First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

REVISED

This Version Includes All Amendments Adopted on Second Reading in the Second House HOUSE BILL 23-1287

LLS NO. 23-0699.02 Ed DeCecco x4216

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A BILL FOR AN ACT

101 CONCERNING A COUNTY'S REGULATORY AUTHORITY RELATED TO

102 SHORT-TERM RENTALS OF LODGING UNITS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <u>http://leg.colorado.gov.</u>)

A board of county commissioners is currently authorized to license and regulate an owner or owner's agent of a lodging unit that is rented or advertised for short-term stays, and "owner's agent" expressly excludes an internet hospitality service.

The bill modifies this regulatory authority by clarifying that it applies to lodging units that are available for short-term rentals, which are





Amended 2nd Reading April 14, 2023

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rentals for less than 30 days, and by excluding a hotel unit from the scope of the authority.

The bill also changes "internet hospitality service" to "vacation rental service" (service), defines the term, and provides separate authority for a board of county commissioners to regulate a service. This authority, however, is limited to requiring:

- An owner or owner's agent to include a rental license or permit number, if applicable, in any listing for a lodging unit on the service's website or other digital platform; and
- The service to remove a listing from the service's website or other digital platform, if properly notified by a county that the owner of the listed lodging unit has had a local short-term rental license or permit suspended or revoked or has been issued a notice of violation or similar legal process for not possessing a valid local short-term rental license or permit or that the county has a prohibition on short-term rentals that applies to the lodging unit. The service has 7 days from receiving the county notification to remove the listing.

To facilitate a service's ability to comply with a county ordinance, a county, upon request of the owner of a hotel unit or a vacation rental service on which the hotel unit is listed, is required to provide written verification that the hotel unit is exempt from the ordinance because it is not a lodging unit.

- Be it enacted by the General Assembly of the State of Colorado: 1 2 SECTION 1. In Colorado Revised Statutes, 30-15-401, amend 3 (1)(s)(I); and **add** (1)(s)(III), (1)(s)(IV), (1)(s)(V), and (1)(s.5) as follows: 4 **30-15-401.** General regulations - definitions. (1) In addition to 5 those powers granted by sections 30-11-101 and 30-11-107 and by parts 6 1, 2, and 3 of this article 15, the board of county commissioners may 7 adopt ordinances for control or licensing of those matters of purely local 8 concern that are described in the following enumerated powers: 9 (s) (I) To license and regulate an owner or owner's agent who 10 rents or advertises the owner's lodging unit for a short-term stay RENTAL,
- 11 and to fix the fees, terms, and manner for issuing and revoking licenses

issued therefor. As used in this subsection (1)(s)(I), "owner's agent" does
 not include an internet hospitality service A VACATION RENTAL SERVICE,
 EXCEPT AS SET FORTH IN SUBSECTION (1)(s)(IV) OF THIS SECTION.

4 (III) TO REGULATE A VACATION RENTAL SERVICE; EXCEPT THAT
5 THIS AUTHORITY IS LIMITED TO:

6 (A) REQUIRING A VACATION RENTAL SERVICE THAT DISPLAYS A 7 SHORT-TERM RENTAL LISTING FOR A LODGING UNIT LOCATED IN THE 8 COUNTY TO REQUIRE THE LODGING UNIT OWNER OR OWNER'S AGENT TO 9 INCLUDE A LOCAL SHORT-TERM RENTAL LICENSE OR PERMIT NUMBER, IF 10 APPLICABLE, IN ANY LISTING FOR THE SHORT-TERM RENTAL ON THE 11 VACATION RENTAL SERVICE'S WEBSITE OR OTHER DIGITAL PLATFORM; AND

12 (B) REQUIRING A VACATION RENTAL SERVICE TO REMOVE A 13 LISTING FOR A SHORT-TERM RENTAL FROM THE VACATION RENTAL 14 SERVICE'S WEBSITE OR OTHER DIGITAL PLATFORM AFTER NOTIFICATION BY 15 THE COUNTY THAT THE OWNER OF THE LISTED LODGING UNIT HAS HAD THE 16 OWNER'S LOCAL SHORT-TERM RENTAL LICENSE OR PERMIT SUSPENDED OR 17 REVOKED OR HAS BEEN ISSUED A NOTICE OF VIOLATION OR SIMILAR LEGAL 18 PROCESS FOR NOT POSSESSING A VALID LOCAL SHORT-TERM RENTAL 19 LICENSE OR PERMIT OR THAT THE COUNTY HAS A PROHIBITION ON 20 SHORT-TERM RENTALS THAT APPLIES TO THE LODGING UNIT. THE 21 NOTIFICATION MUST IDENTIFY THE LISTING'S UNIFORM RESOURCE LOCATOR 22 (URL) OR OTHER SPECIFIED DIGITAL LOCATION TO BE REMOVED AND 23 STATE THE REASON FOR THE REMOVAL. THE VACATION RENTAL SERVICE 24 SHALL REMOVE THE LISTING FROM THE WEBSITE OR OTHER DIGITAL 25 PLATFORM WITHIN SEVEN DAYS OF RECEIVING THE NOTIFICATION FROM 26 THE COUNTY.

