

CITY OF CENTENNIAL,
COLORADO

ORDINANCE NO. 2021-O-14

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL,
COLORADO, ADDING ARTICLE 9 TO CHAPTER 6 OF THE CENTENNIAL
MUNICIPAL CODE REGARDING SHORT TERM RENTAL LICENSES**

WHEREAS, the City of Centennial (“City”) is a home rule municipal corporation created and organized pursuant to Article XX of the Colorado Constitution and the Home Rule Charter of the City of Centennial; and

WHEREAS, pursuant to its home rule authority and to Section 31-15-501(1)(c), C.R.S., the City has the authority to license and to regulate any lawful occupation and to determine the manner of issuing and revoking licenses; and

WHEREAS, pursuant to its home rule authority and to Section 31-23-301, *et seq.* C.R.S., the City also has authority to regulate the use of land for the purpose of promoting the health, safety and welfare of the City; and

WHEREAS, the renting of dwelling units for periods of less than thirty days (“Short-Term Rental” or “Short-Term Rentals”) is an ongoing activity of increasing prevalence within the City; and

WHEREAS, at times, Short-Term Rentals may have an adverse effect on the residential character of certain neighborhoods; and

WHEREAS, the City has received some complaints from community members regarding Short-Term Rentals and the actions of some renters that disturb the peace, quiet and enjoyment of the City’s residential neighborhoods; and

WHEREAS, the Centennial Municipal Code does not adequately address the topic of regulating Short-Term Rentals in the City’s residential neighborhoods; and

WHEREAS, in furtherance of the public health, safety and welfare of the inhabitants of the City, the City Council finds that the proposed amendments to the Centennial Municipal Code are in the best interest of the City and its residents.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CENTENNIAL,
COLORADO, ORDAINS:**

Section 1. Addition of a New Article 9 to Chapter 6 of the Centennial Municipal Code. Chapter 6, governing Business Licenses and Regulations, is hereby amended by the addition of a new Article 9 governing Short-Term Rentals, to read as follows in its entirety:

Sec. 6-9-10. – Title and Purpose.

- (a) This Article shall be known and cited as the City Short-Term Rental Licensing Code and shall apply to any short-term rental operating in the City as defined herein.
- (b) The City Manager may promulgate additional administrative procedures, rules and regulations to further effectuate the terms of this Article.
- (c) The local licensing system implemented pursuant to this Article mitigates the impacts of short-term rentals on the neighborhoods in which they are located, maintains and enhances neighborhood livability and ensures the health and safety of renters of short-term rentals. The system of licensing promotes a fair operating environment for all persons in the business of providing lodging or transient accommodation. The system of licensing also allows for ongoing data collection to further evaluate the impact of short-term rentals on the neighborhoods in which they are located and on affordable housing.

Sec. 6-9-20. – Definitions.

As used in this Article, unless otherwise noted:

Advertise, advertising or advertisement mean the act of drawing the public's attention to a short-term rental for the purposes of promoting the same for rent or occupancy.

Applicant means the applicant for a license and must be the owner of the premises sought to be licensed for short-term rentals. If a property has multiple owners, including joint ownership by spouses, all persons with an ownership interest must sign the license application.

City means the City of Centennial, Colorado.

Director means the City Director of Community Development, or his or her designee.

Hosting Platform means any person or entity that facilitates reservations or payments between a short-term rental licensee and a person seeking lodging accommodations for a period of less than thirty (30) consecutive days.

License means a short-term rental license required under this Article before offering or providing lodging in the form of a short-term rental within the City.

Licensee means the person or entity in whose name the license is issued, who shall be the owner(s) of the real property for which a license is sought.

Licensed Premises shall mean a dwelling unit, or portion thereof, that has a valid license issued pursuant to this Article allowing short-term rental of such dwelling unit.

Party means one (1) or more persons who as a single group rent a short-term rental pursuant to a single reservation and payment.

Renter or Lessee means the party contracting to rent the short-term rental.

