



## Board of Aldermen Request for Action

**MEETING DATE:** 10/17/2023

**DEPARTMENT:** Development

**AGENDA ITEM:** Bill No. 3013-23, Short Term Rentals – 1st Reading

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**REQUESTED BOARD ACTION:**

A motion to approve Bill No. 3013-23. Short Term Rentals for first reading by title only.

**SUMMARY:**

This ordinance would establish certain rules and regulations concerning the operation of Short Term Rentals within the city limits.

Short Term Rentals (AirBnB, VRBO, etc.) have been increasing in number in Smithville. Other cities have experienced various problems with the rentals (excessive noise, parking, etc.) that have generated complaints from citizens. It is anticipated that in advance of the World Cup in 2026, there will be a significant increase in the number of Short Term Rentals in the metro region. The rules in the proposed ordinance will limit the total number of rentals available in the city, as well as limit the number on any given block or in an apartment complex. The Planning Commission held a public hearing on the matter in September and discussed the proposed ordinance in both the September and October meetings. Following Planning Commission review and changes, the Commission recommended approval of the ordinance.

**PREVIOUS ACTION:**

Planning Commission review and approval in September and October.

**POLICY ISSUE:**

Comprehensive Plan Action Item BE2.3: Explore strategies and opportunities to support Airbnb and other short-term rental activity, enhance Smithville's hospitality infrastructure, and capture visitor spending.

**FINANCIAL CONSIDERATIONS:**

Limited impact from permit revenue

**ATTACHMENTS:**

- |   |                                   |
|---|-----------------------------------|
| <input checked="" type="checkbox"/> Ordinance | <input type="checkbox"/> Contract |
| <input type="checkbox"/> Resolution           | <input type="checkbox"/> Plans    |
| <input type="checkbox"/> Staff Report         | <input type="checkbox"/> Minutes  |
| <input type="checkbox"/> Other                |                                   |

**AN ORDINANCE ENACTING A NEW CHAPTER 625 OF THE CODE OF  
ORDINANCES PERTAINING TO SHORT TERM RENTALS**

WHEREAS, the Planning and Zoning Commission, in July of 2023 began discussions concerning the impact of short-term rentals on the city; and,

WHEREAS, the Commission asked staff to conduct some additional research and to prepare a specific draft ordinance to be discussed at the September Planning and Zoning meeting; and,

WHEREAS, the Planning and Zoning Commission conducted a public hearing on the matter at its September meeting that was properly advertised in advance of the meeting; and

WHEREAS, following the Public Hearing, the Commission discussed the ordinance and recommended staff make several changes to be presented for their review at the next meeting; and,

WHEREAS, the Planning and Zoning Commission reviewed the proposed short term rental ordinance and recommends its' approval.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SMITHVILLE, MISSOURI AS FOLLOWS:

Section 1. That a new Chapter 625 be added to the Code of Ordinances to be read and numbered as follows:

**Chapter 625 Short Term Rentals**

**625.010 Definitions:**

For the purposes of this Article, the following words and phrases shall have the meanings respectively ascribed to them by this Section:

**Short-Term Rental, Complete** is any independently complete dwelling unit in a detached single family dwelling unit, a two-family attached dwelling unit, townhouse or apartment that is available for rent for terms or periods of less than 30 consecutive nights.

**Short-Term Rental, Partial** Short-term rentals inside an owner-occupied primary residence of any type. (room rentals)

**Apartment** is any residential building that contains three or more attached units, excluding those defined as a Townhouse.

**Townhouse** is any single-family dwelling unit constructed in a group of three or more attached units in which each unit extends from foundation to roof and with a yard or public way on not less than two sides.

**625.020 Applicability:**

The standards of this article apply to short-term rental permits as defined herein. No Short-term Rental shall be operated in the city of Smithville except in compliance with this chapter.

**625.030 Responsible agent required:**

Each owner of a short-term rental property is responsible for compliance with all the provisions of this chapter. The owner may act as the Responsible Agent for the unit or may designate a person or company to serve as a Responsible Agent who will be jointly liable and responsible for compliance. The Owner and/or Responsible Agent shall have access and authority to assume management of the unit and take remedial measures to ensure compliance with all provisions herein. Any changes to the name, address, or telephone number(s) of the local Responsible Agent or owner must be submitted to the City within five (5) business days of the change(s).

