

Denver Short-Term Rentals FAQ

Why is the city proposing to license short-term rentals (STRs)?

The practice of renting a house or bedroom for less than 30 days has become increasingly popular in Denver since the advent of various online platforms such as AirBnB, VRBO, HomeAway and others. The city is seeking to regulate and tax this home-sharing practice.

Denver is now proposing to legalize and license STRs in the city in order to:

- Recognize the fact that STRs are widely operating today as a popular home-sharing practice for Denver residents.
- Provide a regulatory environment that allows the popular practice to continue while focusing responsibility and accountability among operators and limiting the impact on neighborhoods.
- Authorize the city to levy penalties, fines, license suspensions, or even revoke STR licenses in certain situations.

Where will STRs be allowed?

The proposed text amendment to the Denver Zoning Code would allow STRs as an accessory use wherever residential uses are allowed. That includes residential as well as mixed-use commercial districts.

Who will be allowed to apply for an STR license?

Property owners and long-term renters will be allowed to apply for an STR license for their primary residence. Renters must certify that they have the permission of their landlord to conduct short-term rentals.

How does a person apply for a short-term rental (STR) license?

Applications for STR licenses will be applied for online through Excise & Licenses. Applicants will be required to certify that they meet the requirements for STRs. No documents or forms will be needed at the time of online application, aside from personal contact information, STR unit address details, and any applicable tax account numbers.

What is the fee for obtaining an STR license? Does a license need to be renewed?

An application fee of \$25 will be assessed for individual STR license applications. STR licenses are offered annually, and need to be renewed every 12 months.

What is required to obtain a STR license?

STR operators must certify they meet the following requirements in order to obtain an STR license from Denver Excise & Licenses:

- Licensee must be a legal resident of the United States.
- Licensee must have permission from the landlord or property owner to operate STR (if applicable).
- STR Unit must be licensee's primary residence.
- STR use must meet all applicable zoning regulations.
- Licensee must possess valid Denver Lodger's Tax and any other applicable tax account numbers.

How does the city verify that a unit is someone’s primary residence?

Excise & Licenses inspectors will have authority to request documentation of primary residency verification from STR licensees at any time. Inspectors will rely on various forms that demonstrate the STR operator’s unit is their primary residence. These documents can include, but are not limited to:

- Driver’s license
- Voter’s registration
- State ID card
- Tax documents
- Utility bills
- Any other document proving the STR unit is a primary residence

Do STR licensees need to pay taxes?

Yes. STR licensees will be required to pay 10.75% Lodger’s Tax, Occupational Privilege Tax, and any other applicable taxes or fees associated with their STR. The city may negotiate contracts that would allow hosting platforms to collect taxes on behalf of short-term rental hosts.

Do STR units require in-person inspections?

No. However, licensees must certify under penalty of perjury their STR has a fire extinguisher, CO detector, smoke alarm, and liability insurance to cover bodily and property damage.

Why is a license number required to be placed in advertisements?

License numbers will be required in advertisements so Excise & Licenses can track and monitor various STR platforms for both licensed and unlicensed STRs being advertised. No personal licensee information will be included in the license number.

How will STRs be enforced or regulated? What are the fines for violations?

The city will have the ability track and monitor complaints about licensed and unlicensed STR units. Excise & Licenses will respond to complaint-based STR inquiries, in addition to conducting proactive enforcement measures through department inspectors. The Director of Excise & Licenses will have summary authority to levy penalties, fines, suspensions, or show-cause hearings that could lead to STR license revocation at any time for violating any provision of the STR regulations, or for violating any local or state law. Fines for violating any STR rules and regulations can be up to \$999 per incident.

How many guests are allowed to stay in an STR?

STR hosts will have the ability to set their own guest maximums. However, per the Denver Zoning Code (DZC), STRs would be accessory to primary residential use, meaning the overall character of the property should remain residential. The DZC would also explicitly state that STRs do not include rental of a dwelling unit for commercial events, such as parties or weddings. Additionally, only one rental contract may be allowed at a time in any STR. Multiple rental contracts to separate parties in an STR will be prohibited.

Does a host have to be present during STR?

No. Property owners or long-term renters may conduct STRs while they are on vacation and/or the property is vacant. However, hosts are required to leave a welcome packet for guests that includes appropriate contact information and instructions on city services.

Can accessory dwelling units (ADUs) be used for STRs?

ADUs may be used for STRs by a property owner or long-term renter who is living in the primary structure on the property. However, only one STR license will be allowed per property, so a long-term renter of an ADU may only apply for an STR license if the owner/renter of the primary structure does not also have one.

How can someone learn more about Denver's STR proposal?

To learn more about the STR proposal, visit www.Denvergov.org/STR where you can review information, download presentation materials, send comments or questions to city staff and sign up for email notices and future updates to the STR proposal by filling in your email address.

- DenverGov.org/STR -