



## Vacation/Short Term Rentals Frequently Asked Questions

1. **When do the new 2022 rules go into effect?** The new license types, fees, eligibility requirements, enforcement, and inspection regime will become effective January 1<sup>st</sup>, 2023. The new block face concentration limits will impact all new licenses that apply for the 2024 license year.
2. **What types of licenses are there for vacation rentals?**
  - Unlimited License – Issued based on a concentration limit of two per block face, with a town wide maximum of 198. No limit on total rental nights per year, must rent a minimum of 30 nights per year.
  - Primary Occupancy License – This license can be obtained for a home that is long-term occupied either by the owner or a renter for a minimum of six months per year. This type of license is limited to no more than 90 nights of rental use per year. These can be located in any zone district that and are not bound by the two per block face concentration limit.
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, there are no more than 198 total licenses active AND no more than two vacation rental properties are allowed per block.
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 is occupied long-term (minimum six months per year) it is eligible for a primary occupancy license. This type of license is limited to no more than 90 nights of rental use per year.
5. **What if I have an existing unlimited 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. At the time the license is not renewed, the property sells, or the license is revoked the property will no longer be eligible for an unlimited license
6. **What if I have an existing vacation rental on a block face with more than two other active rentals?** When the new concentration limit was adopted in 2022, all existing/active vacation rental properties were grandfathered into the concentration limits. They are allowed to exist on those blocks until the license is not renewed, the property is sold, or the license is revoked for any reason. Once this happens the property will only be eligible once the total number of rentals on the block drops below two.
7. **How long is my vacation rental license active?** Both types of vacation rental license are active for one year, from January 1<sup>st</sup> – December 31<sup>st</sup>. You must renew your license annually.
8. **When should I renew my License?** The license renewal window is from October 1<sup>st</sup> – 31<sup>st</sup>
9. **If I purchase a home that is an existing vacation rental, does that mean that I can use it as such?** No, licenses are non-transferable and the new owner will need to apply for a new license, and be held to all new eligibility, zoning, and concentration standards.
10. **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?** Existing licensed 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 without providing parking. However, all properties applying for a license as of November 21, 2022 will be required to provide parking as specified by the Town Code.
11. **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.

12. **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.
13. **Is there any type of monitoring or inspection that I might need to know about?** Yes, the property is subject to inspection 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 2023 at any time as determined by the Town. 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.
14. **What happens if complaints are registered against my property?** Complaints are processed through a third party 24/7 hotline. Upon receiving a complaint, the hotline operator will call the properties registered local contact to seek resolution. The complaint must be resolved within one hour, if it is not it could lead to the revocation of the license. Town staff will follow up with all parties including the complainant, local contact, and property owner to ensure the issue was resolved.
15. **If there are no more unlimited licenses available, can I get a primary occupancy license and be on the waiting list for an unlimited license?** Yes/No. Yes, so long as the property meets all the requirements of the primary occupant license. No, there is no waitlist for unlimited licenses.
16. **I own multiple homes can I have two licenses, or one of each?** No, one license per person regardless of type.
17. **My property is owned under an LLC, trust, partnership, or corporation can I get a license?** Yes, but a natural person must apply for the license this must be a member of the LLC, trust, partnership, or corporation with at least 15% ownership. This person will be responsible for the property and any issues that arise and must put their name on the license application.
18. **What qualifies as Primary Occupancy?** A residence which is the usual place of return for housing for either the owner or a long-term renter for a period of no less than six months per calendar year. Those applying for a primary occupancy license will have to provide proof of rental or a signed affidavit swearing to the primary occupancy of the home.
19. **Can I get a vacation license to hold in case I might want to rent my house some day?** No. All vacation rentals within the town must be used a minimum of 30 nights per year. If you cannot show proof of 30 rental nights your renewal application will be denied.
20. **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.
21. **Is there a maximum occupancy?** Yes, the basis for the occupancy determination shall be an allowance of two occupants per legitimate bedroom plus two additional occupants. The absolute maximum occupancy of any vacation rental property is 10 people.
22. **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 & excise tax, three violation citations for the property in one year, continued complaints registered against the property, failure to rent for 30 nights or more (unlimited only), renting for more than 90 nights (primary only).
23. **What does it mean to have my vacation rental license revoked?** Immediate termination of the property as a vacation rental and you may not apply for a new license for 2 full years.
24. **How do I get on the unlimited license waiting list?** You don't, as of 2023 all unlimited licenses will be issued via a lottery system based on availability and property eligibility.
25. **When can I apply for a new license?** The application window for new licenses and renewals is from October 1<sup>st</sup> – 31<sup>st</sup> we will not accept license applications outside this window.