Short-term rental means the rental for monetary consideration of a residential dwelling unit, or portion thereof, with or without a morning meal, excluding hotels, motels, bed and breakfasts, for periods of less than thirty (30) days, including but not limited to, a single family dwelling, duplex, townhome, condominium, or similar dwelling. The term short-term rental shall not include the rental of a dwelling unit to the former owner immediately following the transfer of ownership of such dwelling unit and prior to the former owner vacating the dwelling unit.

Sec. 6-9-30. – Required License.

- (a) Any person offering to provide or providing lodging in the form of a short-term rental within a residential property located within the City must first obtain and maintain a license from the City as required by this Article.
- (b) All applications for a license shall be filed with the Director on forms to be promulgated and provided by the Director. The Director shall have discretion to require additional documentation associated with the application as necessary to enforce the requirements of this Article.
- (c) At the time of an initial or renewal application for a license, each applicant shall pay a fee. The City Council directs the City Manager to set such fees in accordance with Section 11.3 of the Centennial Home Rule Charter.
- (d) Each license is separate and distinct, and no person shall exercise any of the privileges granted under any license other than that which he holds. A separate license shall be required for each specific geographical location at which any person offers or provides lodging in the form of a short-term rental within a residential property located within the City.
- (e) Licenses issued pursuant to this Article shall specify the date of issuance, the period which is covered, the name of the licensee, the premises licensed, and the portions of the premises, if so limited, that may be short-term rented.
- (f) A license shall terminate upon transfer of ownership of the licensed premises.
- (g) All licenses shall be valid for a period of one (1) year from the date of their issuance or renewal date.

- (h) Except if the Director has received a complete renewal application along with the requisite fees, it shall be unlawful for any person to operate a short-term rental after the expiration date recorded upon the face of the license.

Sec. 6-9-40. – License Denial.

Short-term rental licenses may be denied when there is good cause to deny the application. For purposes of this Section, "good cause" means:

- (a) The applicant or licensee has violated, does not meet, or has failed to comply with any of the terms or conditions placed on the license, any city or state law, or any rules and regulations promulgated thereunder;
- (b) The short-term rental has previously been, or will be, operated in a manner that adversely affects the public health, safety, or welfare of the immediate neighborhood in which the short-term rental is located;
- (c) The address indicated in the application does not have located thereon a permanent structure that is a legal dwelling unit and/or the application requests a license for a recreational vehicle, travel trailer, temporary structure, or any other accommodation other than the permanent primary dwelling structure at the address; or
- (d) The applicant fails to provide a complete application and documentation required pursuant to this Article.

Sec. 6-9-50. – Required Documentation for a Short-Term Rental License.

In addition to any other requirements, applicants shall provide the following documentation at the time of application for a new and/or renewing license:

- (a) Proof of ownership by the applicant of the premises upon which is situated the proposed short-term rental. Proof of ownership shall require a copy of a deed on file with Arapahoe County.
- (b) A scale plan for the licensed, or to-be licensed, premises depicting the following requirements:
 - (1) Identification of the minimum of two (2) off-street parking spaces.
 - (2) Identification of the trash receptacle areas with proof that the applicant has a contract with a waste disposal company for at least as often as weekly collection of trash along with information on the location of the outdoor

trash receptacles and proof that the receptacles are adequately screened from view of the street and any neighboring properties.

- (3) Identification of proposed occupancy limits of the short-term rental.
- (4) Identification of the required Good Neighbor posting location.
- (c) Proof of liability insurance to cover any property damage or bodily injury claims related to use of the to-be licensed premises for short-term rental in an amount no less than one million dollars (\$1,000,000.00) per claim and in the aggregate. Such coverage shall be maintained in full force and effect for the term of the license. Alternatively, a licensee may elect to conduct each short-term rental transaction through a hosting platform that provides equal or greater insurance coverage for each short-term rental use and document such election upon the insurance form affidavit provided by the Director as part of the license application.
- (d) Contact information for licensed premises applicant/owner. The applicant shall provide a cell and/or home telephone phone number, mailing address, email address, and property address, if different from mailing address. The applicant owner shall agree to accept service of notice of violation at such address either personally or upon posting of notice upon the property.
- (e) Contact information for a reachable representative. Each applicant shall designate a person to be the reachable representative, who may or may not be the applicant and who shall be able to timely respond to any concerns that may arise during any rental period of the short-term rental as set forth in this Article. The following information must be provided for the reachable representative
 - cell and/or home telephone number,
 - mailing address,
 - email address,
 - business address and business phone, if applicable.
- (f) Signed agreement/acknowledgement that the City has the right to inspect the licensed premises for conformance with this Article at any reasonable time. Each licensed premises may be inspected initially and at other reasonable times for compliance with the requirements of this Article.
- (g) Copy of valid City sales tax license as required by Section 4-1-500.
 - (1) As defined in Section 4-1-30, licensees who operate as marketplace sellers by providing lodging in the form of short-term rentals solely through one or more hosting platform(s) that meet the requirements of a marketplace facilitator may be exempt from this requirement subject to the

