

ORDINANCE

By Frey

Amending Title 13 of the Minneapolis Code of Ordinances relating to Licenses and Business Regulations.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That the Minneapolis Code of Ordinances be amended by adding thereto a new Chapter 351 to read as follows:

CHAPTER 351. SHORT TERM RENTAL HOSTING PLATFORMS

351.10. Definitions. Whenever used in this chapter the following words shall have the meanings indicated.

License. A short term rental hosting platform license.

Licensing official. The official designated to supervise the licensing and consumer services functions provided by this Code pursuant to section 259.10.

Short term rental hosting platform. A person or entity that participates in the short-term rental business by providing, and collecting or receiving a fee for, booking services through which an owner may offer a dwelling unit, or a portion thereof, for tourist or transient use. Hosting platforms usually, though not necessarily, provide booking services through an online platform that allows an owner to advertise the dwelling unit through a website provided by the hosting platform and the hosting platform conducts a transaction by which potential tourist or transient users arrange tourist or transient use and payment, whether the tourist or transient pays rent directly to the owner or to the hosting platform.

Short term rental property. A short term rental property is a residential dwelling required by Chapter 244 to operate pursuant to a rental dwelling license or short term rental registration providing tourist or transient occupancy for a period of less than thirty (30) consecutive days for a fee.

351.20. License Required. No person shall engage in the activity of a short term rental hosting platform in the city without a license issued pursuant to this chapter.

343.30. Short term rental hosting platform license fee and license term. (a) The annual fee for the issuance or renewal of a short term rental hosting platform license shall be as is listed in the license fee schedule. The license fee shall be paid as a precondition to issuance or renewal of the license.

(b) Except for the initial license period, a short term rental hosting platform license shall be issued or renewed for a one (1) year license term starting on November 1st of each year.

(c) A short term rental hosting platform license is non-transferable.

351.40. Short term rental hosting platform license application. Application for the issuance or renewal of a short term rental hosting platform license shall be made in writing to the licensing official on forms provided by the licensing official and signed and sworn to by the applicant or, if the applicant is a corporation, limited liability company, or partnership, by its authorized agent. Each application, in addition to any other information that the licensing official may reasonably require in connection with issuance or renewal of a license, shall contain the information required by this section.

(a) If the license applicant is an individual:

(1) The individual's full name, social security number, residence address, business address, business e-mail address and business telephone number; and

(2) Proof that the applicant is at least eighteen (18) years of age.

(b) If the license applicant is a corporation:

(1) The corporate name, business address and telephone number of the applicant and a primary contact person at the corporation including name, title, telephone and electronic mail address;

(2) The date and state of incorporation;

(3) The full names, titles, business addresses, business e-mail addresses and business telephone numbers of its corporate officers, and of those stockholders who own twenty-five (25) percent or more of its voting shares, and of its authorized agent, and any other information reasonably and legally needed to identify such individuals; and

(4) Proof that the corporation is in good standing under the laws of the State of Minnesota.

(c) If the license applicant is a partnership or limited liability company:

(1) The name, business address or principal office address and telephone number of the applicant and a primary contact person at the partnership or company including name, title, telephone and electronic mail address;

(2) The full names, date of birth, residence addresses, e-mail addresses and residence telephone numbers of the three (3) members who own the highest percentage interests in such partnership or limited liability company;

(3) The general partner of a partnership;

(4) The managing member of a limited liability company;

(5) The applicant's authorized agent;

(6) Any other member who owns a twenty-five (25) percent or more interest therein;

(7) The full name, address, e-mail address and telephone number of a person authorized to receive notices issued pursuant to this chapter; and

(8) Proof that all persons, partners, managers, managing members and members, as applicable, are at least eighteen (18) years of age.

351.50. Short term rental hosting platform, qualifications for license. In order to qualify for a short term rental hosting platform license, whether upon initial application or upon application for renewal of a license, an applicant must meet the requirements of this section.

(a) An applicant shall be in compliance with all applicable city, state and federal laws and ordinances.

(b) With respect to any corporate or limited liability company applicant, the company shall be organized, registered, or qualified to do business under the laws of the State of Minnesota.

(c) The applicant(s) shall be the true beneficial owner(s) of the short term rental hosting platform to be licensed. The provisions of Minnesota Statutes, Chapter 364 shall govern the eligibility of an applicant or license holder to acquire or maintain a short term rental hosting platform license based on a prior or present criminal conviction or convictions.

(d) In cases where rental fees for lodging are collected by the hosting platform, the applicant shall comply with all requirements of the State of Minnesota Department of Revenue to accurately collect and remit sales taxes and any other applicable taxes attributable to short term rental transactions occurring in the City of Minneapolis.

351.60. Short term rental hosting platform license, investigation and issuance. Upon receipt of an application for the issuance or renewal of a license, the licensing official, the director of regulatory services, and the chief of police and those officials' authorized representatives may investigate the application for compliance with all applicable provisions of this Code, including but not limited to, the applicant's compliance or ability to comply with the requirements specified in this Code.