27 (IV) IF A VACATION RENTAL SERVICE PROVIDES ADDITIONAL

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SERVICES FOR THE OWNER THAT ARE RELATED TO THE OWNER'S LODGING
 UNIT BUT UNRELATED TO PROVIDING A MEANS OF OFFERING THE LODGING
 UNIT FOR SHORT-TERM RENTALS THROUGH THE PERSON'S WEBSITE OR
 OTHER DIGITAL PLATFORM, THEN THE BOARD OF COUNTY COMMISSIONERS
 MAY LICENSE OR REGULATE THE VACATION RENTAL SERVICE AS AN
 OWNER'S AGENT UNDER SUBSECTION (1)(s)(I) OF THIS SECTION WITH
 RESPECT TO THOSE ADDITIONAL SERVICES.

8 (V) TO FACILITATE A VACATION RENTAL SERVICE'S ABILITY TO 9 COMPLY WITH AN ORDINANCE ADOPTED BY A COUNTY UNDER THE 10 AUTHORITY CONFERRED BY SUBSECTION (1)(s)(III) of this section, A 11 COUNTY, UPON REQUEST OF THE OWNER OF A HOTEL UNIT THAT IS 12 LOCATED IN A BUILDING WITH ONE OR MORE LODGING UNITS OR A 13 VACATION RENTAL SERVICE ON WHICH A HOTEL UNIT THAT IS LOCATED IN 14 A BUILDING WITH ONE OR MORE LODGING UNITS IS LISTED, SHALL PROVIDE 15 WRITTEN VERIFICATION THAT THE HOTEL UNIT IS EXEMPT FROM THE 16 ORDINANCE BECAUSE IT IS NOT A LODGING UNIT. MULTIPLE HOTEL UNITS 17 MAY BE INCLUDED IN ONE REQUEST. THE WRITTEN VERIFICATION 18 PROVIDED MAY INCLUDE AN EXEMPTION NUMBER OR OTHER TYPE OF 19 IDENTIFIER FOR THE HOTEL UNIT AND A SINGLE EXEMPTION NUMBER OR 20 OTHER TYPE OF IDENTIFIER MAY BE USED FOR MULTIPLE HOTEL UNITS.

- 21 (s.5) AS USED IN SUBSECTION (1)(s) OF THIS SECTION, UNLESS THE
 22 CONTEXT OTHERWISE REQUIRES:
- 23

(I) "HOTEL UNIT" MEANS A PORTION OF A STRUCTURE THAT IS:

24 (A) USED BY A BUSINESS ESTABLISHMENT TO PROVIDE
25 COMMERCIAL LODGING TO THE GENERAL PUBLIC FOR PREDOMINANTLY
26 OVERNIGHT OR WEEKLY STAYS;

27 (B) CLASSIFIED AS A HOTEL OR MOTEL FOR PURPOSES OF PROPERTY

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1 TAXATION;

2 (C) NOT A UNIT, AS DEFINED IN SECTION 38-33.3-103 (30), IN A
3 CONDOMINIUM; AND

4 (D) ZONED OR OTHERWISE PERMITTED BY THE LOCAL
5 JURISDICTION FOR THE USE SPECIFIED IN SUBSECTION (1)(s.5)(I)(A) OF THIS
6 SECTION.

7 (II) "LODGING UNIT" MEANS ANY PROPERTY OR PORTION OF A
8 PROPERTY THAT IS AVAILABLE FOR LODGING; EXCEPT THAT THE TERM
9 EXCLUDES A HOTEL UNIT.

10 (III) "SHORT-TERM RENTAL" MEANS THE RENTAL OF A LODGING
11 UNIT FOR LESS THAN THIRTY DAYS.

(IV) "VACATION RENTAL SERVICE" MEANS A PERSON THAT
OPERATES A WEBSITE OR ANY OTHER DIGITAL PLATFORM THAT PROVIDES
A MEANS THROUGH WHICH AN OWNER OR OWNER'S AGENT MAY OFFER A
LODGING UNIT, OR PORTION THEREOF, FOR SHORT-TERM RENTALS, AND
FROM WHICH THE PERSON FINANCIALLY BENEFITS.

17 **SECTION 2.** Act subject to petition - effective date. This act 18 takes effect at 12:01 a.m. on the day following the expiration of the 19 ninety-day period after final adjournment of the general assembly; except 20 that, if a referendum petition is filed pursuant to section 1 (3) of article V 21 of the state constitution against this act or an item, section, or part of this 22 act within such period, then the act, item, section, or part will not take 23 effect unless approved by the people at the general election to be held in 24 November 2024 and, in such case, will take effect on the date of the 25 official declaration of the vote thereon by the governor.