26. **Why are there more than two unlimited vacation rentals on my block?** When the new concentration limitation was adopted Town Council chose to grandfather in all existing license holders regardless of block concentration. The goal is to reach the concentration limits through the attrition of licenses through property sales, failure to renew, or revocation.

# Primary Occupancy Vacation Rental License Details:

## Is the primary occupancy license right for you?

Do you live in or long-term rent your Crested Butte home for a minimum of six months a year, or do you live in your home year-round want to vacation rent a single room in it?

Yes

No

### Key Primary Occupancy License Regulations

- Must sign an affidavit stating the property is long term occupied of a minimum six months per year
- Exempt from zone district or block face limitations, must comply with all other regulations
- Cannot rent for more than 90 total nights in a year
- A primary occupant may be an owner or long-term lessee
- No cap on the total allowed number of licenses

### Try The Unlimited License

You might be eligible for the unlimited license option, for more info return to

<https://www.crestedbutte-co.gov/vacationrentals>

### **Regulations for both types of licenses:**

- No license will be issued to any property subject to a deed restriction or private covenant prohibiting vacation rental or short-term rental use
- License must be held by a natural person
- One license per person (you may not have one of each)
- Must meet all applicable Town regulations including but not limited to zoning.
- Must provide the minimum amount of parking required by the zoning code
- License valid for one year, January 1-December 31
- Renewals/new applications only accepted from October 1-31 for the upcoming year
- Licenses are non-transferable
- Must collect and remit sales tax and 7.5% vacation rental excise tax
- License may be revoked based on a three-strike violation policy
- Property must have a 24/7 local contact representative

# **Application & Renewal Information:**

## **New Applicant Information:**

- Applications are only accepted from October 1-31 for the upcoming license year
- To be eligible, applicants must sign a declaration of compliance confirming compliance with all applicable town codes, all properties are subject to inspection prior to approval or entry to the lottery
- Licenses are only issued to natural persons
- If your property is owned under an LLC, corporation, trust, or partnership any person with more than a 10% ownership interest in the property can apply for and put their name on the license
- Evidence that the property is not subject to a deed restriction or private covenant prohibiting vacation or short-term rentals must be provided
- Current license fee is \$250 annually, for primary occupant license type
- Licenses are non-transferable
- You must provide evidence of long-term occupancy, either a signed affidavit or proof of long-term rental through a signed lease agreement
- No wait list, there is no cap on the number of primary occupant licenses issued

## **License Renewal Information:**

- The annual renewal window is October 1-31
- To renew the owner must sign a declaration of compliance confirming continued compliance with all applicable town codes
- Any renewal property is subject to inspection as determined by the Town
- To be eligible for renewal the licensed property must be in good standing. The Town reserves the right to deny a renewal based on complaint history regardless of a citation or not, failure to timely pay taxes, failure to meet criteria the forth in the Town Code, and the seriousness of any violation prosecuted under section 6-6-120
- In addition to renewing the vacation rental license, you must also renew the Town of Crested Butte business license annually
- Must provide evidence that the property was not rented more than 90 nights during the previous year
- Must provide evidence of long-term occupancy, either a signed declaration of compliance or proof of long-term rental through a signed lease agreement

# **Additional Vacation Rental License Regulation Details:**

## **Legal Non-Conforming Licenses:**

- Any unlimited license active prior to November 21<sup>st</sup>, 2022, shall be exempt from the following until the time that the license is not renewed, terminated through the sale of the property, or is revoked for any reason
  - Two per block face concentration limit
  - One license per person regulation
- For the 2024 license year legal non-conforming licenses must comply with all other renewal regulations

## **Local Contact Requirement:**

- All vacation rental licenses must have a registered local contact representative who is available 24/7 anytime the home is being rented and are accountable for the following

- Must have physical access to the rental property
- If not the owner, the local contact must be able to make decision about the property on behalf of the owner
- Must physically respond to and amend any complaint filed against the rental property within one hour of the initial attempt to register the complaint

## **Tax Collection:**

- All vacation rentals must collect and remit the following taxes for every night of rental based on listing price
  - 1% Gunnison County Sales Tax
  - 2.9% State of Colorado Sales Tax
  - 1% Rural Transit Authority Sales Tax
  - 4% Local Marketing District Tax
  - 4.5% Town of Crested Butte Sales Tax
  - 7.5% Town of Crested Butte Vacation Rental Excise Tax – Directly funds affordable housing projects
- Failure to honestly remit taxes will result in the revocation of your license

