

COMMISSIONERS' ORDINANCE NO. _____

AN ORDINANCE CREATING A NEW CHAPTER OF THE COVINGTON CODE:
CHAPTER 127 SHORT-TERM RENTALS

* * * *

NOW THEREFORE,
BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY
OF COVINGTON, KENTON COUNTY, KENTUCKY:

Section 1

Sections § 127.01 through 127.99, which read as follows, are added to and amend the
Covington Code of Ordinances:

TITLE XI: BUSINESS REGULATIONS

CHAPTER 127: SHORT-TERM RENTALS

§ 127.01 PURPOSE

It is the purpose of this chapter to promote the health, safety, and welfare of residents and of occupants of short-term rental dwellings in the city. By requiring the registration of all short-term rental dwelling units, it is the city's intent to ensure that short-term rental housing is safe, sanitary and properly operated and maintained in continued compliance with all applicable regulations to meet basic housing maintenance requirements, to protect the health and safety of visiting tenants and to not become a nuisance to the neighborhood and community. The regulation will protect the residential character of Covington's residential neighborhoods and preserve the character of the city's historic districts.

§ 127.02 DEFINITIONS.

For this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

BLOCK FACE. All lots on a block fronting on a public or private street, on the same side of the street, and between two consecutive street intersections, not including alleys.

HOSTING PLATFORM. *An internet-based application that allows a short-term rental host to advertise a short-term rental and provides a means for potential short-term rental tenants to arrange rental and payment through the platform.*

PERSON. *Any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit.*

RENTAL INSPECTOR. *The Neighborhood Services Director or a designee including, but not limited to, Code Enforcement Officers and/or inspectors employed by the Code Enforcement Division.*

SHORT-TERM RENTAL.

- (1) **Any residential dwelling unit or part thereof;**
- (2) **Offered or held out to the public for rent on a hosting platform, web or mobile application or other online platform, newspaper, magazine, or brochure through which short-term rentals are listed, advertised, solicited or otherwise held out for rent;**
- (3) **For a duration of occupancy of less than 30 consecutive days.**

RENTAL AGENT. *A natural person designated by the host of a short-term rental on the short-term rental license application. The host may serve as the rental agent.*

SHORT-TERM RENTAL DWELLING LICENSE. *The short-term rental dwelling license established by this subchapter.*

SHORT TERM RENTAL HOST (host). *Any person who is the owner of record of residential property, or any person who is a lessee of residential property pursuant to a written agreement for the lease of such property and who is authorized by the owner to operate a short-term rental, who offers a residential dwelling or portion of such dwelling as a short-term rental.*

SHORT-TERM RENTAL, HOST OCCUPIED. *A short-term rental that is the primary residence of the short-term rental host. Host-occupied property refers to real property which contains one or more dwelling unit(s) where the principal dwelling unit must be occupied by the property owner and constitute his/her primary and usual place of residence. The dwelling units must share the PIDN assigned by the Kenton County PVA.*

SHORT-TERM RENTAL, NON-HOST OCCUPIED. *A short-term rental that is not the primary residence of the short-term rental host.*

SHORT-TERM RENTAL TENANT (tenant). *Any person (excluding family members of the property owner of the short-term rental) who rents a short-term rental for a fee or any form of compensation, in exchange for occupancy of the short-term rental for a period of less than 30 consecutive days.*

§ 127.03 UNLICENSED SHORT-TERM RENTALS PROHIBITED.

It shall be unlawful for any owner or person to list, advertise on a hosting platform, web or mobile application or other online platform, newspaper, magazine, or brochure through which short-term rentals are listed, advertised, solicited or otherwise held out for rent.

§ 127.04 LICENSE REQUIRED.

A Person who desires to use its premises as a short-term rental must have a valid, active short-term rental license for each short-term rental unit prior to using, allowing the use of, or advertising the use of said premises as a short-term rental.

§ 127.05 SHORT-TERM RENTAL DWELLING LICENSE.

- (A) All owners must register their short-term rental units with the city.**
- (B) A separate license is required for each short-term rental unit.**
- (C) There shall be no more than one hundred fifty (150) active short-term rental, non-host occupied licenses in the City at any time.**
- (D) The license is renewable annually and shall expire on the last day of the month one year after the date of issuance.**
- (E) The license is non-transferable, may not be assigned to another person or entity, and is void upon transfer of the property.**
- (F) Host Occupied short term rentals are exempt from distance requirements and historic district density limits.**

§ 127.06 OWNERSHIP LIMITS.

