

**CASS COUNTY
REQUEST FOR BOARD ACTION**

**ITEM: Public Hearing 2nd Reading of
the Short-Term Rental Ordinance
2024-04**

Requested Board Date: November 5, 2024	Originating Department Environmental Services
Presenter: Jeff Woodford	Requested Time: Click or tap here to enter text.
Agenda Type: Regular Agenda	
Confidential: No	
<p>Suggested Action:</p> <p>Motion to approve the 2nd reading of the Short-Term Rental Ordinance 2024-04, which proposes to enact Ordinance 2024-04 regulating Short Term Rentals in Cass County and establish a public hearing during the Regular November 19, 2024, County Board Meeting, beginning at 9:00 AM at the Land Department Building in Backus for the 3rd reading and final adoption of the Short-Term Rental Ordinance 2024-04.</p>	
<p>For Discussion:</p> <p>At their May 13, 2024, meeting the Cass County Planning Commission voted unanimously to make a formal request to the Cass County Board of Commissioners to research and draft regulations related to Short-Term Rentals.</p> <p>During the May 21, 2024, regular Cass County Board of Commissioners meeting, The Commissioners received the request and remanded back to the Planning Commission to develop and conduct a first reading(s). The Short-Term Rental Ordinance was publicly noticed for 30 days beginning August 9, 2024, with the first hearing scheduled for September 9, 2024. Notifications were sent to all townships and affected agencies and the draft ordinance was posted on the County website. During the first reading on September 9, 2024, it was determined that additional time was needed to evaluate proposed edits and the hearing was continued. The continuance of the first reading was scheduled for October 14, 2024. The Cass County Planning Commission voted unanimously to pass the proposed Short Term Rental Ordinance to the County Board.</p>	

ORDINANCE NO. 2024-04

Cass County Short-Term Rental Ordinance

Effective Date: XX/XX/XXXX



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Section 1 Purpose, Jurisdiction, & Objectives

Subdivision A. Purpose

It is the purpose and intent of this Ordinance to regulate short-term rental units within Cass County. To continue the allowed use of short-term rental units, but also to mitigate possible adverse impacts to the health, safety, welfare, and quality of life of surrounding properties, as well as water and environmental quality, through the establishment of a licensing program for the review and approval of short-term rental unit operations.

Subdivision B. Jurisdiction

The provisions of this Ordinance shall apply to all unincorporated areas of Cass County, Minnesota zoned Shoreland Residential, Water Oriented Commercial, Commercial, Rural Residential-1, Rural Residential-2.5, or Rural Residential-5, and incorporated areas by agreement.

Subdivision C. Objectives

- A. To provide and enforce standards for the maintenance of short-term rental units.
- B. To provide local governance to promote health, safety, and wellness to Cass County citizens and patrons of short-term rental units.

Section 2 Definitions and General Provisions

Subdivision A. Definitions

Unless specifically defined below, words or phrases used in this Ordinance shall be interpreted to give them the same meaning they have in common usage and to give this Ordinance its most reasonable application.

- A. "Bedroom" means, an area that is (A)-a room designed or used for sleeping; or (B)-a room or area of a dwelling that has a minimum floor area of 70 square feet with access gained from the living area or living area hallway. Architectural features that affect the use as a bedroom under this item may be considered in making the bedroom determination.
- B. "Guest" means people who are invited to a short-term rental unit for portions of the day but are not staying overnight.
- C. "Improved Parking Space" means an area used for the parking or storage of vehicles that is overlaid or otherwise paved with concrete, asphalt, gravel, or other hard aggregate surfaces.
- D. "Occupant" means people who are staying overnight at the short-term rental unit.
- E. "Owner" means the property owner of record of the subject real estate located in Cass County.
- F. "Owner's Authorized Agent" means a person who has written designation to act on behalf of the owner who is available 24 hours a day, seven days a week, and is able to respond to complaints within one (1) hour, whenever the property is rented for short-term rental unit purposes.
- G. "Parcel" means a unit of residential real property that has been given a parcel identification number maintained by the County.