## **Maximum Occupancy:**

- Maximum occupancy for vacation rentals equals two person per bedroom plus two additional occupants
- The maximum occupancy of any vacation rental is ten people
- Failure to adhere to maximum occupancy will result in revocation of your license

## **Good Neighbor Guide:**

- All vacation rental properties must prominently display the Good Neighbor Guidelines within the home in a clear and visible location
- The good neighbor guidelines can be found here([insert link](#))

## **Required Parking:**

- All vacation rental properties must provide and be approved for the minimum amount of off-street parking required by the Town zoning code
- All off street parking must be cleared and maintained year-round
- Failure of rental tenants to adhere to the approved parking plan can result in fineable violation and or the justification to deny license renewal

## **License Suspension and Revocation:**

- Any violation of Section 16-14-90 of the Code can result in the denial of a vacation rental license for the property subject to the offense for a period of two years.
- License holders may be subject to fines up to the maximum allowed pursuant to Section 1-4-20, a separate fine can be issued for each day that the violation persists. Specific violations include:
  - Failure of the 24/7 local contact to respond to an inquiry or complaint within one hour
  - Failure to prominently display vacation rental license number in any advertisement for the rental of the property
  - Failure to adhere to maximum occupancy limits
  - Failure of occupants to not adhere to the buildings approved parking plan
  - Failure to prominently display the “Good Neighbor Guide” within the home
  - Failure to remit sales tax

- **Three Strike Policy**

- If any license holder or owner receives three ticketed violations issued by the marshals department in any single calendar year, the Town will revoke the license and the license holder or any other owner of the property will be banned from receiving a license for a period of two full years

# Unlimited Vacation Rental License Details:

## Is the unlimited license right for you?

Do you live in or long-term rent your Crested Butte home for less than six months a year, or do you want to be able to vacation rent your home for more than 90 nights per year?

Yes

### Key Unlimited License Regulations

- Only allowed in R1, R1A, R1C, R1D R1E, R2, R2C, R3C, B3 & B4 zone districts
- Maximum two per Block face (see Map on page 2)
- Must rent for a minimum of 29 nights per year
- Unlimited rental nights per year
- No more than 198 total licenses will be active at any time

No

### Primary Occupancy License

You might prefer the primary occupancy license option, for more info return to

<https://www.crestedbutte-co.gov/vacationrentals>

## **Regulations for both types of licenses:**

- No license will be issued to any property subject to a deed restriction or private covenant prohibiting vacation rental or short-term rental use
- License must be held by a natural person
- One license per person (you may not have one of each)
- Must meet all applicable Town regulations including but not limited to zoning.
- Must provide the minimum amount of parking required by the zoning code
- License valid for one year, January 1-December 31
- Renewals/new applications only accepted from October 1-31 for the upcoming year
- Licenses are non-transferable
- Must collect and remit sales tax and 7.5% vacation rental excise tax
- License may be revoked based on a three-strike violation policy
- Property must have a 24/7 local contact representative