**625.040 Business and occupation licenses required:**

Business and Occupation licenses as described in Section 610 of the Code of Ordinances are required for All Short-term Rentals, but owners or responsible agents may hold one business license for multiple permitted locations.

**625.050 Advertising requirements:**

The responsible agent shall provide a list of and links to advertisements on all online platforms and update the city within five (5) business days of any change(s). The occupation license number issued by the city shall be listed on all advertisements and online platforms. It shall be considered a violation of this ordinance to advertise online or offline without posting the occupation license number in a prominent place on such advertisement.

**625.060 Refuse collection:**

All short-term rentals shall maintain regular refuse collection services from the City in structures required to be included in the city utility bill, or from an otherwise licensed refuse collector in all other structures.

**625.070 Safety:**

In order to ensure the safety of the occupants and owners of any short-term rental unit, the following requirements must be included in the unit, including any retrofitting required in an existing structure in order to meet the minimum building code requirements for the building where the unit is located.

1. Smoke and Carbon monoxide detectors are required in accordance with the building code as if the structure was new.
2. Ground-Fault Circuit interrupters and Arc-Fault circuit interrupters are required in accordance with the building code as if the structure was new.
2. Emergency contact information of the owner or manager must be permanently displayed in the unit and provided to the primary guest on file.

3. If the unit is in an apartment building, a fire escape path plan must be posted on any door that does not open to a yard or public way.
4. At least one operational fire extinguisher is required to be visible from and accessible to the kitchen area.

**625.080 Number of permits issued, density limited:**

In order to prevent a significant impact on the affordability of housing in the city of Smithville, the total number of permits/licenses that may be issued at any time shall be limited to not more than 3% of the total housing stock within the city limits. In addition to the total number of licenses to be issued, the following density protections are required:

1. The number of licenses issued for units in any structure other than an apartment shall be limited to one per each block face. For purposes of this limitation, a block face shall be measured from intersection to intersection on any given street, and both sides of said street shall be included in this one block face.
2. The number of licenses issued for units located in an apartment complex shall be one (1), or a maximum of 12.5% of the total units available, whichever is more.
3. Any existing short-term rental shall be granted 60 days to obtain a permit for the short-term rental following ordinance approval notwithstanding these limitations on the number of permits. If the owner of any existing unit fails to file an application for such permit within the initial 60 days grace, these number and density limitations shall apply.

**625.090 Transient guest tax required:**

All short-term rentals must collect/remit a transient guest tax equal to that of hotels/motels within the city limits.

**625.100 Maximum number of adult guests:**

The total number of adult guests allowed per unit shall equal (2) adults per bedroom plus (2) adults in common living areas (sleeper sofa, air mattress, etc.).

**625.110 Events:**

Short-term rentals are prohibited from hosting weddings, banquets, parties, charitable fundraising, or other similar gatherings. Small, informal noncommercial gatherings of family and friends of short-term rental guests are permitted, provided the gathering does not disturb the surrounding neighborhood, including but not limited to creating parking or noise issues.

**625.120 Insurance requirements:**

Short-term rental operators shall maintain liability insurance appropriate to cover the short-term rental use in the aggregate of not less than \$500,000 or conduct each short-term rental transaction through a platform that provides equal or greater insurance coverage.

**625.130 Transferability:**

The short-term rental permit shall be permitted to transfer upon the sale of the property. The requirements of 625.030 are applicable, and compliance is mandatory to affect the transfer of the permit.

**625.140 Noise management plan:**

All short-term rentals shall maintain a noise management plan. The noise management plan must include the continuous operation of noise monitoring device(s) while the registered property is rented. The on-site posting of the quiet hours and the penalties for violating the City noise ordinance shall be posted in a prominent location inside the short-term rental.

**625.150 Annual Rental permits and inspections required:**

A Short-Term Rental Permit is required for each such unit located within the City of Smithville. Lawful, Short-term rentals in existence prior to the adoption of this ordinance that obtain a permit within sixty (60) days of implementation of this ordinance are not subject to the initial inspection requirements, but full compliance is required, and inspections shall be required on any applications following those sixty days, including the renewal of the permit. All other rental units not in existence prior to the passage of this ordinance shall be inspected for compliance with this chapter and approved prior to issuance of a permit. All Rental inspections shall be conducted by City staff following approval of any application or renewal application and payment of the annual Short-term Rental permit fee of \$50.