- H. "Short-Term Rental Unit" means any home, cabin, condominium, or similar building that is advertised as, or held out to be, a place where sleeping quarters are furnished to the public on a nightly, weekly, or for less than a 30-day time period and is not a commercial PUD, bed and breakfast, resort, hotel, or motel.
- I. "SSTS" means "Subsurface Sewage Treatment System" and is either an individual subsurface sewage treatment system as defined in subpart 41 of rule 7080.1100 or a mid-sized subsurface sewage treatment as defined in subpart 4 of rule 7081.0020, and Article 37 of the County Land Use Ordinance, as applicable.
- J. "Travel Trailer" means a recreational vehicle built on a single chassis with a rigid walled shelter, mounted on wheels, and has a gross trailer area not exceeding 400 square feet. For the purposes of this Ordinance, the term travel trailer is synonymous with the term "recreational vehicle."

Subdivision B. Severability

If any section, clause, provision, or portion of this Ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this Ordinance shall not be affected thereby.

Subdivision C. Enforcement

Any violations of this Ordinance may result in enforcement as noted under Section 6.

Section 3. Annual License Required

- A. No short-term rental unit may be operated without a valid short-term rental unit license issued pursuant to this Ordinance.
- B. Short-term rental units that advertise as thirteen (13) or more occupants or advertise as six (6) bedrooms or more, must first obtain a Conditional Use Permit prior to applying for a license.
- C. All existing short-term rental unit operations as of the enactment date of this Ordinance shall apply for a license from the County prior to March 1, 2025.
- D. Existing short-term rental units shall have until January 1, 2026, to comply with Section 5, Subdivision B and Section 5, Subdivision D of this ordinance.
- E. All new short-term rental unit operations as of the enactment date of this Ordinance shall obtain a license from the County prior to commencing operations.
- F. All short-term rental unit licenses are an annual license and must be renewed each year. License renewal applications for rental operations in the following year must be submitted prior to any rental activity. Licenses are valid from January 1 – December 31 each year, unless revoked under Section 6 of this Ordinance.
- G. The Owner or Owner's Authorized Agent shall permit access to the property and all permitted units at any reasonable time for the purpose of inspection upon the request of Cass County.
- H. An approved license provides no vested rights.
- I. A County license is not required in unincorporated areas where a township has adopted and enforces an ordinance at least as restrictive as this one.

Section 4. License Application

Cass County Environmental Services Department (ESD) shall be responsible for the implementation and enforcement of this Ordinance.

Subdivision A. Application Requirements

The following information shall be provided to the County on the short-term rental unit license application:

- A. The full name (First, Middle, Last), mailing address, email address, and telephone number of the Owner of the short-term rental unit structure(s) for which the license is to be issued. If the property is owned by a parcel/business or corporation, the CEO or Designee is responsible for obtaining the license in their personal name.
- B. Physical address (E911) and parcel identification number.
- C. The name, address, telephone number, and email address of the Owner's Authorized agent for the short-term rental unit who is available 24 hours a day.
- D. A current SSTS compliance inspection with design flows that are in accordance with the standards listed in the Cass County SSTS Ordinance and Minnesota Rules, Chapter 7080-7083.
- E. A site plan, drawn to scale, including property lines, dimensions of the property, all structures, parking areas (including number of spaces), and SSTS location.
- F. A plan for garbage and recycling disposal.
- G. All other information that is requested on the short-term rental Unit License Application.
- H. No application for an initial or renewal license will be accepted if there are past due property taxes on the property described in the license application.
- I. No license will be issued if there are pending permits and/or open enforcement cases related to the property.
- J. No license will be issued if the property has three substantiated violations within the prior calendar year prior to application for a license.

Subdivision B. Application Process

Once a complete application is received along with the supplemental information and payment of fees, Cass County will issue or deny the license in accordance with the timelines established under Minnesota Statute 15.99, (Within 60 days) during which time the County may contact the Owner or Owner's Authorized Agent for additional information. If the license is denied, a letter will accompany the denial explaining the reasons for the denial, administrative fees may be retained by the County for processing the denied application. The Owner or Owner's Authorized Agent may reapply once the conditions surrounding the application denial are corrected.

Section 5. General Requirements

Subdivision A. License Requirements

- A. The County shall issue a license containing the following:
 1. The physical address of the property to be rented.

2. The Owner's name and contact information, including mailing address, phone number, and email address.
3. The Owner's authorized agent's name and contact information, including mailing address, phone number, and email address.
4. The number of bedrooms that are approved to be rented.
5. The number of occupants that the rental unit is approved for.
6. The number of vehicles and trailers that are approved for parking at the rental unit.
7. Other items as deemed necessary for the administration of this Ordinance by ESD.