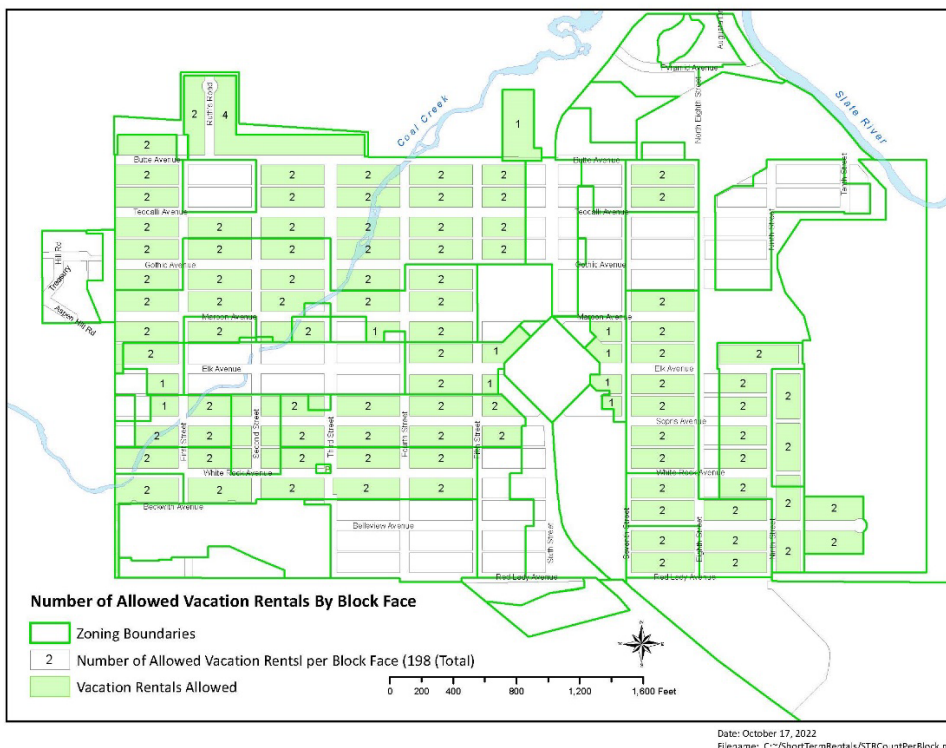


# Unlimited license Zoning Limitation Details:

**Where are they allowed?** Unlimited Vacation Rentals are only permitted in the R1, R1A, R1C, R1D R1E, R2, R2C, R3C, B3 & B4 zone districts. These districts are highlighted in green on the map below.



**Concentration Limit:** Unlimited vacation rental licenses are limited to two per block face. A block face is defined as 400 linear feet along one side of a Town block, typically running north to south, and 133 linear feet wide, typically running east to west. To better understand the block face definition/limitation please see the map below.



# **Application & Renewal Information:**

## **New Applicant Information:**

- Applications are only accepted from October 1-31 for the upcoming license year
- To be eligible, applicants must sign a declaration of compliance confirming compliance with all applicable town codes, all properties are subject to inspection prior to approval or entry to the lottery
- Licenses are only issued to natural persons
- If your property is owned under an LLC, corporation, trust, or partnership any person with more than a 10% ownership interest in the property can apply for and put their name on the license
- Evidence that the property is not subject to a deed restriction or private covenant prohibiting vacation or short-term rentals must be provided
- Current license fee is \$800 annually, for the unlimited license type
- Licenses are non-transferable
- There is no wait list
- Unlimited licenses are issued via a lottery
- Your property will only be entered into the lottery if you meet all the requirements above, if the Town is below the current cap of 198 licenses, AND your property is eligible (meaning there are not already two vacation rentals on your block face)

## **Lottery:**

- When more applications come through for unlimited licenses than what are available, the Town will conduct a lottery for issuing licenses
  - For example, if after renewals are processed there are a total of 192 active licenses there will be a lottery for the remaining 6 available licenses to reach the 198-maximum cap
  - To be eligible for the lottery there must be only one or zero active vacation rental properties on your block after the renewal period

## **License Renewal Information:**

- The annual renewal window is October 1-31
- To renew the owner must sign a declaration of compliance confirming continued compliance with all applicable town codes
- Any renewal property is subject to inspection as determined by the Town
- To be eligible for renewal the licensed property must be in good standing. The Town reserves the right to deny a renewal based on complaint history regardless of a citation or not, failure to timely pay taxes, failure to meet criteria set forth in the Town Code, and the seriousness of any violation prosecuted under section 6-6-120
- In addition to renewing the vacation rental license, you must also renew the Town of Crested Butte business license annually
- Must provide proof that the property was rented a minimum of 29 nights during the previous license year
- Exemption from the above is possible for good cause as determined by the Town Manager. Good cause could include but is not limited to the long-term rental of the property, temporary relocation for work or personal obligations, or permitted construction of the property

# **Additional Vacation Rental License Regulation Details:**

## **Legal Non-Conforming Licenses:**

- Any unlimited license active prior to November 21<sup>st</sup>, 2022, shall be exempt from the following until the time that the license is not renewed, terminated through the sale of the property, or is revoked for any reason
  - Two per block face concentration limit
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- For the 2024 license year legal non-conforming licenses must comply with all other renewal regulations