In order to assure maximum opportunity for a wide range of investors and persons, no person shall hold more than a maximum of four licenses, as determined by ownership interests. Where a short-term rental dwelling license is held by a limited liability corporation, the license shall be considered held by its members.

§ 127.07 DENSITY LIMITS.

- (A) **There shall be no more than two (2) short-term rental licenses per structure.**
- (B) **In order to supplement and provide additional guidance for the consideration of requests for conditional use permits under the current Neighborhood Development Code, and in order to protect the residential character of Covington's national historic districts, and generally Covington's residential character districts the following density limits are established:**

Historic Districts:

1. **Austinburg: Maximum of ten (10) non-host-occupied short-term rental units, with no more than one per block face.**
2. **Downtown Commercial, including 1991, 1996 and 2001 Expansions: unlimited number of non-host-occupied short-term rental units, with no distance separation requirements.**
3. **Emery-Price: Maximum of four (4) non-host-occupied short-term rental units, with no more than one per block face.**
4. **Helentown: Maximum of fifteen (15) non-host-occupied short-term rental units, with no more than one per block face.**
5. **Holy Cross: Host-occupied only.**
6. **Lee-Holman: Maximum of five (5) non-host-occupied short-term rental units, with no more than one per block face.**
7. **Lewisburg: Maximum of five (5) non-host-occupied short-term rental units, with no more than one per block face.**
8. **Licking Riverside: Maximum of five (5) non-host-occupied short-term rental units, with no more than one per block face.**

9. Main Strasse: Maximum of twenty-five (25) non-host-occupied short-term rental units, with no more than one per blockface, except that in the TUMU zone within the Main Strasse Historic district break out commercial zone there may be no more than three non-host-occupied short-term rental units per block face.
10. Mutter Gottes: Maximum of twelve (12) non-host-occupied short-term rental units, with no more than one per blockface, except that on Fourth Street and Fifth Street there may be no more than three non-host-occupied short-term rental units per block face.
11. Ohio Riverside, including 1987 Expansion: Host occupied only.
12. Ritte's Corner, including 2000 Expansion: Maximum of five (5) non-host-occupied short-term rental units, with no more than one per block face.
13. Seminary Square: Maximum of four (4) non-host-occupied short-term rental units, with no more than one per block face.
14. Wallace Woods: Maximum of five (5) non-host-occupied short-term rental units, with no more than one per block face.
15. West Fifteenth Street: Maximum of one (1) non-host-occupied short-term rental units.

REMAINDER OF THE CITY:

1. No more than one (1) non-host short-term rental unit permitted per block face.

§ 127.08 APPLICATION CONTENTS.

(A) The application for a short-term rental dwelling license shall require the following information:

1. The current street address of the unit to be licensed;
2. The name, address, email address, and phone numbers of the owner of the premises or corporation's owner's representative, as applicable;
3. If the owner is not a natural person, the applicant shall identify all partners, officers and directors of any such entity and provide their personal contact information;

4. The name, address, email address, and phone number of the designated rental agent;
5. The number of bedrooms in the unit and maximum occupancy;
6. The number and location of parking spaces allotted to the unit.
7. Evidence of notice to adjacent property owners of intent to apply for a license;
8. If the applicant is a tenant, evidence of approval by the property owner for authority to operate the unit as a short-term rental;
9. The rental agent's written statement of acceptance of the responsibilities;
10. A list of all hosting platforms through which the short-term rental is listed or is reasonably anticipated to be listed;
11. If the license application is for a short-term rental, host occupied, the owner must submit a sworn affidavit stating that the primary dwelling unit is the legal residence and domicile of the applicant and provide proof of residency in the form of two of the following: 1) a valid Kentucky Driver's license, other state issued I.D., or other identification recognized by the Covington Police Department; 2) registration for vehicles owned by and registered in the name of the applicant; 3) voter registration card; 4) previous year's W-2 form or IRS tax return; 5) deed; or 6) utility bill .

(B) The applicant shall certify that to the best of his, her or its knowledge, the short-term rental is in conformity with:

1. The Kentucky Building Code (residential only);
2. The International Residential Code (one and two family dwellings);
3. International Property Maintenance Code;
4. The Fire Code NFPA1;
5. The Life Safety Code NFPA 101.

(C) The applicant shall further acknowledge that the short-term rental must at all times maintain compliance with applicable federal, state and local laws, regulations, ordinances or other rules or codes governing the operation of the short-term rental, including the Covington nuisance code;

(D) The applicant shall acknowledge an obligation to use his or her best effort to assure that use of the premises by a short-term rental tenant will not disrupt the neighborhood and will not interfere with the rights of neighboring property owners to the quiet enjoyment of their properties.

