

**CITY OF WARD
ORDINANCE NO. 2023-06**

AN ORDINANCE REQUIRING THE REGISTRATION OF NON-OWNER-OCCUPIED SHORT-TERM RENTALS FACILITIES WITHIN THE CITY LIMITS OF WARD, PROVIDING FOR PERMIT REQUIREMENTS, RULES FOR OPERATING A SHORT-TERM RENTAL, AND FOR PENALTIES AND FINES, AND FOR OTHER PURPOSES

WHEREAS, THE SHORT-TERM RENTAL (STR) industry is exploding in the United States and Ward is no different; and,

WHEREAS, THE CITY OF WARD currently has no restrictions within the its Zoning Regulations or other ordinances/resolutions/rules that specify where an STR can or cannot be located; and,

WHEREAS, it is incumbent upon the City of Ward to have a listing of known non-owner occupied STRs which includes, at minimum, the address of the STR, a 24-hour a day point of contact, and an alternate emergency point of contact.

WHEREAS, the content of this Ordinance does not override or supersede any restrictive home/land uses published in any Homeowner or Builder Assurance.

NOW THEREFORE, BE IT ORDAINED BY THE WARD CITY COUNCIL THAT:

SECTION 1 – SHORT TERM RENTAL TYPES:

- a. **TYPE 1:** Owner-Occupied STRs are residential facilities that are normally occupied by the owner during the time the facility or portion of the facility is rented.
- b. **TYPE 2:** Non-Owner-Occupied STRs are residential or other facilities that are not normally occupied by the principal owner and are primarily used as a STR.

SECTION 2: The City of Ward will develop and maintain a permit application and permit for STRs.

SECTION 3: The City of Ward will routinely review known STR rental sites to determine STRs potentially located within the city limits of Ward. New or previously unknown STRs will be notified, in writing, of the requirements of this Ordinance and will be given thirty (30) calendar days to obtain a permit.

SECTION 4: The City of Ward will maintain a current listing of all STRs within the city limits of Ward and will make this listing available to the general public upon request. This listing will also be published on the city's website.

SECTION 5 – LOCATION: STRs can only be operated within a designated residential area.

SECTION 6 – PERMIT REQUIREMENTS

- a. Type 1 STRs are exempt from the requirements of this Ordinance except as noted in “c” below
- b. Type 2 owner/operator must complete a STR application (Attachment 1) and be issued a STR Permit (Attachment 2) before offering a STR for rent. This permit must be renewed annually in the month it was issued. The cost of said permit is \$200.00 per annual.
- c. Type 1 owners who physically live in their home for at least nine (9) months during a physical year but rent their home for a period time per outlined in Section 8 are exempt from the cost of the permit but must still obtain a STR permit as outlined in “a” above.

SECTION 7: STR owner/operators must adhere to all local, state and federal laws and regulations that apply to STRs. In addition,

- a. Each bedroom shall have a maximum two-guest capacity (children under 13 years of age are exempted).
- b. STR operators shall not receive any compensation or remuneration to permit occupancy of an STR for a period of less than 24 hours.
- c. The same guest(s) shall not occupy an STR for longer than 90 consecutive days.
- d. There shall be no commercial meetings held in an STR or on an STR property, including luncheons, banquets, parties, weddings, meetings, charitable fund raising, commercial or advertising activities, or other gatherings for direct or indirect compensation.
- e. STR operators are responsible for collecting and remitting all applicable room, occupancy, and sales taxes required by state law or city code.
- f. STR operators shall provide proof of homeowner’s fire, hazard, and liability insurance. Liability coverage shall have limits of not less than \$1,000,000 per occurrence.
- g. STR operators shall provide a floor plan of the STR showing all rooms available for rent with location of windows, doors, and smoke detectors.
- h. Smoke detectors (certified) are required in all sleeping areas, in every room in the path from the sleeping area to the exit, and in each story with sleeping unit, including basements.
- i. All sleeping areas must have two ways of egress, one of which can be an operable window.
- j. Carbon monoxide detectors shall be installed if there are fuel fired appliances in the unit or the unit has an attached garage.
- k. A five-pound ABC type extinguisher shall be mounted where readily accessible.

