

#### DEPARTMENT OF NEIGHBORHOOD SERVICES

# **TOURIST ROOMING HOUSE**

COMMUNICATION FILE ON SHORT TERM RENTALS

ENHANCING DEVELOPMENT • ENGAGING NEIGHBORHOODS • ENSURING SAFETY

## WISCONSIN: SHORT TERM RENTALS BACKGROUND

- Rental units or residential dwelling rented for periods of more than 6 but fewer than 30 consecutive days.
- Wisconsin Statute 66.1014 "Right to Rent Law" establishes the ability for local governments to regulate Short-Term Rentals (STR), but not outright ban them.
- Permitted local restrictions:
  - Obtain Tourist Rooming House Operator license.
  - Limit total number of days in a 365 consecutives day period that the dwelling may be rented not fewer that 180 days.
  - Notification to the clerk of the political subdivision in writing when the first rental within a 365-day period begins.



## WISCONSIN: TOURIST ROOMING HOUSE LICENSE

The State of Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP) requires STR properties to obtain a Tourist Rooming House.

- Wisconsin State Legislature Chapter ATCP 72:
  - authority to prescribe rules for hotels, including motels, and tourist rooming houses
  - enforce these rules for the purpose of protecting public health and safety.
    - ATCP 72.06 Enforcement (Inspections, Reinspections, Orders to Correct Violations)
    - ATCP 72.07 Suspension or revocation of licenses for motels, hotels



### CASE STUDIES: OTHER CITIES REGULATION STRATEGIES WISCONSIN

#### Town of Holland: Municipal Code 280

- A State Tourist Rooming House license
- seller's permit issued by the Wisconsin Department of Revenue.
- license from the Town of Holland issued
- official record provided and kept by a property owner or property manager in which short-term rental guests are required to list their true names and addresses
- There shall not be excessive noise as prohibited, excessive fumes, glare, or vibration, any nuisance activities prohibited
- Requirement of property manager if owner resided more that 35.0 miles for STR

#### City of Madison: Code of Ordinance Ch. 9.29

- A State Tourist Rooming House license
- Zoning Tourist Rooming House Permit (ZTRHP)
- display the ZTRHP number in all advertisings
- all STR properties must be the owner's primary residence\*
- report quarterly with information on who stayed at the property, for how long, the duration of stays, and if the operator or host was present during the stay.
- report where the STR has been advertised in the previous quarter.



### CASE STUDIES: OTHER CITIES REGULATION STRATEGIES WISCONSIN

#### City of Racine: Code of Ordinance Ch.22, Article XVIII

- A State Tourist Rooming House license
- Municipal Room Tax
- Wisconsin Sales Tax
- Must be located within the host's primary residence.
- Temporary order to cease operations construction, sanitary condition, operation or method of operation of the premises creates an immediate danger to health

#### Town of Oconomowoc: Code of Ordinance Ch. 216

- A "Town License" vacation rental establishment license
- minimum of one off-street parking stall shall be provided for every guest bedroom with a maximum of three parking stalls.
- No parking of vehicles on street
- Additional standards dogs, nuisance
- Chronic nuisance activity, as defined in Town of Oconomowoc Chapter 207, then such Town license is subject to immediate revocation by the Town



## CASE STUDIES: OTHER CITIES REGULATION STRATEGIES MIDWEST

#### Cincinnati, OH

- be registered with the city and hosts are required to pay a registration fee and transient occupancy tax prior to advertising.
- limits the number of STR units per building with 5 or more units
- properties must abide by zoning districts and can only operate within residential zones for residential activities.

#### Cleveland, OH

- requiring the applicant to notify adjacent properties of their intent to operate as a STR
- If the property owner does not occupy the property year-round, they must attain approval from the City Planning Development Director
- statutes outline record-keeping requirements of all registered STR properties and monitoring noise complaints.



# **MILWAUKEE: TOURIST ROOMING HOUSE LICENSE**

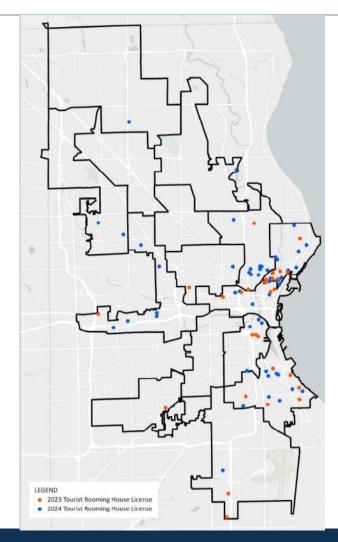
- MCO 275-20: Licensing of Licensed Dwelling Facilities
  - Adoption of chapter ACTP 72:
    - Application
    - Plan of Operation
    - Inspections
    - License Renewal
- MCO 85-11: License and Permit Procedures
- MCO 200-33-26: Licensed Dwelling Facilities (FEES)
- DNS is responsible for reviewing Tourist Rooming House License applications and ensuring that applicants are in compliance with building safety standards prior to issuing the license.
- Application process includes an inspection of the property conducted by DNS prior to the issuance of the license and sanitarian inspections once every 3 years
- Average days STR 40 days a year



#### MILWAUKEE: TOURIST ROOMING HOUSE LICENSE

Fee	Cost
Initial license	\$300
Annual renewal	\$121

	2022	2023	2024
Total of TRH	25	60	80
Total of Revenue	15,929.10	24,664.40	\$30,805.06*
*State re-imbursement of 12% has not been calculated.			





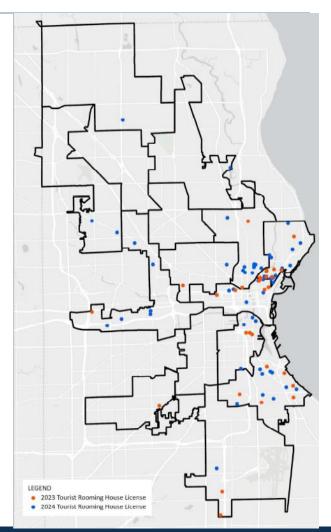
### TRH REGULATORY PROCEDURES IMPACT

- TRH license application remains available through DNS.
- In order to address concerns of unregistered operators, neighborhood nuisance, displacement, and changes to community character, the City will need to own a master list of all STRs located in Milwaukee.
- Cost effect of adequate resources for dedicated full time personnel, technology and software, training and other administrative needs for proactive enforcement (500k -1M)



## **MILWAUKEE: TOURIST ROOMING HOUSE LICENSE**

- MCO 275-20: City Attorney's Office opinion as relates to:
  - MCO 275-20.4 Plan of Operation
  - MCO 275-20.15 Revocation or Suspension
  - MCO 275- 20.17 Causes for Non Renewal, Suspension or Revocation
  - MCO 275-20.22 of fees related to reported operators without a license
- Increase compliance by collaboration with short term rental platforms
  - operators like Air BnB are starting to be proactive in reminding their operators for the need to obtain/renew their TRH license
- Increase community outreach on reporting and managing STR
  - DNS HomeSafe
  - Website
  - Other Department's Promotion







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