



St. Louis County, MN

FACT SHEET

SHORT TERM RENTAL

Proposed Zoning Ordinance 62 Amendments

Rev. 1.0 (2-2020)

This fact sheet is only a summary fact sheet on the proposed adoption of Short Term Rental, Zoning Ordinance 62 amendments. Review the proposed zoning ordinance 62 amendments for clarification and details.

County Ordinance Administration	St. Louis County is responsible for the administration and enforcement of regulations related to County Ordinance 62 (Zoning), Ordinance 65 (Comprehensive Land Use Plan), Ordinance 60 (Subdivision), Ordinance 61 (On-Site Wastewater), and Ordinance 45 (Solid Waste).	
Ordinance Being Amended	Only Ordinance 62 (Zoning)	
Ordinance 62 Amendments	Proposing adding language for the administration of Short Term Rentals	
Who IS Impacted	Short Term Rentals in Organized and Unorganized Townships where St. Louis County administers the zoning ordinance regulations.	
Who IS NOT Impacted	<p>The following cities administer their own zoning ordinance and the County proposed short term rental ordinance amendments would not impact these short term rental properties located in the following cities:</p> <p>Cities: Aurora, Babbitt, Biwabik, Brookston, Buhl, Chisholm, Cook, Duluth, Ely, Eveleth, Floodwood, Gilbert, Hermantown, Hibbing, Hoyt Lakes, Iron Junction, Kinney, Leonidas, McKinley, Meadowlands, Mountain Iron, Orr, Proctor, Rice Lake, Tower, Virginia, Winton.</p>	
Who's Impacted Notes	Townships: The townships of Duluth, Gnesen, Lakewood, and Midway administer their own local zoning. Residents of these townships should contact their township government for further information.	
Short Term Rental Definition	A short term rental dwelling unit is defined as any home, cabin, condominium or similar building represented to the public as a place where sleeping accommodations are furnished to the public on a nightly or weekly and for less than thirty (30) days basis for compensation.	
Type of Permit (by Zone District)	Performance Standard Permit (Over-the-Counter if all standards can be met) Zone: FAM, MU, SMU, RES*, LSO, LCO	Conditional Use Permit (Planning Commission Review) Zone: COM, SENS
Permit Fee	\$370	\$630
General Standards (See proposed ordinance amendment language for additional details)	<p>1. GENERAL</p> <ul style="list-style-type: none"> - Post emergency contacts for police, fire, hospital, septic tank pumper, and operator. - Current contact information for person(s) responsible for property management. - Post Aquatic Invasive Species (AIS) prevention guidelines. - Provide a visual demarcation of the property lines. - All local, state, federal requirements followed for taxing, licensing, permitting, etc. - Performance standard permit shall not be transferrable upon a change in ownership. - General liability insurance covering the property and on file with the County. <p>Notes:</p> <ul style="list-style-type: none"> - If a property is used primarily for rental purposes, then it shall be deemed Commercial Use. - Any violation shall deem a short term rental permit null and void. - Appeals shall be in accordance with Article VIII of Zoning Ordinance 62. <p>2. Conforming Lot</p> <ul style="list-style-type: none"> - A Rental dwelling unit must be located on a conforming lot or an existing lot of record. - No more than one rental dwelling unit per parcel may be rented. - More than one rental dwelling unit on the same parcel or single units on contiguous parcels under common ownership shall require a conditional use permit - Department Director may impose additional standards or conditions that will reduce impacts and include but are not limited to fences, vegetative screening along property lines or shoreline and quiet hours. <p>3. Licenses: Obtain and maintain an applicable Minnesota Department of Health Lodging License and other applicable licenses</p> <p>4. Taxes: Minnesota tax identification number and others provided to County.</p> <p>5. Septic/Solid Waste: Sewage treatment must comply with St. Louis County Subsurface Sewage Treatment System Ordinance 61, and adopted Technical Standards or their successor or replacement. Disposal of solid waste must comply with St. Louis County Solid Waste Ordinance 45, or its successor or replacement.</p> <p>6. Parking: The site shall provide on-site parking sufficient to accommodate the occupants of the rental dwelling unit. No person shall, for the purpose of camping, lodging, or residing therein, leave or park a vehicle or motor vehicle on or within the limits of any road or on any road right-of-way.</p>	Separate Conditions May Apply



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***Additional Standards**
(Residential Zone District Only)

Zone: RES

Additional standards being proposed to protect the character of residential areas. In a RES zone district, private residential use should be considered preeminent over non-residential uses.

In RES zone district the following additional standards shall be met:

- Rental dwelling unit must be located on a parcel that meets minimum zoning requirements.
- Minimum buffer of at least 300 feet (as measured from property lines) between each short term rental use.
- All property lines shall be located by a licensed land surveyor, unless there is written agreement filed with the Department between the adjoining property owner and the short term rental permittee/owner/operator.
- Adequate vegetative screening shall be required to screen the use from any shoreline and adjacent property owners. If vegetative screening is not sufficient, the Director may require solid fencing that reduces the visual impact of a use upon adjacent structures or residential uses.