- requirements of Section 4-1-50(f)(5) that requires marketplace sellers who make sales not facilitated by a licensed marketplace facilitator in a marketplace, to comply with all of the same licensing, collection, remittance, filing and recordkeeping requirements as any other retailer.
- (2) Marketplace sellers who seek the exemption allowed by subsection (1) above shall document such sales process limitation upon the sales tax affidavit provided by the Director as part of the license application.
 - (3) Marketplace sellers may be allowed to file sales tax returns at a frequency less often than monthly in the discretion of the City Finance Director or City Finance Director designee and may take a credit against sales taxes owed that were collected and remitted by such marketplace facilitators.

Sec. 6-9-60. Renewal.

- (a) A valid and effective license may be annually renewed by the licensee for the next year in accordance with this Section.
- (b) License renewal applications shall be on a form as provided by the Director.
- (c) Upon receipt of a renewal application, the Director will review the application and administratively approve the renewal of the license provided that the following conditions are found by the Director to be fully satisfied:
 - (1) The applicant for license renewal is the same licensee;
 - (2) the property is not presently, and has not been during the prior calendar year, in violation of this Article, other provisions of the Municipal Code, or conditions imposed upon the license;
 - (3) the previously issued license is current and valid and has not been suspended during the prior calendar year; and
 - (4) the property has no outstanding local or state tax obligations.
- (d) If any one of the conditions in (c) are not satisfied, the Director may deny the renewal application. The Director is authorized to issue a conditional renewal requiring the licensee to remedy or resolve one or more issues that otherwise would result in rejection of the license renewal within a set timeframe. Licensee's failure to timely satisfy a condition of license renewal shall, without any formal action other than notice to the licensee, result in the revocation of the license as if the renewal was rejected upon initial application.

- (e) The Director may impose written conditions on the issuance of any renewal found by the Director to be reasonable or necessary to ensure compliance with the requirements of the Municipal Code or other laws.
- (f) A licensee denied a renewal may appeal the Director's decision to a Hearing Officer in accordance with Section 6-9-90.

Sec. 6-9-70. – Operating Standards and Requirements.

A licensed short-term rental must operate in conformity with each of the following operating standards and requirements:

- (a) Posting required. Licensee shall post a copy of the license near the main door of the short-term rental space used by renters.
- (b) Reachable representative. Licensee shall maintain a reachable representative who is available on a twenty-four (24) hour basis, seven (7) days per week, and who must respond to any concerns from renters, neighbors or city personnel within a two (2) hour period, including the ability to access the short-term rental in a timely manner.
- (c) Obligation to report. If the reachable representative receives a complaint that alleges a violation of the operating standards and requirements in this Section, the reachable representative shall report the complaint to the Director within seventy-two (72) hours of receipt. Failure to report such complaint constitutes a violation of these operating standards and requirements.
- (d) Good neighbor document. Licensee shall post a completed copy of a “Good Neighbor” document as provided by the City near the main door of the short-term rental space used by renters, as depicted on the licensed premises site plan. Such posting shall include at all times relevant and updated information on the following:
 - (1) The name, address, and telephone number of the reachable representative and information to inform renters that the city and neighbors have also been provided such information and that the reachable representative is legally obligated to respond to complaints regarding the short-term rental or renter conduct within two hours and to report certain complaints to the City;
 - (2) The maximum number of persons allowed to occupy the short-term rental;
 - (3) The prohibition on weddings, parties or other large gatherings with attendees in number greater than 100% over the allowed maximum occupancy;

