

**CITY OF MENDOTA HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. 591

AMENDING TITLE 3 TO CREATE CHAPTER 5A: SHORT TERM RENTALS

The City Council of the City of Mendota Heights does ordain:

Section 1. City Code Title 3 – BUSINESS AND LICENSE REGULATIONS is hereby amended to add Chapter 5A: SHORT TERM RENTALS as follows:

3-5A-1: PURPOSE AND SCOPE:

It is the purpose of this chapter to assure that short-term rental of dwelling units in the City's R-1 one-family residential zoning district is conducted, operated, and maintained so as not to become a nuisance to the surrounding neighborhood or an influence that fosters blight and deterioration or creates a disincentive to reinvest in the community. The City recognizes that short-term rentals provide an opportunity for residents to use their property to generate supplemental income; and, when properly managed, short-term rentals have a minimal impact on surrounding properties. When not properly managed, short-term rentals have the capacity to generate noise, traffic, and trash beyond what is typically present in a residential neighborhood creating a nuisance. These issues can be especially acute when the owner of the property does not reside in the home. In order to promote the health, safety, general welfare, aesthetics, and image of the community, the City facilitates and regulates the use of residential properties for short-term rentals by requiring the licensure of short-term rentals.

3-5A-2: DEFINITIONS:

For the purpose of this chapter, the following terms shall be defined as set forth below:

BEDROOM: A habitable room within a single-family dwelling which is used, or intended to be used, primarily for the purpose of sleeping, but shall not include any kitchen or dining room. The room shall have a method of egress in addition to the primary entry door to the room in accordance with the Minnesota Residential Building Code.

DWELLING: A building or one or more portions thereof occupied or intended to be occupied for residential purposes; but not including rooms in motels, hotels, nursing homes, boarding houses, tents and recreational vehicles, or attached multiple- family dwellings.

DWELLING UNIT: A residential accommodation located within a dwelling that includes permanently installed cooking, sleeping, and sanitation facilities, designed or intended for use as living quarters for a single family. Dwelling units subject to this chapter are defined as being detached dwelling units in the R-1 one-family zoning district.

OCCUPANT: A person who lives or sleeps in a dwelling unit.

OWNER: Any person having a legal or equitable interest who is the recorded or unrecorded owner, or otherwise has control, of the dwelling unit.

PRIMARY RESIDENCE: A dwelling unit where the property owner: lives in the property for more than six months a year; qualifies for Homestead tax classification as defined by MN Statutes 273.124 and as determined by the Dakota County Assessor.

RENT: To permit occupancy of a dwelling unit by a person other than the legal owner thereof, pursuant to a written or unwritten agreement, whether or not a fee is required by the agreement.

SHORT TERM HOME RENTAL: The furnishing for consideration of lodging to tourist or transient guests in a dwelling or dwelling unit, where the renting or letting for occupancy is for a temporary period of time that is thirty (30) consecutive calendar days or less.

SHORT TERM RENTAL GUEST: any person who, at their own expense or at the expense of another, exercises occupancy or possession, or is entitled to occupancy or possession, by reason of any rental agreement, concession, permit, right of access, option to purchase, license, time-sharing arrangement, or any other type of agreement for a period of thirty (30) consecutive calendar days or less.

3-5A-3: AUTHORIZATION AND GENERAL LICENSING PROVISIONS:

I. Authorization

Rental of all or a portion of a primary residence as a short term home rental by an owner to a short term rental guest is allowed as provided by this Section 3-5A, following the issuance of a license as set forth herein.

II. General Licensing Provisions

A. License Required:

1. No property shall be used as a short-term rental without a license issued by the City. The license once issued shall be valid for a period of one year from the date of issuance and must be renewed annually. This requirement applies to short term home rentals unless exempted pursuant to Section 3-5A-6.

B. License Application:

1. Application for a license shall be made to the City upon a form furnished by the City. A person who has been issued a rental license shall give notice, in writing, to the city administrator, within five (5) business days of any change in the information contained on the license application.

C. License Fees:

1. Licensing fees shall be prescribed as set forth in the City's fee schedule, and maintained on file in the office of the city administrator. The required fees shall be submitted along with the application for a new or renewal license. Applications for a renewal license submitted after the license term expiration are subject to a penalty fee.

