



# DENVER

## EXCISE & LICENSES

### RULES GOVERNING SHORT TERM RENTAL LICENSES

Effective Date

4/10/19

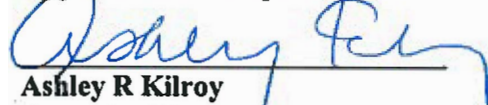
Approved as to Form and Legality



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Date: 1/25/19

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# Table of Contents

<b>Section 1 – Definitions</b> .....	1
<b>Section 2 – Authority</b> .....	2
<b>Section 3 – Short-Term Rental Insurance Requirements</b> .....	2
<b>Section 4 –Causes for Denial</b> .....	3
<b>Section 5 –Sanctions</b> .....	3
<b>Section 6 –Changes to Local Responsible Party</b> .....	3

## **Section 1 – Definitions**

“Department” – means the Denver Department of Excise and Licenses.

“Director” – means the Director of the Denver Department of Excise and Licenses.

“Good Cause” – means:

- a) Evidence that a Licensee has violated, does not meet, or has failed to comply with any of the terms or conditions placed on his or her Short-Term Rental license, any city or state law, or any rules and regulations promulgated thereunder, including but not limited to the Denver Zoning Code, section 11.8.10, as amended; or
- b) Evidence that a Short-Term Rental or a property for which a Short-Term Rental license is being sought 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 property is located.

“Home Owners Association” – means any organization that engages in any of the activities listed in C.R.S. § 38-33.3-302(1), whether or not the association was organized under C.R.S. § 38-33.3-301.

“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.

“Insurance Company” – means any insurance agent and/or company through which a Licensee has obtained an insurance policy to protect the property being used as a Short-Term Rental.

“Licensee” – means any natural person holding a Short-Term Rental license issued by the Department pursuant to Chapter 33, Article III of the Denver Revised Municipal Code (the “D.R.M.C.”).

“Local Responsible Party” – means the same as the term “local responsible party” as it is defined in section 33-50 of the D.R.M.C and will be requested as General Manager in the application process.

“Short-Term Rental” – means the same as the term “Short-term rental” as it is defined in section 33-46 of the D.R.M.C.

“Short-Term Rental Transaction” – means a transaction whereby a Licensee accepts payment or any other remuneration from another person for lodging accommodations for a period of less than thirty (30) consecutive days.

“Short-Term Rental Use” – means the term or duration of a Short-Term Rental contract or transaction, beginning with the check-in of the Short-Term Rental tenant(s), or at the time the Short-Term Rental tenant(s) take position of the Short-Term Rental, and ending upon the earlier of either the termination of the contract or the expiration thereof.

## **Section 2 – Authority**

Pursuant to the D.R.M.C. sections 32-31, and 33-54, the Director may enact rules and regulations necessary for administering and enforcing the provisions of Article III, Chapter 33 relating to Short-Term Rentals. All Licensees shall comply with these rules and regulations, in addition to any condition placed on the license, stipulation, and any other city or state law relating to and affecting the licensing and operation of Short-Term Rentals, including but not limited to the Denver Zoning Code, section 11.8.10, as amended.

## **Section 3 – Short-Term Rental Insurance Requirements**

- 3.1 A Licensee shall inform his or her Insurance Company that the property covered by the Insurance Company will be used as a Short-Term Rental before any Short-Term Rental Transaction is processed, regardless of whether the Licensee obtains liability insurance for the Short-Term Rental through that Insurance Company. The Licensee shall verify compliance with this notification requirement by executing and submitting a form affidavit provided by the Department during the application process.
- 3.2 A Licensee shall maintain liability insurance to cover use of the Short-Term Rental in an amount determined appropriate by the Insurance Company insuring such Short-Term Rental, but in any case no amount of less than one million dollars (\$1,000,000) 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, provided that the Licensee abides by the notification requirements outlined in Rule 1.1.
- 3.3 If the property being used as a Short-Term Rental is included in a Home Owners Association, the applicant for a Short-Term Rental license shall inform the Home Owners Association that the applicant intends to use the property as a Short-Term Rental prior to obtaining a Short-Term Rental license. The Licensee shall verify compliance with this notification requirement by executing and submitting a form affidavit provided by the Department during the application process.

3.4 A Licensee shall maintain an insurance policy as described in section 1.2. Failure to maintain an insurance policy as described in section 1.2 shall be cause for automatic suspension of the Short-Term Rental license until the coverage is reinstated.

#### **Section 4 –Causes for Denial**

- 4.1 In addition to any of the causes for denial prescribed by section 32-11 of the D.R.M.C., the Director may deny a Short-Term Rental license application for Good Cause, subject to judicial review.
- 4.2 In addition to any of the causes for denial prescribed by section 32-11 of the D.R.M.C., the Director may deny a Short-Term Rental license application for failure to comply with the insurance requirements prescribed by these Rules.

#### **Section 5 –Sanctions**

- 5.1 In addition to any other penalties prescribed by the D.R.M.C, the Director may fine, suspend, revoke, or refuse to renew any Short-Term Rental license for Good Cause, subject to judicial review.
- 5.2 In addition to any other penalties prescribed by the D.R.M.C, the Director may fine, suspend, revoke or refuse to renew any Short-Term Rental license for failure to comply with the insurance requirements prescribed by these Rules.

#### **Section 6 –Changes to Local Responsible Party**

- 6.1 Any changes regarding the named Local Responsible Party/General Manager associated with a Short-Term Rental and/or the contact information for the named Local Responsible Party/General Manager shall be reported to the Department upon forms provided by the Director and shall contain all required information for the local responsible party/general manager as provided in section 33-50 of the D.R.M.C. The Licensee shall submit any such changes to the Department within 30 days of the change.