**625.160 Applications required, contents:**

Applications for short-term rental permits must be made to the Development Department on forms provided by the department. Applications shall include the following information:

1. The name, phone number, and email address for the property owner and the responsible agent if different than owner.
2. The number of bedrooms and the total occupancy allowed in the unit.
3. A list of online platforms that will be used to solicit booking transactions for the dwelling unit, along with a link to each such platform's page for the unit. If any additions or changes to the list of platforms occur during the term of the license, an updated list, with links must be sent to the Development Department within (5) business days of the change.
4. Certification that the property is current on all property tax and code violations fees/penalties. Certification may be in the form of a receipt from the County Collector for taxes.
5. The applicant must certify that the proposed dwelling unit is not subject to any contractual restrictions precluding the dwelling unit from being used for short-term rentals, including but not limited to homeowner association agreements, condominium bylaws, restrictive covenants, or building restrictions.
6. The owner shall provide a certificate of insurance in compliance with Section 625.120.
7. The owner shall provide a copy of the noise management plan in compliance with 625.140.
6. The owner, applicant and responsible agent must acknowledge that they will not discriminate in guest use or rental of a short-term rental and will comply with all applicable anti-discrimination laws, including but not limited to Title VII of the Civil Rights Act of 1968, the Fair Housing Act (FHA), and the Americans with Disabilities Act (ADA).

**625.170 Review and approval of short-term rental permit applications:**

After the submission of the application, City officials will review the application to determine that all requirements of this section and other codes have been, or can be, met. Upon approval of the initial application, the applicant must schedule an inspection of the rental unit to ensure compliance with all the requirements and codes as identified in this ordinance.

**625.180 Violation, penalties, and enforcement:**

It shall be unlawful for any person to violate any provisions or to fail to comply with any of the requirements of this section. Any person violating any of the provisions or failing to comply with any of the requirements of this Section is subject to the violation, penalty, and enforcement provisions of this section and Chapter 100.220 of this code. The penalties for a permit holder for failing to comply with any of the requirements and provisions of this ordinance shall be as follows:

First Offense \$50.00

Second Offense \$200.00

Third Offense and each offense thereafter: \$500.00

**625.1190 Revocation of permit:**

In addition to any fine or penalty that may be imposed pursuant to any provision of this chapter, a short-term rental may be suspended or revoked as provided in this section. The City may suspend or revoke a short-term rental permit granted pursuant to this Chapter following a hearing for any violation of the City Code or violation of this chapter. The Development Department shall commence the revocation proceedings if any of the following occur:

1. The short-term rental operator has been found guilty of two (2) or more offenses that occurred in a three (3) month period.
2. A short-term rental operator submits an application or other document as part of the short-term rental review process that contains or represents fraud, misrepresentation, or false information.
3. The short-term rental operator has violated or is currently violating this chapter that significantly endangers public health, safety, or welfare.
4. The short-term rental operator fails to report and pay transient guest tax, sales tax, or property taxes.
5. Notice of a public hearing pursuant to this section shall be given to a short-term rental operator in writing at the address shown on the short-term rental application and to the other parties identified in the short-term rental application. Such notice shall be mailed via regular mail at least fourteen (14) calendar days prior to the date set for the public hearing before the Planning Commission. At the revocation hearing, the Planning Commission shall consider the following:
  - a. The nature and seriousness of the violation.
  - b. Impact of the violation on the neighborhood or community.
  - c. Corrective action, if any, taken by the short-term rental operator or the designated Responsible Agent.
  - d. Prior violations.
  - e. The likelihood of recurrence of the violation or violations.
  - f. The entirety of the circumstances surrounding the violation.
  - g. Length of time the licensee has held a license.

- h. The Planning Commission may either suspend for a specific term or revoke a Short-term Rental Permit by a simple majority vote of the Planning Commission.
- i. The short-term rental operator can appeal the decision of the Planning Commission to the Board of Aldermen within 30 days.
- j. The findings of the City Council shall be deemed final.

Section 2. This ordinance shall take effect and be in full force from and after its passage according to law.

PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2023.

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Damien Boley, Mayor

ATTEST:

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Linda Drummond, City Clerk

First Reading: 10/17/2023

Second Reading: 11/07/2023