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## **Tax Collection:**

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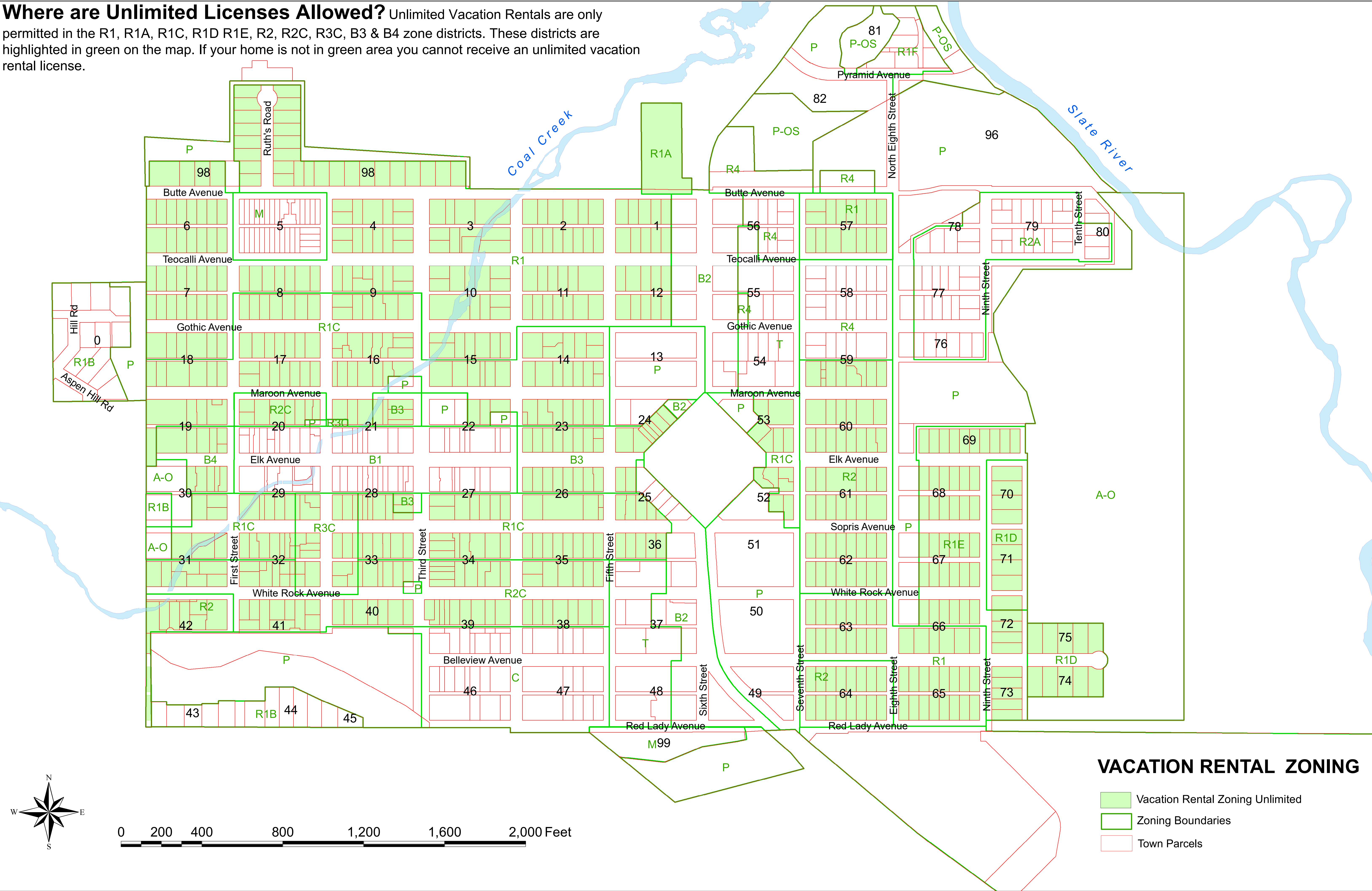
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## **License Suspension and Revocation:**

