

ORDINANCE NO. _____, SERIES 2015

**AN ORDINANCE AMENDING SECTION 115 OF THE
LOUISVILLE METRO CODE OF ORDINANCES
RELATING TO SHORT TERM RENTALS (AMENDED BY
SUBSTITUTION)**

SPONSORED BY: Council Members James, Hollander and Owen

WHEREAS, today travelers and individuals in need of short term rentals are increasingly turning to the internet as a new method to secure short term rental opportunities, including the ability to rent by the room or an entire house, which has created a fluid market of residential property being offered for short term rentals (commonly referred to as "short term rentals");

WHEREAS, Metro Louisville has a growing number of dwelling units being rented for short terms, most of which are being advertised via online third party platforms;

WHEREAS, Metro Council evaluated existing laws to adequately understand licensing, taxation, zoning, health and safety issues associated with these new internet based sites for the travelers and residents of these short term rentals arrangements;

WHEREAS, Metro Council understands that Codes and Regulations and Develop Louisville have received complaints regarding short term rentals and in response has issued notices of alleged violations of the Land Development Code;

WHEREAS, Metro Council seeks to balance the interests and needs of travelers and individuals in need of short term rentals with property owners and residents while also considering the impact on the community;

WHEREAS, requiring registration and taxation of short term rentals will place short term rental arrangements on equal grounds with hotels, motels and bed and breakfast establishments.

NOW THEREFORE BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE COUNCIL) FOLLOWS:

SECTION I: Sections 115.505 through 115.514 of the Louisville Metro Code of Ordinances is hereby established to create subchapter entitled SHORT TERM RENTALS:

SHORT TERM RENTALS

§115.505 DEFINITIONS.

For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

DIRECTOR. The Director of the Louisville Metro Revenue Commission.

HOST. Any Person who is the owner of record of residential real property, or any Person who is a lessee of residential real property pursuant to a written agreement for the lease of such real property, who offers a dwelling unit, or portion thereof, for Short Term Rental.

HOSTING PLATFORM. An internet based platform that generally allows an owner or tenant to advertise the dwelling unit through a website and provides a means for potential Transient Users to arrange Short Term Rental and payment through the Hosting Platform.

SHORT TERM RENTAL. A dwelling unit that is rented, leased or otherwise assigned for a tenancy of less than thirty (30) days duration, where no meals are served. This term does not include hotel or motel rooms, extended stay lodging facilities, bed and breakfast inns or boarding and lodging house rooms.

TRANSIENT USER. A person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of less than thirty (30) days duration.

§ 115.506 ANNUAL REGISTRATION REQUIRED;

No person, firm, or corporation shall own or operate a Short Term Rental on any premises within Jefferson County unless the Short Term Rental has been registered with the Louisville Metro Revenue Commission and remains registered each year.

§ 115.507 ANNUAL REGISTRATION; FEE.

(A) Each annual registration for a short term rental shall be in the form prescribed by the Director. The form, at a minimum, shall include the following:

- (1) The name, address, phone number, and email address of the Host and of a person residing or located within 50 miles of the Short Term Rental that shall be responsible for addressing any maintenance or safety concerns; and
- (2) The location of the Short Term Rental.

(B) A nonrefundable fee of \$25 shall accompany the registration of a Short Term Rental.

§ 115.508 COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS.

Each separate Short Term Rental shall be in compliance with any currently applicable laws and regulations of the federal, state, or local governments, as may be amended from time to time including but not limited to, laws or regulations on nondiscrimination, zoning, building, safety, property maintenance, health and sanitation, fire, electrical, plumbing, mechanical, and other applicable laws.

§ 115.509 TRANSIENT OCCUPANCY TAXES

(A) Transient Occupancy Taxes are to be collected and paid to the Metro Government pursuant this Code; and

(B) Transient Occupancy taxes are ultimately the responsibility of the Host, but the collection and remission of all required taxes pursuant to MCO Chapters 110 and 121 may be paid by a Hosting Platform on behalf of Host if the Short Term Rental is created through a Hosting Platform that has an agreement with the Metro Government for collection and payment of such taxes to the Metro Revenue Commission.

§ 115.510 DUTIES OF A HOST.

It shall be the duty of a Host under this subchapter to ensure that:

(A) The Short Term Rental meets the smoke detector requirements set forth in MCO 94.02 and that a clearly marked evacuation plan is posted on the premises;

(B) There shall be no more than one contract per Short Term Rental at a time;

(C) At no time shall more persons reside in the Short Term Rental than two times the number of bedrooms plus four individuals; and

(D) There is no signage on the premises of the Short Term Rental advertising or identifying the short term rental.

§ 115.511 ENFORCEMENT.

In addition to the penalties provided in § 115.999(M), the Director is authorized to enforce the provisions of this subchapter through declaratory, injunctive and other civil actions filed in any court of competent jurisdiction.

SECTION II: Louisville Metro Code of Ordinances Section 115.999(M) is hereby amended as follows:

(M) (1) Any person who violates any provision of §§ ~~115.550~~ 115.505 through 115.562 shall be subject to a civil penalty of not less than \$100 and no more than \$1,000 as imposed by the Director. A second offense will be subject to a civil penalty of not less than \$1,000 and no more than \$5,000 as imposed by the Director. Each day that a violation continues after notice has been served shall be deemed a separate offense. Any person who receives a citation for violating §§ ~~115.550~~ 115.505 through 115.562 may appeal the violation to the Code Enforcement Board.

(2) Notwithstanding subsection (M)(1) above, any person who violates any provision of §§ ~~115.550~~ 115.505 through 115.562, or who knowingly provides false information in an attempt to gain or maintain a license, shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than \$250 nor more than \$500 or imprisonment not to exceed 90 days, or both, for each offense. Any person cited hereunder for a failure to meet a requirement hereof may be cited again for said failure one or more days after a prior citation and in such case each citation may constitute a separate offense.

(3) In addition to the penalties provided herein, the Director is authorized to pursue remedial civil actions for violations of §§ ~~115.550~~ 115.505 through 115.562 by civil complaint or petition for injunctive relief, declaration of rights or other appropriate proceedings filed in the Jefferson County, Kentucky Circuit Court.

SECTION III: This Ordinance shall take effect upon its passage and approval.

SECTION IV: Existing Short Term Rentals shall have one hundred and fifty (150) days from the effective date of this Ordinance to comply with the requirements of LMCO 115 as revised herein.

H. Stephen Ott
Metro Council Clerk

David W. Tandy
President of the Council

Greg Fischer
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: _____

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