



Consider Short Term Rental Ban Ordinance

BACKGROUND

At the May 6, 2024 [Council meeting](#), the Council discussed potential options for Short Term Rentals (STR), which ranged from adding new regulations and fees to a ban for rentals under 30 days. While the Council discussed several options, direction was given to staff to provide information about what a ban for rentals under 30 days would look like. At the September 4, 2024 [Council meeting](#), staff provided Council with information about a ban on rentals for less than 30 days. Council requested additional information before making a recommendation. At the September 16, 2024 [Council meeting](#), the Council discussed the revenue potential for collecting a Transient Guest Tax on short term rental stays. Upon hearing from the public and having further discussion, Council directed staff to draft a ban on rentals under 30 days. Council asked staff to bring back their best recommendation for a phase out approach.

Prior to this discussion, the City Council had a [work session](#) on April 24, 2023 to discuss next steps in the housing discussion related to the R-1 zoning areas. At the work session, Council completed a prioritization exercise to provide staff direction for which areas to address first. The top two [results](#) were updating the Neighborhood Design Guidelines and researching further regulations and/or fees for STRs.

Currently STRs (including Airbnb, VRBO, etc.) are required to obtain a rental license to operate in Prairie Village. The rental license process is the same for both long-term and short-term rentals. The license must be renewed annually for \$77 and requires an annual exterior inspection to ensure compliance with the Property Maintenance Code. Any property owned by someone outside of Johnson County, Kansas must identify a local resident agent/manager. Currently there are 833 active or pending rental licenses in Prairie Village, which is a combination of long- and short-term rentals. While we don't track it specifically, we believe the vast majority of these rentals are long term rentals. We estimate there are 30 STRs in Prairie Village.

DISCUSSION

Consistent with the Council's direction, a ban on short-term rentals is proposed. Details are included below and on the attached proposed ordinance.

Considerations were given by staff concerning not only the prohibition on short-term rentals, but also the consequences concerning violations of the same. Based on Council's direction and staff's deliberations, there are two contemplated consequences. First, violations shall result in a fine up to \$500.00 per day. Second, violations can result in a denial of a prospective license or a revocation or suspension of an existing license. For this second option, an owner can appeal the city clerk's decision, which would come before the governing body for a hearing.

The below language is proposed to be added into the Prairie Village City Code Section 5-706, after the existing language which details that a rental license is required. The new Section 5-706 would read in its entirety:

- (a) No residential structure used for rental purposes shall be occupied without the owner first making application to the city for the occupation license required herein and maintaining such

license in force and effect. No residential structure may be occupied if the occupational license for the residential structure is revoked. The city clerk may declare a residential structure used for rental purposes to be uninhabitable if a valid occupational license for such structure is not in effect and, at the direction of the governing body, may commence civil actions to evict persons residing in such structures.

- (b) *Short-Term Rental Prohibited.* No person, firm or corporation shall lease or rent, or offer for lease or rent, a lot or any structure thereon (including without limitation a dwelling, garage, or pool house), or any portion of the same (e.g., a room or rooms within a dwelling) for a period of less than 30 days. Owners who are in violation of this section shall be punished by a fine of up to \$500.00. Each day that a violation continues shall constitute a separate offense. A license shall not be granted and may be suspended or revoked by the city clerk if the owner violates this subsection (b). The finality and potential appeal of such a denial, suspension, or revocation shall be governed by the procedure of Section 5-708(c).

If the Council decides to move forward with passing the proposed amendment and enacting a ban on short-term rentals, staff recommends an enactment date of November 1, 2025. The Code would not be in force until that date, and short-term rentals would continue to be permitted until that time, while still subject to all other City codes, including nuisance codes.

This timing is contemplated:

- To allow dissemination of information concerning the upcoming change;
- To provide property owners ample time to choose to change the use of their property or consider divestment of the property;
- To allow those who have existing bookings to have those bookings honored through that time period; and
- To minimize difficulties and uncertainties for both staff and property owners in considering any form of phase out, rolling enforcement based on license renewal date, or refund processes for rental licenses.