(E) The city manager or a designee shall have the authority to obtain additional information from the applicant as necessary to achieve the objectives of this chapter.

§ 127.09 LICENSE REVIEW, INSPECTION AND LICENSE ISSUANCE.

(A) Applications shall not be considered complete unless all documentation required is submitted and the full license fees have been paid. Incomplete applications will be rejected.

(B) The applicant will be notified of a final determination on an application no later than 30 days following submission of a complete application.

(C) A City Rental Inspector shall inspect the property within 30 days of the issuance of the license. The STR must pass inspection to prevent the license from being suspended.

(D) If the inspection finds violation of any of the codes, the rental inspector shall provide written notice to the rental agent and the rental agent shall discontinue leasing the unit until the code violations are corrected and the unit successfully reinspected.

(E) All application denials shall be in writing and shall set forth specific reasons for the denial.

(F) An application may be denied if:

1. The applicant is not in good standing with the City of Covington;
2. The applicant has made a material misrepresentation of fact on the application;
3. The short-term rental premises are subject to outstanding orders from a city department that have not been corrected;
4. The short-term rental premises have been determined to be a location of a criminal activity nuisance in accordance with § 92.10 of this code of ordinances;

5. The applicant, owner, or rental agent of the short-term rental has failed to comply with or enforce the requirements of this subchapter;
 6. The maximum number of allowed licenses in the historic district, neighborhood or zone has been reached;
 7. The maximum number of licenses in the city has been reached;
 8. Ownership restrictions have been reached; and/or,
 9. Other identified violations of the requirements of this subchapter.
- (G) Any short-term rental dwelling license applicant or licensee aggrieved by any license application denial, may, within seven days of receipt of notice of such action, file a written appeal with the Rental License Appeals Board setting forth his or her reasons for contesting the action.

§ 127.10 SHORT-TERM RENTAL AGENT.

- (A) The operator of a short-term rental shall designate a short-term rental agent on its application for a short-term rental license.
- (B) Short-term rental agent means a natural person designated by the operator of a short-term rental on the short-term rental license application. Such person shall be available for and responsive to contact at all times and someone who is customarily present at a location within the city for purposes of transacting business. A short-term rental owner may also serve as the short-term rental agent.
- (C) An owner may change the designation of a short-term rental agent temporarily or permanently; however, there shall be only one such agent for a property at a given time. To change the designated agent, the owner shall notify Covington Code Enforcement in writing of the new agent's identity, together with all information regarding such person as required by the applicable provisions of § 127.08.

§ 127.11 SHORT-TERM RENTAL AGENT DUTIES.

- (A) The duties of the short-term rental agent are:
- (1) Manage the business affairs of the short-term rental unit, including responsibility for all advertising.

- (2) Be reasonably available to handle any problems arising from use of the short-term rental unit.
- (3) Appear on the premises of any short-term rental unit within one hour following notification from the city that occupants of the short-term rental unit have created unreasonable noise or disturbances, engaged in disorderly conduct, overcrowding, consumption of illegal drugs or excess alcohol; or other issues related to the use or occupancy of the premises.
- (4) Keep his or her name and emergency contact phone number and the license number of the unit posted in a readily visible place in the short-term rental unit;
- (5) Provide tenants with instructions to comply with noise, parking, occupancy and curfew ordinances;
- (6) Provide his or her name and emergency contact phone number to adjoining property owners;
- (7) Receive and accept service of any notice of violation related to the use or occupancy of the premises;
- (8) Monitor the short-term rental unit for compliance with this chapter;
- (9) List the short-term rental license number on each hosting platform; a rental agent may not use a hosting platform that does not provide a field for the city license number;
- (10) Ensure compliance with the city's solid waste and recycling rules, including trash collection schedule;
- (11) Provide access to the unit upon request by code enforcement or police officials responding to complaints;
- (B) Any violation of these duties shall be considered a violation of the city code relating to short-term rental units for purposes of application of the penalty for accumulated violations.

§ 127.12 OPERATING REGULATIONS.

- (A) Nondiscrimination. The owner or rental agent shall not decline a potential guest, impose different terms or conditions, or discourage or indicate any preference for or against a guest based on race, gender, sexual orientation, gender identity or expression, color,

ancestry, national origin, age, disability, familial status, or military status.

