



## Vacation/Short Term Rentals Frequently Asked Questions

- 1. When do the rules go into effect?** Zone district limitations, the 30% cap, and the nontransferable license clause are now in effect. The 30% cap has been reached at this time and no new Unlimited Licenses are being issued for the remainder of the year. However, Primary Residence Licenses are available now. The new license types, fees and inspection regime will become effective January 1<sup>st</sup>, 2018.
- 2. What types of licenses are there for vacation rentals?**
  - Unlimited License – Owners can obtain a license within the 30% cap of eligible residential units in town. The fees are still being established, but will most likely be between \$500 - \$1,000 per year. The fee is non-refundable.
  - Primary Residence License – This license can be obtained for a home that serves as a primary residence of the property owner. This type of license is limited to no more than 60 nights of rental use per year. These can be located in any zone district that allows for primary residences. The fees are still being established, but will most likely be between \$500 - \$750 per year. The fee is non-refundable.
- 3. In what zones are Unlimited vacation rentals permitted?** They are permitted in R1, R1A, R1C, R1D, R1E, R2, R2C, R3C, B3, and B4 zone districts. Provided that the number of vacation rentals shall at all times be limited to 30% of the total free market residential units cumulatively in such districts. Primary Residence Vacation rentals beyond the 30% limit will be issued if the rental also serves as the primary residence of the property owner. This type of license shall be limited to no more than 60 nights of rental use per year. Primary residences may apply for an unlimited license in which case they will be subject to the 30% of free market residential unit limitation.
- 4. What if my home is in a zone not listed above in question #3?** Unlimited vacation rentals are not permitted in the R1B, R4, R2A, B1, B2, M, T, C, AO and P zones. If the unit serves as your primary residence, it is eligible for a Primary Residence License. This type of license is limited to no more than 60 nights of rental use per year.
- 5. What if I have an existing vacation rental in one of the zones mentioned in #4?** Grandfathered licenses can continue to operate so long as you continue to own and rent the property. Owners must purchase a new license each year.
- 6. I currently have a business license for short term rentals, do I need to do anything to keep it?** Yes, your current license is only a business license. Owners need to apply for a Vacation Rental and Business license for 2018. This is a two-year rolling license that is renewed annually. We anticipate the license process to open up in October/November of 2017.
- 7. If I purchase a home that is an existing vacation rental, does that mean that I am able to use it as such?** No, licenses are non-transferable and the new owner will need to apply for a new license.
- 8. My property is historic and I do not have any parking, will this negate me from obtaining a license or future owners from obtaining a license?** Properties that are historic without approved parking or projects that have been approved through BOZAR without parking will be allowed to continue to have a license or obtain an available license for vacation rentals without

providing parking. Properties that have approved parking must prove that the parking is maintained and accessible at all times.

9. **Are there homes in which vacation rentals are not allowed?** Vacation rentals are not permitted in any property that is subject to a deed restriction, covenant or other Town restriction or requirement regarding occupancy, bed and breakfasts, condo hotels, hotels, lodges, motels or short-term residential accommodations.
10. **If I don't get a license and choose to vacation rent my property, what are the repercussions?** If a license is not obtained and a property is being rented, the property will have a two year suspension for eligibility to apply for a license. Also, this violation may result in a summons to Municipal Court or assess a fine of up to \$1,000 per day. The Town could place a lien against the property for unpaid sales tax.
11. **Is there any type of monitoring or inspection that I might need to know about?** Yes, the property must be inspected by the Town Vacation Rental Inspector for compliance with the Vacation Rental provisions in Chapter 6, Article 6, and Code Section 16-6-40 of the Crested Butte Municipal Code, beginning in 2018 and biannual thereafter. In addition, within 14 days prior to the issuance or renewal of your license, the Town is required to notify adjacent real property owners within 100 feet of your property and take public comment regarding neighborhood impacts of your vacation rental property.
12. **What happens if complaints are registered against my property?** The Town Vacation Rental Inspector will contact you regarding the nature of the complaints and talk with you about steps that can be taken to rectify any problems that need attention. When problems are not rectified, it is possible for the license to be revoked.
13. **If there are no more unlimited licenses available, can I get a primary residence license and be on the waiting list for an unlimited license?** Yes, so long as the property serves as your primary residence and you are in a zone allowing unlimited rentals.
14. **What qualifies as a Primary Residence?** A residence which is the usual place of return for housing as documented by the vested title property owner of record signing an affidavit to that affect and providing at least two of the following: motor vehicle registrations, driver's license, Colorado state identification card, voter registration or tax documents. A person can have only one primary residence.
15. **Can I get a vacation license to hold in case I might want to rent my house some day?** Licenses must be renewed annually, an annual business license must be obtained, the residence must be inspected, and applicable sales taxes and fees must be paid.
16. **What if my property fails inspection?** Dependent on the nature of the violations at the time of the inspection, applicants will have an identified timeframe to rectify the issues.
17. **Is there a maximum occupancy?** The maximum occupancy of any vacation rental property is 10 people. Occupancy may be adjusted following physical inspection of the vacation rental property. The basis for the occupancy determination shall be an allowance of two occupants per legitimate bedroom plus two additional occupants. Any increase above 10 people in a vacation rental property shall include an on-site parking space for each four additional occupants (or part thereof) in addition to any parking required per the code.
18. **Under what circumstances can the Town revoke my vacation rental license?** Failure to rectify issues identified during the property inspection; failure to timely renew the annual license; failure to file and pay sales tax and repeated complaints, which would be done by the Town Vacation Rental Inspector.
19. **What does it mean to have my vacation rental license revoked?** Your property can no longer be used for vacation rentals and you may not apply for a new license for 2 years.
20. **How do I get on the Unlimited license waiting list?** When an application for an unlimited license is denied due to cap limit, you will automatically be placed on the waiting list in the order in which your application was received.