351.70. Requirements, records and reporting. (a) Each licensee shall provide, or make available for inspection, the data required by this section to the licensing official, at such times and in a format and manner prescribed by the licensing official. Data provided pursuant to this section shall be deemed to be not public data to the extent permissible under the Minnesota Government Data Practices Act or other applicable law. To the extent required by applicable law, a licensee shall be entitled to an opportunity for pre-compliance review which may entail an expedited review of any objected-to records request by a municipal hearing officer. The hearing officer shall affirm the records request upon a showing by the city that access to the records is reasonably calculated to effectuate and further the lawful regulatory duties created by this Chapter and existing law, and that no other lawful reason to quash or modify such request has been demonstrated. To the extent permitted by law, the decision of the hearing officer may be appealed to and reviewed by the district courts of the State of Minnesota.

(b) Every licensee shall keep accurate books and records of account of the licensee's operations at the licensee's place of business for a minimum of three (3) years, including:

(1) A list of property addresses in the City of Minneapolis that have allowed the short term rental hosting platform to list, advertise, and or coordinate the short term occupancy of the property; and

(2) The annual number of rental days, amount charged, including all fees and taxes, as needed to audit to determine compliance with tax regulations as required by the Minnesota Department of Revenue; and

(3) Any other commonly retained business records regarding the operations of licensee within the city, including composite, aggregate, or individualized sortable data.

(c) All hosting platforms shall provide a notice to any user listing a dwelling unit located within the City of Minneapolis through the hosting platform's service. The notice shall be provided prior to the user listing the dwelling unit and shall advise the user that Chapter 244 of the Minneapolis Code of Ordinances regulates short term rental of dwelling units, that a rental dwelling license or short term rental registration is required, and that compliance with property maintenance, inspection and other standards is required. The notice shall be in a format approved by the licensing official and the director of regulatory services who may require that such notice link directly to a designated City of Minneapolis informational website or portal.

(d) A short term rental hosting platform licensee shall comply with the requirements of local and state tax collection laws, among any other applicable requirements. Whenever the hosting platform collects rental fees for lodging, it shall collect and remit all required taxes on behalf of the short term rental property owner or operator. A hosting platform shall maintain a record demonstrating that the taxes have been remitted to the Minnesota Department of Revenue or other appropriate agency.

(e) For not less than three (3) years following the end of the calendar year in which the short-term rental transaction occurred, and in response to valid legal process or a lawful request from an authorized city official that provides an opportunity for legally recognized pre-compliance review and appeal, a hosting platform shall maintain and be able to provide for each short-term rental transaction for which a hosting platform has provided a booking service:

(1) The name of the owner or entity who offered a dwelling unit for tourist or transient use;

(2) The address of the dwelling unit;

(3) The dates for which the tourist or transient user procured use of the dwelling unit using the booking service provided by the hosting platform; and

(4) The registration number for the dwelling unit.

351.80. Adverse license action. (a) The licensing official may seek all applicable penalties, including but not limited to fines, license conditions, license suspension, denial, and license revocation in addition to any other lawfully-authorized sanction or relief against any licensee that violates any requirement of this chapter. Before any condition, suspension, revocation, or fine is imposed, or other sanction or relief is ordered, the licensee shall be notified of the specific charges against them and of their right to a hearing.

(b) Any person whose short term rental hosting platform license is revoked or denied under this chapter shall be ineligible to have any interest in, or receive another short term rental hosting platform license under the same or a different name for a period of five (5) years following revocation or denial.

(c) In addition to the powers authorized in this section, the city council may suspend, revoke or deny renewal or impose any other authorized adverse license action against a licensee or applicant in accordance with other applicable sections of the Minneapolis Code of Ordinances, Minnesota Statutes and Rules, or Federal laws and rules.

351.90. Violations and penalties. Violations of the provisions of this chapter may be enforced by any one (1), all, or any combination of the following penalties and remedies:

(1) Violations may be enforced pursuant to section 1.30 of the Minneapolis Code of Ordinances.

(2) Violations may be enforced as administrative offenses pursuant to chapter 2 of the Minneapolis Code of Ordinances.

(3) Violations may constitute just cause for the imposition of adverse license action, including but not limited to license suspension or revocation.

(4) This chapter may also be enforced by injunction, abatement, mandamus, or any other appropriate remedy in any court of competent jurisdiction.

351.100. Duty of platform to remove unauthorized listings. Upon the request and notification by the director of regulatory services, the licensing official, or those official's authorized representatives, a short term rental hosting platform shall promptly remove a property from listing and advertising platforms so as to prevent a booking or leasing of the property when the property lacks a required rental dwelling license or short term rental registration because such license or registration has not been applied for and issued or because it has been revoked, withdrawn, denied or cancelled pursuant to the procedures required by this Code and applicable law.

351.110. Severability. If any portion of this chapter is determined to be invalid or unconstitutional by a court of competent jurisdiction, that portion shall be deemed severed from the chapter, and such determination shall not affect the validity of the remainder of the chapter. If the application of any provision of this chapter to a particular person or property is determined to be invalid or unconstitutional by a court of competent jurisdiction, such determination shall not affect the application of said provision to any other person or property.