- (B) Maximum occupancy: The number of occupants shall not exceed two (2) adults per bedroom, plus two additional persons; regardless of the number of bedrooms the maximum occupancy of a short-term rental shall not exceed twelve persons, including children.**
- (C) Minimum stay required: The short-term rental may not be for a period of less than one night.**
- (D) Event Advertising Restriction: The rental agent or tenant shall not advertise or promote a special event, or allow the advertising and promotion of a special event (e.g. event center, banquet, wedding, reception, reunion, bachelor or bachelorette party, concert, or any similar activity that would assemble large numbers of invitees) to be held on the premises.**
- (E) Special Events Prohibited: The rental agent or tenant shall not allow, suffer or permit an event center or special event as described above to be held on the premises.**
- (F) Posting of Host Rules: The owner or rental agent operating a short-term rental shall provide a notice of instructions (also known as “host rules”) to occupants staying at the premises. The notice shall instruct the occupants as to all applicable City regulations pertaining to short-term rentals. These include, but are not limited to, occupancy restrictions, limits on parking, trash pickup, prohibitions on special events, limits on noise, and curfew times.**
- (G) Posting of License Number: The License Number shall be posted on the premises along with the contact information of property owner and rental agent.**
- (H) Advertising: A valid, active short-term rental license number issued by the City shall be included on every hosting platform listing or any newspaper, magazine, brochure, website, or mobile application advertisement.**
- (I) The owner, rental agent or tenant of a short-term rental shall not allow, permit, or make any noise that would be in violation of the City’s noise ordinance.**
- (J) Parking restrictions: The rental agent may not allow parking of vehicles on public streets not in accordance with City ordinances.**

§127.13 SHORT-TERM RENTAL REGISTRATION RENEWAL.

- (A) The application to renew a short-term rental dwelling license shall be submitted no earlier than 60 days and no later than 30 days before its expiration date. If a person fails to apply for renewal as provided herein, he, she or it must apply for a new registration rather than a renewal.**
- (B) Every complete application for a short-term rental dwelling license renewal shall include updates, if any, to the information contained in the previous license application and be signed by the license holder affirming that updated information is accurate and complete.**
- (C) Verifications deemed necessary and proper to ensure continuing compliance with this chapter may be required;**
- (D) Applications shall not be considered complete until all documentation required is submitted; Incomplete applications will not be accepted.**
- (E) A license will be issued only after the full licensure fee has been paid.**
- (F) The renewal application may be denied, in writing, for any of the reasons set forth in § 127.09(F).**

§ 127.14 SUSPENSION OR REVOCATION.

Any action unfavorable to the applicant or licensee, including license denial, suspension or revocation, or decisions related to violations of this subchapter may be appealed to the Rental License Appeals Board.

§ 127.15 RENTAL LICENSE APPEALS BOARD.

- (A) The Rental License Appeals Board shall be comprised of full-time city employees as appointed by the city manager or a designee and shall include at least one staff member selected from the Finance Department and one from the Police Department. The staff board will receive evidence; however, the rules of evidence will not govern the proceeding. The staff board will issue a written finding as to each alleged infraction, specifically identifying each founded accusation, which shall constitute a violation.**
- (B) The Rental License Appeals Board shall be empowered to hear appeals and conduct hearings arising from:**

1. The denial of an application for a short-term rental dwelling license;
 2. The denial of an application for renewal of a short-term rental dwelling license; and
 3. Conduct that may give rise to suspension or revocation of a license.
- (C) Upon receipt of an appeal, or in the case of a hearing for possible suspension or revocation, the Board shall set a date for a hearing and shall notify the applicant or licensee. Except upon mutual agreement by the applicant or licensee and the city, the hearing shall be held not less than three days and not more than 45 days from the date the appeal is received.
- (D) If the applicant or licensee fails to appear at a properly scheduled hearing before the Board, the Board shall summarily affirm the action, unless the applicant or licensee shows good cause for his or her failure to appear.
- (E) At the hearing before the Board, the city shall present evidence supporting the appealed action. The applicant or licensee shall be given an opportunity to show cause why the appealed action should be modified or reversed. The burden of proof shall be upon the city to demonstrate that the appealed action was permitted by the provisions of this chapter.
- (F) The Rental License Appeals Board may:
1. Affirm the action;
 2. Reverse the action; and/or
 3. Modify the action by reversing with conditions or granting an extension of time for the performance of any act required where there is a practical difficulty or undue hardship connected with the performance of any act required by the provisions of this chapter, provided that such extension or other action shall be consistent with the general purpose of this chapter to ensure the public health, safety and welfare. Where conditions are imposed or additional time is granted, the Board may delay final action and continue the matter to a later date in order to ensure compliance.
- (G) The decision of the Rental License Appeals Board shall be reduced to writing and shall be final unless continued. The written decision shall

be mailed or hand delivered to the appellant and the short term rental agent.