Subdivision B. Septic

- A. The short-term rental unit must be connected to an approved SSTS or served by a central sanitary sewer system.
- B. A valid Certificate of Compliance, which is a certificate that was issued on a new septic system installed within the past five (5) years OR a copy of a passing compliance inspection form that was performed within the past three (3) years.
- C. Holding tanks may be allowed for rental units provided that the following requirements are met:
 1. A state licensed SSTS designer has determined that there is no suitable location on the parcel for a drainfield.
 2. The holding tank(s) are sized for the number of bedrooms according to the Cass County SSTS Ordinance and Minnesota Rules 7080.
 3. An electronic alarm with a light and buzzer shall be installed notifying occupants that the holding tanks are at capacity. The alarm shall have the capacity to send a notification to the Owner/Owner's authorized agent when an alarm is triggered. Information shall be posted in the rental unit with whom to contact should the alarm be triggered.
 4. Existing manual bobber alarms must also remain as a redundant alarm.
 5. The property must obtain a residential Operating Permit, and a contract with a state licensed septic maintainer to pump out the holding tanks must be submitted each year for a license renewal including pumping records from the previous year. Pumping records shall not be required for the initial license application.
- D. At least once every three (3) years thereafter, the Owner or Owner's Authorized Agent shall provide an updated certificate of septic testing showing that the system is compliant for the number of bedrooms indicated in the application.

Subdivision C. Solid Waste

- A. Disposal of solid waste must comply with the Cass County Solid Waste Ordinance.
- B. Clearly marked recycling containers shall be provided in addition to garbage containers, along with a handout describing what is and what is not recyclable.
- C. Garbage, refuse, or recycling shall be stored completely enclosed within designated refuse containers. The owner or operator of the rental unit shall provide sufficient trash storage containers and service to accommodate the demand of the occupants.
- D. All garbage, trash, and recycling shall be removed from the premises frequently to prevent nuisance and unsightly conditions and shall be kept clean and in good repair. All garbage and trash shall be kept in fly-tight, water-tight, rodent proof containers.

- E. E. All solid waste containers will be kept within the property boundary except on the night before and the day of service for roadside pick-up.

Subdivision D. Occupancy/Guests

- A. The overnight occupancy of a short-term rental unit shall be limited to the size of the SSTS or the number of bedrooms, whichever is more restrictive.
 - 1. No more than three (3) people per bedroom plus one (1) additional person per unit.
 - 2. The SSTS shall have a design flow of seventy-five (75) gallons of water per person per day.
- B. Occupants under the age of three (3) do not count towards the maximum occupancy limit.
- C. Licensee shall not advertise the property as containing any more than the number of bedrooms identified on the license.
- D. Licensee shall not advertise the property as available to more occupants than the occupancy limit identified on the license.
- E. Guests to the property shall be limited by the number of vehicles that can fit into the parking spaces available as allowed under Subdivision H.
- F. No buses or other vehicles shall be used to shuttle occupants/guests.

Subdivision E. Accommodations

- A. Use of accessory structures, travel trailers, tents, yurts, fish houses, or other temporary structures is prohibited to be used as short-term rental units.
- B. No more than one (1) short term rental unit will be allowed per parcel; however, a single short-term rental unit listing may utilize up to two (2) structures on the same parcel.

Subdivision F. Aquatic Invasive Species (AIS)

- A. Information relating to AIS shall be prominently displayed in each short-term rental unit to help prevent the spread and introduction of AIS.
- B. The following notice must be provided to all guests upon reservation in advance of when they arrive at the property.
 - 90% of Cass County lakes Do Not have any aquatic invasive species!
 - Cass County requests that visitors follow requirements in Minnesota law including:
 - Clean watercraft, trailers, gear, and equipment to remove aquatic plants and prohibited invasive species prior to leaving for Cass County.
 - Dry watercraft and equipment for at least five days before using in another water body.
 - Decontaminate watercraft and equipment – find free stations on the courtesy decontamination webpage of the DNR website (mndnr.gov/decon).
 - Drain all water and leave drain plugs out during transport.
 - Dispose of unwanted bait in the trash.
- C. Guests should be encouraged to use boats and other watercraft provided by the owner.