Once published and final, City communications would convey this update, and the specific rental application form would also include a notice of the upcoming enactment. During the months from publication until the effective date, staff intend to gather from each renewal and new application whether they are contemplating short-term rentals. This data collection will aim to help effectively communicate the potential upcoming ban both during the renewal and application process, and to potentially follow-up directly closer in time the effective date with such license holders. Additionally, if the ban is passed, this would be communicated to third-party platforms that specialize in short-term rentals, and staff would work with those platforms to seek their compliance in only offering rentals that are a minimum of 30 days.

Staff is seeking confirmation of these recommendations before bringing back an Ordinance for adoption at the next meeting.

ATTACHMENTS

Draft Ordinance 2499

PREPARED BY

Alex Aggen, City Attorney

Nickie Lee, Deputy City Administrator

Date: September 30, 2024

ORDINANCE NO. 2499

AN ORDINANCE REGARDING RENTING RESIDENTIAL PROPERTY FOR A MINIMUM DURATION OF THIRTY DAYS, AMENDING SECTION 5-706 (LICENSE REQUIRED) OF ARTICLE 7 (RESIDENTIAL RENTAL PROPERTIES), CHAPTER V (BUSINESS REGULATIONS), OF THE CODE OF THE CITY OF PRAIRIE VILLAGE.

WHEREAS, the City Council has considered the presence, benefits, and concerns regarding the use of rentals within the City, and has after consideration of the issues decided that rentals for a period of less than thirty (30) days should not be permitted under the City's rental licensing program; and

WHEREAS, the City seeks to set expectations and allow for increased notice concerning how it will enact a change that will prohibit rentals for a period of less than thirty (30) days; and

WHEREAS, the City desires to provide current rental license holders who might utilize their license for such rentals a substantial time period to be informed of the change, evaluate a change in the use of divestment of their property, and allow existing bookings currently set for the same time period to be honored.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PRAIRIE VILLAGE, KANSAS THAT:

Section 1. Section 5-706 of the Prairie Village Municipal Code will be deleted in its entirety and amended to read, effective November 1, 2025, as follows:

5-706 – LICENSE REQUIRED.

- (a) No residential structure used for rental purposes shall be occupied without the owner first making application to the city for the occupation license required herein and maintaining such license in force and effect. No residential structure may be occupied if the occupational license for the residential structure is revoked. The city clerk may declare a residential structure used for rental purposes to be uninhabitable if a valid occupational license for such structure is not in effect and, at the direction of the governing body, may commence civil actions to evict persons residing in such structures.
- (b) Short-Term Rental Prohibited. No person, firm or corporation shall lease or rent, or offer for lease or rent, a lot or any structure thereon (including without limitation a dwelling, garage, or pool house), or any portion of the same (e.g., a room or rooms within a dwelling) for a period of less than 30 days. Owners who are in violation of this section shall be punished by a fine of up to \$500.00. Each day that a violation continues shall constitute a separate offense. A license shall not be granted and may be suspended or revoked by the city clerk if the owner violates this subsection (b). The finality and potential appeal of such a denial, suspension, or revocation shall be governed by the procedure of Section 5-708(c).

Section 2. Section 5-706 of the Prairie Village Municipal Code, in existence as of and prior to the adoption of this ordinance, is repealed, effective on November 1, 2025.

Notwithstanding this future effective date, this ordinance shall take effect and be in force from and after its publication in the official city newspaper as provided by law.

PASSED by the City Council of the City of Prairie Village, Kansas on _____, 2024.

APPROVED:

Eric Mikkelson, Mayor

ATTEST:

Adam Geffert, City Clerk

APPROVED AS TO LEGAL FORM:

Alex Aggen, City Attorney