- (H) Any aggrieved party to a final decision of the Board may appeal, within 30 days of the date of the issuance thereof, to the city's Code Enforcement Board for a hearing pursuant to § 92.18 of the Covington Code of Ordinances.
- (I) Any decision of the Code Enforcement Board adverse to the appellant shall indicate that the appellant has a right to appeal to the Kenton County Circuit Court in accordance with the Rules of Civil Procedure.

§ 127.16 SHORT-TERM RENTAL DWELLING LICENSE FEES.

- (A) The fee for the issuance of the initial license shall be \$500.00 effective November 1, 2023. The fee shall be \$30.00 for all licensure applications received prior to November 1, 2023.
- (B) The fee for renewal of the license shall be \$250.00.
- (C) A code enforcement re-inspection fee of \$100.00 shall be charged if the unit has to be re-inspected because it failed to meet the standards set forth in this chapter or if the owner or rental agent failed to appear for a scheduled inspection.
- (D) A re-inspection fee of \$150.00 shall be charged if the owner or rental agent fails to appear for a scheduled inspection for a second time.
- (E) Short-term rental units that were operated without a license shall be charged a fee of equal to three times the amount of the license fees set forth above.

§ 127.17 DUTIES OF THE CODE ENFORCEMENT DIVISION.

- (A) The Code Enforcement Division shall maintain a file for each license and maintain a records of violations for each unit, inspection reports and responses to complaints.
- (B) The Code Enforcement Division shall make available, as a convenience, an inspection checklist to each applicant identifying code requirements specially applicable to short-term rental units, including:
 - 1. smoke detector requirements;

2. carbon monoxide detector requirements;
3. fire extinguisher requirements;
4. Mandated posting of a clearly marked emergency evacuation plan for the premises; and,
5. Shared stairways or entrances are required to be unobstructed, secure, and sanitary.

(C) Establish a waiting list for applications.

§ 127.18 SHORT-TERM RENTAL HOSTING PLATFORM OBLIGATIONS.

All hosting platforms through which short-term rentals within the city are listed, advertised, solicited or otherwise held out for rent shall provide a field on the platform to allow operators to input short-term rental license numbers. A hosting platform which does not provide a field for the license number shall be ineligible to provide services for short-term rentals in Covington.

§ 127.19 TRANSITION RULES

- (A) Any person holding more than four short-term rental dwelling licenses on the date this Chapter is passed shall be permitted to maintain and renew all short-term rental dwelling licenses held at said time.
- (B) All short-term rentals licensed as of the effective date of this Chapter shall be permitted to continue operation and are eligible for renewal without regard to the density or maximum number limits imposed by this ordinance.
- (C) During the transitional period (prior to adoption of revised zoning regulations) short-term rental license applications will be accepted and evaluated pending the issuance of conditional use zoning permits to be issued by the Board of Architectural Review and Development (BOARD) as applicable.
- (D) Short-term rental license applications will be reviewed in the order received.
- (E) Applications received prior to November 1, 2023 will proceed with a \$30 fee; applications received after November 1, 2023 will require the new application fee of \$500 as outlined in this ordinance.

- (F) Any Person that applied for a short-term rental license during or prior to the moratorium will need to reapply using the new application process and forms. Those that previously applied will have 30 days from the adoption of this ordinance to submit new applications to hold your place in queue. All applications received after 30 days of adoption will be processed in the order received.
- (G) Short-term rental license will only be issued upon the receipt and acceptance of short-term rental applications that have provided all necessary supporting documentation, including zoning approval.

§ 127.99 PENALTIES.

- (A) Accumulated Violations: When a short-term rental agent has accumulated three violations for the same unit within a period of twelve consecutive months, the city shall revoke any pending or issued licenses and reject all applications for that particular property for a period of 12 consecutive months from the date of the final decision.
- (B) Operating without a license. Operating a short-term rental without a license shall constitute a civil offense and any person who violates § 127.03 shall be subject to a civil fine of up to \$500 per day. In addition, a person guilty of operating a short-term rental without a license shall be ineligible to apply for a license for that particular property for a period of twelve consecutive months from the date of the final decision.

Section 2

That this ordinance shall take effect and be in full force when passed, published, and recorded according to law.

MAYOR

ATTEST:

CITY CLERK

Passed: _____ (Second Reading)

_____ (First Reading)

DRAFT