- (4) The allowable on-site improved surface parking locations and information to renters that (a) on-site parking on unimproved surfaces is not permissible and (b) on-site parking should be used before any street parking is used;
 - (5) Information regarding location of clearly defined trash/garbage/recycling storage and removal, including the days and location of pick-up and informing renters that designated trash receptacles only may be used and that the property on which the licensed premises is situated must be kept clean and free from outdoor trash or storage;
 - (6) Information that the licensed premises is located in a residential neighborhood and guests are required to be respectful of neighbors and adhere to all applicable laws, including without limitations laws governing noise and occupancy and gathering limits applicable to the licensed premises;
 - (7) Notice that City noise regulations prohibit noise that disturbs, annoys, or endangers the peace of others and that renters may be cited for violations thereof;
 - (8) Any restrictions on use of outdoor amenities to reduce noise complaints as determined by the licensee;
 - (9) The licensed premises address, including house number, street name and city;
 - (10) A list of non-emergency numbers, including the non-emergency number of the police department; and
 - (11) The location of all fire extinguishers and exits, including egress windows.
- (e) Distribution of the Good Neighbor document. Within two weeks of the issuance of any license and renewal of each license, licensee shall provide (by hand delivery or first class U.S. mail) to each property owner and to an adult resident (if other than the property owner) of any address with an adjoining property line or directly across a street or alley, a copy of the completed and updated Good Neighbor posting. Licensee shall also post a working hyperlink to the required Good Neighbor document on any web-based advertisement.
- (f) Safety requirements. Licensee shall equip the licensed premise with operational smoke detectors, carbon monoxide detectors, fire extinguishers on the licensed premises, and other life safety equipment as required by the Director.
- (g) Insurance requirement. Licensee shall maintain a policy of insurance as required by this Article.

- (h) Advertisement. Licensee shall display the following information in advertisements: (1) the license number for the licensed premises; (2) the number of parking spaces available for use by the renter and the location of such parking spaces (driveway, garage); (3) the occupancy and gathering limits; and (4) for web-based advertisements, a working hyperlink to the required Good Neighbor document.
- (i) Occupancy Limit. Licensee shall limit the occupancy of the licensed premises to 2 persons / bedroom, excepting children under the age of 16, up to an aggregate maximum of 8 persons, inclusive of children.
- (j) Large Gatherings Prohibited. Licensee shall not allow the occupancy or use of the licensed premises for any wedding, party, or for any other large gathering with attendees in a number greater than 100% over the allowed maximum occupancy of the licensed premises.
- (k) Parking. Licensee shall provide on-site parking on improved parking surface areas as shown on the site plan on file with the City with the application. During all such time as the licensed premises is rented, licensee shall not park licensee's vehicles on the street in front of the licensee's neighbors' property.
- (l) Payment of Taxes. Licensee shall pay all sales taxes and fees owed to the City in a timely manner.
- (m) Payment of Administrative Penalty Assessment. Licensee shall pay all administrative penalty assessments imposed pursuant to this Article in a timely manner.
- (n) Change of Information. Licensee shall notify the Director within five (5) days after knowledge of any change to the information required by Section 6-9-50.
- (o) Conformance with Applicable Laws.
 - (1) The real property on which the licensed premise is situated shall at all times be in compliance with all state and local laws.
 - (2) Licensee shall operate the short-term rental to meet the requirements of all state and local laws generally applicable to the public and to the licensed premises, such as, but not limited to, parking, outdoor lighting, noise, open fire burning, signage, animal and leash laws, trash and refuse management, and marijuana regulations.
 - (3) It shall be the obligation of the licensee to advise guests of all laws affecting the guests' use of the short-term rental.

- (4) Offenses committed by guests shall adversely impair the license and the licensee's privilege to operate the short-term rental and such offenses may be cause to revoke, suspend, or penalize a license or licensee in accordance with Section 6-9-90. It is not a defense to any revocation, suspension, or administrative penalty assessment that the underlying offenses were committed by the licensee's guests or invitees of the licensee's guests.

Sec. 6-9-80. – Unlawful conduct.