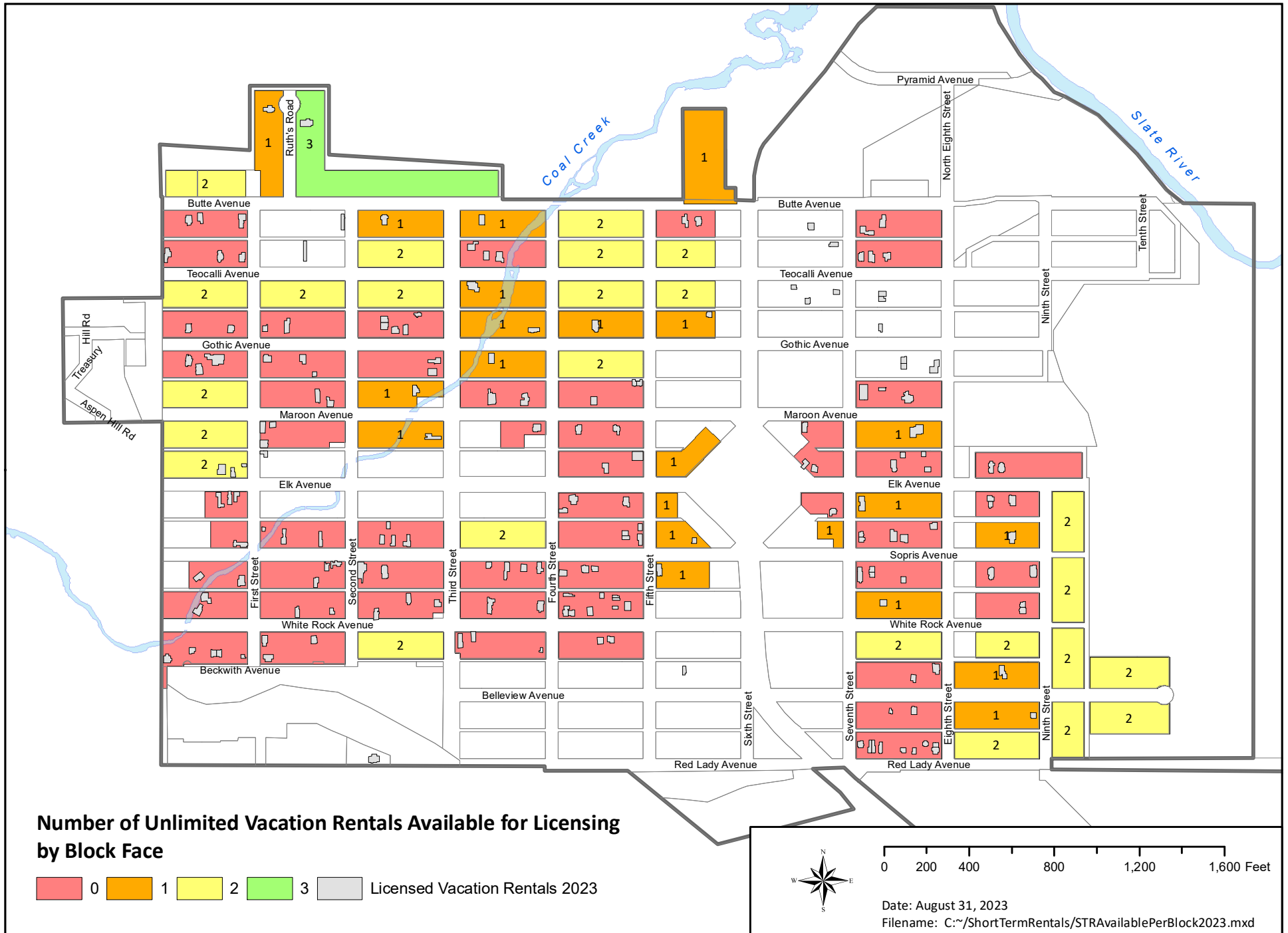
- Any violation of Section 16-14-90 of the Code can result in the denial of a vacation rental license for the property subject to the offense for a period of two years.
- License holders may be subject to fines up to the maximum allowed pursuant to Section 1-4-20, a separate fine can be issued for each day that the violation persists. Specific violations include:
  - Failure of the 24/7 local contact to respond to an inquiry or complaint within one hour
  - Failure to prominently display vacation rental license number in any advertisement for the rental of the property
  - Failure to adhere to maximum occupancy limits
  - Failure of occupants to not adhere to the buildings approved parking plan
  - Failure to prominently display the “Good Neighbor Guide” within the home
  - Failure to remit sales tax
- **Three Strike Policy**
  - If any license holder or owner receives three ticketed violations issued by the marshals department in any single calendar year, the Town will revoke the license and the license holder or any other owner of the property will be banned from receiving a license for a period of two full years

**Where are Unlimited Licenses Allowed?** Unlimited Vacation Rentals are only permitted in the R1, R1A, R1C, R1D R1E, R2, R2C, R3C, B3 & B4 zone districts. These districts are highlighted in green on the map. If your home is not in green area you cannot receive an unlimited vacation rental license.



**VACATION RENTAL ZONING**

- Vacation Rental Zoning Unlimited
- Zoning Boundaries
- Town Parcels



\*\* One block face is considered 400' of block length. For block faces smaller in length than 200 linear feet, a maximum of 1 vacation rental license will be allowed at any given time. For block faces 200 – 400 linear feet long, a maximum of 2 vacation rentals licenses will be allowed at any given time.