Standards Notes

If standards cannot be met or applicant requests a waiver from conditions, a Conditional Use Permit may be applied for by a property owner.

General Information

Ordinance Effective Date
(if Adopted by County Board)

The ordinance is proposed to become effective immediately upon board adoption. To implement, the department will work with short term rental owners and operators to provide education on the new ordinance standards and to become compliant throughout 2020 as applications are received and processed. It is anticipated that county-wide application processing and compliance will be on-going throughout 2020.

MN Department of Health Fee

MN Department of Health Fee: \$175-300.

County On-Site Wastewater

Some properties may require SSTS compliance inspections and/or upgrades to septic systems; fee can vary by private contractor; St. Louis County compliance review and processing fee for compliance inspection \$30.

Planning Commission (PC)

The Planning Commission held a public hearing on October 10, 2019. After public testimony was received, the Planning Commission established an additional 30 day public comment period. The Planning Commission held a second hearing on December 12, 2019. The Planning Commission voted on December 12, 2019 to adopt final changes to the proposed Short Term Rental permitting standards as amendments to Zoning Ordinance 62 and to send the proposed ordinance to the Board with a recommendation that the Board adopt Short Term Rental permitting standards as part of Ordinance 62.

Real Estate Property Classification and Tax

VS

Proposed Short Term Rental Ordinance Amendments

These are two (2) separate topics. If the short term rental ordinance is adopted, it only pertains to land use regulation and does not pertain to property classification or taxes.

As a separate topic (not part of the ordinance amendment), the Minnesota Department of Revenue provided guidance in the spring of 2019 to all Minnesota Assessors on how to classify Short Term Rental property based upon primary use. The County Assessor, in order to comply with the state, needs to determine primary short term rental use. This primary use is different for everyone's situation.

If an owner only rents for a couple weekends a year or even a couple months a year, then their classification would likely remain the same. If the property is primarily used for short-term rental, then it may need to be classified as a 3a Commercial classification for assessment and property tax purposes. The County Assessor's Department will determine the correct classification of your property. If a commercial classification is required, it will be reflected on this year's valuation notice (for the 2020 assessment), which affects the following year's property taxes (payable in 2021). Commercial classification rates do result in higher property taxes than seasonal recreational or residential rates. Please contact the County Assessor's Department regarding any valuation or classification issue.

<https://www.stlouiscountymn.gov/departments-a-z/assessor>



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FAQ's

Q: I own a short term rental property in Hibbing, will I be impacted by this proposed ordinance amendment?

A: No. St. Louis County does not administer zoning in Hibbing. You would need to follow Hibbing zoning requirements, if any. In fact, any property in a city administering its own zoning will not be impacted.

Q: Will two short term rental properties under different ownership next to each other, in a residentially zoned area, be allowed under the new standards?

A: If two short term rentals in a residentially zoned area are closer than 300 feet (measured from property line to property line), then a Conditional Use Permit (CUP) may be allowed and the Planning Commission (PC) would have the ability to waive the 300 foot standard. A CUP also allows for the PC to add conditions to the permit that could help mitigate any potential effects on the other residents in the neighborhood.

Q: What type of permits are required for other rental properties, such as hotels, resorts or bed & breakfasts?

A: Typically these types of rentals fall into a different category of use and require a Conditional Use Permit and also require state licensure for food, beverage and lodging.

Q: Why are state and county licenses and permits required?

A: Short term rentals in St. Louis County have gone relatively unregulated in the past and the Planning Commission had concern over the safety of those renting short term rental properties. The Minnesota Department of Health has qualified inspectors that review the property for safe and adequate drinking water, sanitation facilities and egress, among other inspections. St. Louis County will be reviewing the use of the property for short term rentals and ensure that parking, lighting, signage, onsite wastewater (septic) treatment and existing structures will be utilized as intended.

Q: If I own lake property, is it true I will be forced to plant trees or build a fence to hide my cabin from the lake?

A: St. Louis County will look at properties to ensure existing ordinance standards regarding vegetative screening and land alterations are being followed.

Q: Will I be required to get a survey of my property?

A: A visual demarcation of your property lines will need to be submitted with your application (for example, a map or sketch of your property) to provide to renters of the property to alleviate trespass on to neighboring properties. If your property is located in a residentially (RES) zoned area a survey may be required; in lieu of a survey, written agreement between adjoining property owners may be submitted.

Q: Will there be an annual fee for a short term rental permit from St. Louis County?

A: Depending on the permit type, the fee will be \$370 for a performance standard permit or \$630 for a Conditional Use Permit. As long as all conditions and standards of the permit are being followed, no additional fees may be required for a St. Louis County short term rental permit. If a property is sold or transferred, a new permit with a new fee will be required. If a property is in violation of St. Louis County ordinances, standards or conditions, then a permit may be revoked and a new permit with a new fee may be required to continue or re-start a short term rental.