D. License Terms:

1. All short term rental licenses shall be valid for a period of one calendar year, except as otherwise provided herein or in cases of suspension or revocation.
2. In order to be issued a license the applicant must submit the following application materials:
 - i. Name and address of the short term rental property and the property owner.
 - ii. Name, address, and phone number of a local agent authorized to be the emergency contact for the property and accessible at all times, and to make or order repairs or services for the property if in violation of City or State Codes, if the person is different than the owner.
 - iii. Number of bedrooms.
 - iv. Maximum number of occupants.
 - v. Signed agreement that the City has permission to access exterior areas of the property when responding to a reported violation of the standards in this section in order to ascertain if a violation has occurred.
 - vi. Verification that there are not any unresolved Code Enforcement or Property Maintenance cases.
 - vii. Affidavit of Residency to verify primary residence: Applicants for short term rental licenses are required to sign an affidavit of residency attesting that the home is their primary residence and acknowledging that subsequent discovery of non-residency shall be ground for revocation of the license.
 - viii. Listing services where the short term rental is advertised.
 - ix. Such other and further information as the City Council may require if applicable.

E. Initial License:

1. Owners currently operating a short term home rental within the City shall obtain a license as provided in this Section 3-5A within 45 days from the effective date of this ordinance.

F. License Issuance:

1. The City shall issue a short term rental license if real estate taxes and municipal utility bills for the dwelling unit have been paid, and the City has no record of unresolved complaints regarding the property subject to the rental license. The short term rental license must be in compliance with all standards of this Chapter.

G. Renewal Of License:

1. A licensee may continue to rent a dwelling unit after the expiration date of the rental license provided that the owner has filed with the city administrator, on or before the expiration date, the appropriate renewal license application and license fee, and provided that the City has no record of unresolved complaints regarding the property subject to the rental license.

H. Transfer Of License:

1. A short term rental license shall not be transferable to another person or to another dwelling unit. Each license shall automatically terminate upon the sale or other conveyance of the property to an unlicensed person or entity.

3-5A-4: CONDITIONS OF LICENSE:

All short-term rental unit owners and operators must comply with the following:

A. Performance Standards:

1. The short term rental dwelling unit shall have a maximum of five (5) bedrooms. Only one (1) bedroom may be larger 280 square feet in size.

2. The maximum occupancy within the short term rental dwelling unit shall be two (2) persons per bedroom in bedrooms less than 280 square feet in size. For a bedroom that is larger than 280 square feet, the maximum occupancy may be up to four (4) persons.

3. Short term rental reservations must have a minimum two (2) night stay.

4. The maximum number of vehicles that may be parked overnight on the property shall be consistent with the Property Maintenance Code. Vehicles in garages shall not be counted towards total number of vehicles.

5. The owner of a short-term rental dwelling unit must provide sufficient waste collection containers and service for the short term rental dwelling unit in order to meet the demand of the unit's occupants. The owner shall be solely responsible for ensuring that waste is properly collected, stored, and made available for regular collection. Waste may not be stored outside of approved containers. All waste containers must be stored, screened, and collected in accordance with Section 12-5-8 of this Code.

6. Listings advertising the property's availability for rent must state the license number, maximum occupancy permitted by the license, and the maximum number of vehicles that may be parked overnight on the property.

7. Ensure that all short term rental dwelling units have working smoke detectors and carbon monoxide alarm(s) installed in accordance with Minnesota Statutes Sections 299F.362 and 299F.51, and in accordance with the Minnesota Residential Building Code and Minnesota State Fire Code. Additionally, each unit shall have at least one properly maintained and charged fire extinguisher located in an easily-accessible location which is clearly marked and which is made known to the temporary occupants.

8. Provide and post the following information in a conspicuous place within each short-term rental dwelling unit:

- i. Emergency contact information for the short term rental dwelling unit owner;
- ii. Emergency contact information for the short term rental dwelling operator, of applicable;
- iii. The street address of the short term rental dwelling unit;
- iv. A Floor Plan of the short term rental dwelling unit indicating exits, escape routes, and the location of all fire extinguishers;
- v. The maximum occupancy limits of the short term rental dwelling unit; and
- vi. A parking map showing all allowable parking locations serving the property

9. An owner must, as a continuing obligation, maintain a current register of short term rental guests that includes the following information: a record of the dates the unit was rented, the number of short term rental guests during the rental periods, and the amount of rent paid by the short term rental guests in connection with the rental of the short term rental dwelling unit. This record shall be kept by the owner for at a minimum of one year. In the license application or any application for license renewal, the owner must designate the name, address, and telephone number of the person or persons who will have possession of the register, and must notify the City Administrator or designee of any change in the identity(ies), address(es), or telephone number(s) of such person or persons. The register must be available for inspection by the City Administrator or designee at all reasonable times and in the case of an emergency.

10. No short term rental dwelling unit may be rented to any person who is under the age of 25. The person who rents the unit must provide a telephone number to the owner or operator and must be accessible to the owner or operator by telephone during the short term rental period.

11. If the short term rental dwelling unit includes a swimming pool, spa, or hot tub, the owner or operator must post a sign near the pool, spa, or hot tub indicating that it is not licensed or inspected by the State, the county or the City.