- (a) It is unlawful for any person to offer or provide lodging in the form of a short-term rental within the City except as provided in, authorized by, and in compliance with all requirements of this Article and an effective license.
- (b) It is unlawful for a licensee to fail to timely pay an administrative penalty assessment imposed in accordance with Section 6-9-90.

Sec. 6-9-90. – Enforcement; penalties.

- (a) Upon complaint or upon reason to believe a licensee is not operating a short-term rental in compliance with the standards and requirements of this Article, the Director may investigate such circumstance and render an administrative determination whether the licensee is in compliance. Such investigation may include an informal meeting with the licensee to discuss concerns and voluntary compliance. Upon a finding of non-compliance, the Director shall notify the licensee of such determination and may:
 - (1) Assess an administrative penalty. The Director may impose an administrative penalty in an amount not to exceed \$150.00 for each finding of non-compliance. The Director may impose an administrative penalty in an amount of \$300.00 for a second finding of non-compliance and \$500.00 for a third finding of non-compliance. Administrative penalty assessment shall be customarily imposed upon the licensee when failing to promptly bring the operation of the short-term rental into compliance with the standards and requirements upon notice by the City. Interest at five percent (5%) each full calendar month (prorated for any partial month) shall accrue upon any outstanding and unpaid administrative penalty assessment amount owned until the assessment is paid in full. Interest accrual shall not be stayed or suspended during any period of administrative or judicial challenge or appeal.
 - (2) Suspend the licensee's license. The Director may suspend a license for a period of time not to exceed six (6) months in if the Director determines that a licensee has failed to operate the short-term rental in accordance with the standards and requirements of Section 6-9-70 after two (2) or more findings of non-compliance. The Director shall be authorized to enter into an

agreement with a licensee to hold in abeyance any suspension pending the licensee's compliance with conditions deemed necessary by the Director to bring the operation of the short-term rental into compliance.

- (3) Revoke the licensee's license. The Director may revoke a license if the Director determines that a licensee has: (i) demonstrated a flagrant disregard for the standards and requirements of Section 6-9-70; or (ii) failed to operate the short-term rental in accordance with the standards and requirements of Section 6-9-70 after three (3) or more findings of non-compliance during a 12-month period.
- (b) The Director shall serve a notice of revocation, suspension, or administrative penalty assessment by first class and certified mail to the address of the licensee. The Director may also, as a courtesy, send notice to the licensee through electronic mail to any address of the licensee provided to the City.
 - (1) The notice shall identify:
 - A. the name of the licensee and the license number;
 - B. the applicable Code section(s) alleged to have been violated together with a description of the violation;
 - C. the effective date of the revocation, suspension, or administrative penalty assessment which shall commence, or be due and owing, no earlier than fifteen (15) days after the date of the notice; and
 - D. information on the right to appeal the decision as set forth in Section 6-9-100.
 - (2) The Director may provide information on action necessary to correct the violation.
- (c) Provided that the mailed notice is properly addressed to the licensee's last known registered address with the City, failure of the licensee to receive such mailing or to accept the certified mailing shall not preclude or prevent the imposition of revocation, suspension, or administrative penalty assessment, including any interest owed on penalty assessment.
- (d) In addition to the suspension, revocation, administrative penalty or refusal to renew any license as set forth herein, the City may take any other legal action available to address violations of the provisions of this Article.

Sec. 6-9-100. Appeal of Director decision.