Subdivision G. Noise

- A. Quiet hours are between 10 pm to 8 am, Sunday through Thursday; and 12 am to 8 am, Friday and Saturday. The owner of the short-term rental unit is expected to enforce this rule. Failure to do so may result in enforcement action as provided in Section 6.

Subdivision H. Parking

- A. Parking cannot restrict access by emergency vehicles or the traveling public and shall not impede any ingress or egress of the property owner. In addition, parking cannot encroach upon or disturb neighboring properties.
- B. Parking shall be accommodated completely on-site, off-street, and in designated improved spaces. Parking and/or vehicle storage shall not occur in or on yards, boulevards, septic systems, or other green spaces. Rustic cabins that utilize unimproved areas as the only source of parking must state that in their license application, and the number of approved spaces shall be defined by ESD.
- C. Upon approval by ESD, trailers may be parked outside of designated improved parking spaces.

Subdivision I. Special Events

- A. Special events are allowed so long as the occupancy requirements do not exceed those outlined in Section 5, Subdivision D.

Subdivision J. Pets

- A. If pets are allowed, they must be kept within the property boundary by leash, tie out, or other electronic device. Pet waste disposal instructions must be provided by the Owner.

Subdivision K. Property Contact Information

- A. The Owner or the Owner's Authorized Agent shall keep on file, with the County, and shall notify each renter, in writing, of the contact information for the Owner or Owner's Authorized Agent who shall be available 24 hours a day, seven (7) days a week, whenever the property is being rented for short-term rental unit purposes. The Owner or the Owner's Authorized Agent shall respond to any issue or complaint raised within one (1) hour of any such point of contact being notified of the issue or complaint. Property contact information shall be accessible to the public 24/7 on the Cass County Website.

Subdivision L. License Fees

- A. License fees will be established by the Cass County Board of Commissioners and published in the County Fee Schedule.

Subdivision M. License Transfer

- A. The short-term rental unit license shall not be transferable upon any change in ownership of the licensed property, or otherwise.

Subdivision N. Conformance with Existing Regulations

- A. This Ordinance does not ensure compliance with the Minnesota State Fire Code, Minnesota Department of Health Rules, or any other applicable state or federal requirements. It is the

responsibility of the Owner or Owner's authorized agent to comply with all local, state, and federal laws beyond that of this Ordinance and to disclose such compliance to all renters during the time of occupancy.

Section 6. Enforcement

- A. Cass County will investigate all complaints and alleged violations of this Ordinance. Cass County will follow up with all Owners or Owner's Authorized Agents and complainants within a reasonable period of time. The Owner or Owner's Authorized Agent shall address any substantiated complaints/violations as directed by Cass County. All substantiated complaints/violations not resolved as directed will result in enforcement action as provided in Section 6 D.
- B. If three (3) substantiated complaints/violations have occurred at a short-term rental unit within one calendar year, then the license may be subject to revocation as determined by Cass County.
- C. Violation of this ordinance shall constitute a misdemeanor and shall be punishable as defined by Minnesota State Statutes. Violation of this ordinance may result in misdemeanor prosecution, license forfeiture, or both.
- D. Any license revoked under this section will not be reissued for a period of one (1) year from the date of revocation. Short-term rental unit operations may resume only after a new license application is submitted to the County and approved.
- E. For all violations, the Environmental Services Department shall issue the Owner or Owner's authorized agent written findings as to what the violation was, and what the penalty is.

Section 7. Appeals

- A. The procedure for appeals is outlined in Section 802 of the Cass County Land Use Ordinance.

Section 8. Variances

- A. Variances requests under this ordinance shall follow the requirements of Section 801 of the Cass County Land Use Ordinance.

Section 9. County/City Cooperative Agreement

- A. Cass County may provide administration of a short-term Rental Ordinance for a city provided the following conditions are met.
 - 1. A city must initially notify the Environmental Services Department by December 31 in writing of the city's desire for the County to administer a short-term rental Ordinance on behalf of the city for the following year. No notification is required for subsequent years.
 - 2. The city must adopt the County short-term rental Ordinance verbatim.
 - 3. The city must enter into an agreement with the County where the city agrees to be the party responsible for enforcement of the short-term rental Ordinance.