SECTION 8: A Responsible Party must be available 24 hours per day, 7 days per week, for the purpose of responding within 60 minutes to complaints regarding the condition of the STR or the conduct of the occupant(s) of the STR and/or their guests.

SECTION 9: Responsible Party, upon notification that any occupant or guest has created any unreasonable noise or disturbance, engaged in disorderly conduct, or committed a violation of any applicable law, rule or regulation pertaining to the use and occupancy of an STR, shall promptly respond in an appropriate manner within 60 minutes and require an immediate halt to the conduct, and take such steps as may be necessary to prevent a recurrence of such conduct. Failure of the Responsible Party to respond to calls or complaints regarding the condition, operation, or conduct of an occupant or guest in an STR in an appropriate manner within 60 minutes shall constitute a violation of their permit.

SECTION 10: A Responsible Party shall provide their contact number and information to all residents adjacent to and across from the dwelling being used as a STR. A Responsible Party shall post on or near the outside of the front door and inside the STR a notice which includes the address of the dwelling, emergency contact numbers (including the Responsible Party contact number), maximum occupancy, a diagram showing emergency exit route(s) approved by the Fire Department, and a copy of the city's noise ordinance.

SECTION 11: STRs may be inspected by city officials at any time to ensure the property is in compliance with building and Arkansas Fire Prevention Codes.

SECTION 12 – STR FEE¹:

- a. In addition to the Permit fee, each Type 2 STR is required to remit by the 30th of each month a fee equal to 4.25% of the gross sales receipts for the previous calendar month using the city provided reporting form (Attachment 3)
- b. STR Fees that are paid by the 20th day of the month will be reduced by 2% for that particular month.
- c. STR Fees that are NOT paid by the end of the month will be assessed with a 5% penalty.
- d. STR Fees are reported monthly for the previous month's gross receipts via the city provided form (Attachment 3) even if NO fee is due.

SECTION 13: PENALTIES:

- a. Failure to obtain or maintain a current STR permit (Section 4) shall be subject to the following fine, penalties, forfeitures plus applicable court costs.
 - 1) \$400.00 for the first offense or violation hereof;
 - 2) \$900.00 for the second offense or violation hereof;
 - 3) \$2,000.00 for each subsequent offense or violation hereof.
- b. Violation of Sections 5-8 shall be subject to the following fine, penalties, forfeitures plus applicable court costs.
 - 1) Not more than \$100.00 for the first offense or violation hereof;
 - 2) Not more than \$250.00 for the second offense or violation hereof;
 - 3) Not more than \$1,000.00 for the third offense or violation hereof
- c. Violation of Section 12:

¹ If this fee is collected by a Short-Term Rental Marketplace (i.e. ABNB, VBRO, etc) and remitted to the city, the individual owner is NOT required to remit same directly to the city.

- 1) Refer to Section 12c for to pay STR Fee
- 2) Any STR that has not filed a Reporting Form for six (6) consecutive months will be considered to be in violation of this Ordinance and their STR permit will be revoked.

SECTION 14: In addition to the penalties and remedies as may otherwise be provided, the Mayor at his or her discretion, order the disconnection of municipal water service to any person, firm, or corporation who violates any provisions for the city's building and development codes including but not limited to, failure to secure proper permits and/or commencement of operations, business, or structure occupancy prior to issuance of a STR permit.

SECTION 15 – ACCOUNTABILITY/RECORDS REVIEW: All information supplied in this report should be on the basis of actual records and all records, including books of accounts, invoices, credit memoranda, refund slips and all other evidence of every kind which substantiate and prove the accuracy of the return as made on this form are required to be kept for a minimum of three (3) years, and open for examination by the Mayor, City of Ward and/or his/her representative.

SECTION 16 – SEVERABILITY: If, for any reason, any portion or portions of this ordinance shall be held invalid, such invalidity shall in no way affect the remaining portions

VOTES

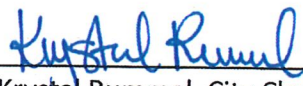
YEAS 4 NAYS 2 ABSTAINS _____

DATE APPROVED: 10-16-2023



Charles Gastineau, Mayor

ATTEST:



Krystal Rummel, City Clerk

City Seal