- (a) A licensee may appeal a Director's decision regarding a non-renewal, revocation, suspension, administrative penalty assessment, or imposition of a condition of the license by submitting a written notice of appeal with the Director within twenty (20) calendar days of the date of the notice of the Director's action. An appeal shall stay (hold in abeyance) the decision to reject or condition a renewal, or revoke, to suspend, or to impose penalty assessment until a final written decision is issued by a Hearing Officer on the appeal. The notice of appeal shall state in writing specifically why the renewal decision, revocation, suspension, assessment, or condition is not warranted, justified, or based on accurate information.
- (b) Upon receipt of the notice of appeal, the matter shall be set for a hearing before a Hearing Officer designated by the City Manager. Notice of the hearing shall be provided to the licensee by first class mail addressed to the licensee's mailing address provided to the City. Notice shall also be provided by first class mail to owners of record of any property with an adjoining property line or directly across a street or alley from the property on which the licensed premises is located.
- (c) At the hearing, the licensee, the City, and any property owners of record of property with an adjoining property line or directly across a street or alley may present evidence and testimony concerning the renewal or violation(s). In determining whether to uphold the revocation, suspension, penalty assessment, or imposition of any condition, or to modify the terms of any such action, the Hearing Officer shall determine whether the Director's decision was unreasonable, arbitrary or capricious, or not based on sufficient evidence. The Hearing Officer may consider the severity of the violation(s), the culpability of the licensee, and /or any measures taken to remedy the violation to ensure it will not reoccur. For appeals of non-renewals, the Hearing Officer may instruct the renewal to be issued subject to reasonable conditions which will ensure ongoing conformance of the short-term rental with the requirements of this Article and other provisions of the Municipal Code.
- (d) Following the conclusion of the hearing, the Hearing Officer shall issue a written decision which constitutes the final decision for purpose of any further appeal pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure. No stay shall be afforded to any licensee during any further appeal of the Hearing Officer's decision.
- (e) The City and the licensee are required to equally share the cost of the hearing and the fees of the Hearing Officer.

Section 2. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance, the intention being that the various sections and provisions are severable.

Section 3. Minor Revision or Correction Authorized. The City Manager, in consultation with the City Attorney, is authorized to make minor revisions or corrections to the codified version of the provisions of this Ordinance provided that such revisions or corrections are grammatical, typographical, or non-substantive and do not alter or change the meaning and intent of this Ordinance.

Section 4. Repeal. Any and all ordinances or codes or parts thereof in conflict or inconsistent herewith are, to the extent of such conflict or inconsistency, hereby repealed; provided, however, that the repeal of any such ordinance or code or part thereof shall not revive any other section or part of any ordinance or code heretofore repealed or superseded and this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the effective date of this Ordinance.

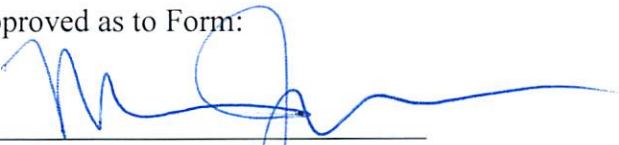
Section 5. Effective Date. Except as otherwise expressly provided herein, the provisions of this Ordinance shall become effective thirty (30) days after publication following final passage; however, the implementation of the provisions of this Ordinance will not take effect until January 1, 2022.

INTRODUCED, READ, AND ORDERED PUBLISHED BY THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD ON THE 16 DAY OF Aug, 2021.

CITY OF CENTENNIAL

By: 
Stephanie Piko, Mayor

Approved as to Form:


For City Attorney's Office

I hereby certify that the above Ordinance was introduced to the City Council of the City of Centennial at its meeting of Aug 16, 2021 and ordered published one time by title only in *The Centennial Citizen* newspaper on Aug 19, 2021, and in full on the City web site in accordance with Section 2-1-110 of the Municipal Code.

ATTEST:

SEAL

By: 

City Clerk or Deputy City Clerk

FINALLY ADOPTED, PASSED, APPROVED WITH AMENDMENTS, IF ANY, AND ORDERED PUBLISHED BY TITLE ONLY, IN *THE CENTENNIAL CITIZEN* NEWSPAPER AND IN FULL ON THE CITY WEB SITE IN ACCORDANCE WITH SECTION 2-1-110 OF THE MUNICIPAL CODE BY THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS MEETING HELD ON THE 20th DAY OF September, 2021, BY A VOTE OF 9 IN FAVOR AND 0 AGAINST.


CITY OF CENTENNIAL

By: 
Stephanie Piko, Mayor

I hereby certify that the above Ordinance was finally adopted by the City Council of the City of Centennial at its meeting of Sept 20, 2021, and ordered published by title only, one time by *The Centennial Citizen* newspaper on Sept 23, 2021 and in full on the City web site in accordance with Section 2-1-110 of the Municipal Code.

ATTEST:

SEAL

By: 
City Clerk or Deputy City Clerk