12. The short term rental dwelling unit must have a visible house number that can be easily seen from a public street during the day and at night.

13. Comply with all applicable city, state, and federal laws, ordinances, and regulations.

14. Remit all applicable local, state, and federal taxes, including, but not limited to applicable lodging tax.

15. The city must be provided with accurate and up to date information regarding the name and contact information for the short term rental dwelling unit owner and operator, if applicable. If the owner or operator's contact information changes, updates must be filed with the city within 30 days of the date of the change.

B. Conduct On Licensed Premises:

1. Disorderly Conduct: It is the responsibility of the owner to ensure that persons occupying the licensed premises conduct themselves in such a manner so as not to cause the premises to be disorderly or constitute a nuisance. The owner or operator of the short-term rental dwelling unit is responsible to ensure that the property remains in compliance with the City's nuisance regulations.

3-5A-5: ENFORCEMENT:

The application for a short term rental license will be reviewed by the City Administrator or their designee.

A. Inspections:

1. The City Administrator or their designee shall conduct inspections of the short term rental dwelling unit to determine the compliance with the applicable provisions of this code. An inspection is required prior to the initial issuance of the license. The City may conduct inspections of the short term rental dwelling unit upon submittal of a license renewal application. The code official or designated representative may enter, examine, and survey at all reasonable times all short term rentals and premises after obtaining consent from an owner or occupant of the premises.

B. Violations:

1. It shall be unlawful for a person, firm or corporation to be in conflict with or in violation of any of the provisions of this Section or other provisions of this Code.

2. The code official shall serve a notice of violation on the licensee. If the notice of violation is not complied with, the code official shall institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the termination of the unlawful occupancy of the structure in violation of the provisions of this chapter or of the order or direction made pursuant thereto.

3. A short term rental license may be revoked or suspended for violations of this section.

4. The imposition of the penalties herein prescribed shall not preclude the city attorney from instituting appropriate action to restrain, correct or abate a violation, or to prevent illegal occupancy of a building in violation of this section, structure or premises, or to stop an illegal act, conduct, business or utilization of the building, structure or premises.

5. The property owner of record shall be responsible for any city costs in enforcing the provisions of this chapter including inspection fees, or other fees, charges or penalties that are imposed as permitted by law.

C. License Suspension Or Revocation, Or Refusal To Renew:

1. In the event of any potential health or safety violations, the code official may suspend the license until the violation is corrected.

2. If a property with a short term rental receives three notices of violation within a 365-day period, its short term rental license shall be revoked. The license may be revoked after a single violation if the violation is not immediately corrected pursuant to a notice of violation.

3. No person who has had a permit revoked under this Section shall be issued a short term rental license for one year from the date of revocation.

D. Appeal: The licensee may appeal the occupancy limit, parking limit, denial, suspension, or revocation to the City Council. The licensee must file with the city clerk a notice of appeal within ten days of an issuance, denial, suspension, or revocation. The Council shall consider the appeal at a regularly scheduled council meeting on or after 15 days from service of the notice of appeal upon the City Clerk by the licensee. Hearing on the appeal shall be open to the public and the licensee shall have the right to appear and be represented by legal counsel and to offer evidence in behalf of licensure. At the conclusion of the hearing, or as soon thereafter as practicable, the Council may order:

1. The denial, suspension, or revocation of the license.

2. The denial, suspension, or revocation by the code official be lifted and the license be returned to the licensee.

3. Additional terms, conditions and stipulations to be imposed on the licensee to mitigate problems.

3-5A-6: EXEMPTIONS:

A. This Chapter does not apply to:

1. Hotels, motels, bed and breakfasts, nursing homes, or state licensed residential care facilities.

2. Individual sleeping rooms within an otherwise owner-occupied residence, or rentals where the owner is present for the duration of the rental.

3-5A-7: NO WARRANTY BY CITY:

By adopting and undertaking to enforce this Section 3-5A, neither the city, nor its elected officials, employees, consultants, contractors, or agents warrant or guaranty the safety, fitness, or suitability of any rental dwelling or rental dwelling unit in the city. Owners and short term rental

guests should take appropriate steps to protect their interests, possessions, health, safety, and welfare.

3-5A-8: SEVERABILITY:

If any section, subsection, sentence, clause, or phrase of this Section 3-5A is for any reason held to be invalid, such decision will not affect the validity of the remaining portions of those Sections. The City Council hereby declares that it would have adopted the ordinance in each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

Section 2. Effective date. This ordinance shall be effective January 1, 2025, following adoption and publication according to law.

ADOPTED this 3rd day of December, 2024 by the City Council for the City of Mendota Heights.

**CITY COUNCIL
CITY OF MENDOTA HEIGHTS**

Stephanie B. Levine, Mayor

ATTEST:

Nancy Bauer, City Clerk