotel/motel or short-term rental permit if it is determined that activities set forth in divisions (B) or (C) of section 598.05 are shown to have occurred at the hotel/motel or short-term rental. For short-term rentals, suspension, revocation and/or other penalties may occur if a unit is listed on a hosting platform without the required permit account number as required under section 598.03 (E).

598.15 - Short-Term Rental Penalty.

(A) Any short-term rental host who rents a short-term rental for a short-term rental operation in violation of section 598.04(I), or any hosting platform that provides a booking service for short-term rental operations in violation of section 598.04(J), without correcting or remedying the violation in a reasonable and timely manner, shall be guilty of an unclassified minor misdemeanor and shall be fined not more than two hundred fifty dollars (\$250.00). Upon subsequent conviction, the penalty shall be a misdemeanor of the third degree and a fine of not more than five hundred dollars (\$500.00) or imprisonment for not more than sixty (60) days, or both, in addition to any other penalties as imposed by this chapter. Each dwelling rented for short-term rental operations shall constitute a separate offense.

(B) Any short-term rental host who rents a short-term rental for a short-term rental operation in violation of section 598.02(A)(2), without correcting or remedying the violation in a reasonable and timely manner, shall be guilty of an

unclassified minor misdemeanor and shall be fined not more than two hundred fifty dollars (\$250.00). In addition, all gross revenue from short-term rental transactions that are illegally obtained in violation of section 598.02(A)(2) shall be remitted to the city of Columbus, subject to local and state laws governing forfeiture.

(C) Whoever violates section 598.11(A) shall be guilty of a minor misdemeanor.

SECTION 2. That existing section 598.16 of the Columbus City Code is hereby repealed in its entirety.

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