



**To:** West Fargo City Commission  
**From:** Aaron Nelson, Planning Director  
**Date:** February 24, 2025

**Subject:** Draft Short-Term Rental Ordinance

**Action:** Informational/Discussion Item – No Action Requested

**Commission President**

Bernie Dardis

Primary Portfolio:

Administrative Services

Secondary Portfolio:

Police & Fire

**Commission Vice President**

Brad Olson

Primary Portfolio:

Police & Fire

Secondary Portfolio:

Street, Water & Sewer

**Commissioner**

Roben Anderson

Primary Portfolio:

Community & Development Services

Secondary Portfolio:

Administrative Services

**Commissioner**

Rory Jorgenson

Primary Portfolio:

Sanitation

Secondary Portfolio:

Community & Development Services

**Commissioner**

Amy Zundel

Primary Portfolio:

Street, Water & Sewer

Secondary Portfolio:

Sanitation

**City Administrator**

Dustin T. Scott

**Summary and Recommendation:**

At the September 16, 2024 City Commission meeting, the City Commission directed staff to draft, for its consideration, a comprehensive ordinance and licensing structure for the purpose of the regulation and oversight of short-term rentals of residential property. Since then, a multi-departmental team of staff has worked to develop a short-term rental ordinance and licensing structure. At this time, staff seeks general feedback and additional policy direction regarding certain aspects of the draft ordinance from the City Commission, prior to finalizing the ordinance for consideration of approval.

Staff will present the attached ordinance draft and associated materials to the Commission at the February 24, 2025 meeting, for the purpose of discussion and general feedback from the Commission. There is no request for action at this time.

**Policy Analysis:**

Existing City ordinances are silent as to the topic of short-term rentals—they are neither expressly permitted nor prohibited. Short-term rental platforms currently show dozens of homes listed for rent within the City of West Fargo. The Police Department has indicated they've received repeat complaints but have limited ability to address citizen concerns unless other ordinance violations are occurring, such as a noisy party.

**Financial Analysis:**

Staff time and resources will be required to administer and enforce the ordinance and licensing system, if adopted. However, annual licensing fees will generate revenue to help offset these costs. Additionally, the licensing system will help to ensure the collection of required lodging tax.

**Process/Timeline:**

- August 5, 2024 – City Commission directs staff to explore policy options regarding the topic of short-term rentals.
- September 16, 2024 – Staff presents policy options and City Commission directs staff to draft comprehensive ordinance and licensing system for short-term rentals.

- 
- February 24, 2025 – Staff presents draft ordinance for initial discussion, comment, and additional policy direction.
  - March 11, 2025 – Planning & Zoning Commission public hearing and review of ordinance.
  - April 2025 – City Commission public hearing and consideration of ordinance approval.

# DRAFT

## CHAPTER 10-16

### SHORT-TERM RENTALS

#### SECTIONS:

|          |  |
|----------|--|
| 10-1601. | Purpose and Intent                                   |
| 10-1602. | Definitions  |
| 10-1603. | Annual Licensing Requirements for Short-Term Rentals |
| 10-1604. | Operational Standards for Short-Term Rentals         |
| 10-1605. | Penalties for Violations                             |
| 10-1606. | Severability   |

---

#### 10-1601. Purpose and Intent

1. The purpose of this ordinance is to establish regulations for the operation of short-term rental properties within the City of West Fargo. This ordinance aims to balance the interests of property owners, residents, and the community by ensuring that short-term rental properties are operated safely, responsibly, and in a manner that is consistent with the residential character of the neighborhoods in which they operate.

#### 10-1602. Definitions

1. *Short-Term Rental (STR)*: The rental of a dwelling unit or any portion thereof for a period of twenty nine (29) or fewer consecutive days. Short-term rentals are intended for temporary lodging and do not constitute a primary or long-term residence for the guest(s).
2. *Dwelling Unit*: A structure or portion of a structure designed for residential occupancy, including single-family homes, apartments, condominiums, and other similar residential structures; but not including hotels or motels.
3. *Party*: Any gathering, event, or social activity occurring at a short-term rental property that exceeds the intended use of the property for lodging and residential purposes, typically involving a significant number of guests who are not residential occupants of the rental, and may include amplified sound, music, food, drink, and/or other activities likely to disturb the peace, create a nuisance, or violate local ordinances.
4. *Licensed Premises*: A dwelling unit that has a valid license issued pursuant to this chapter allowing short-term rental of such dwelling unit.

5. *Primary Residence*: A dwelling unit in which the owner resides for more than one-half of the year.

#### 10-1603. Annual Licensing Requirements for Short-Term Rentals

1. **License Requirement**: No person shall operate a short-term rental within the City of West Fargo's zoning jurisdiction without first obtaining an annual Short-Term Rental License from the City of West Fargo for the Licensed Premises. The City Auditor, or their designee, shall be responsible for the administration of short-term rental licensing in accordance with this chapter.
2. **Application Requirements**: Property owners looking to become licensed shall submit a Short-Term Rental License application to the City. Along with other information deemed necessary by the City Auditor, the application shall include:
  - A. Address of the short-term rental unit.
  - B. Type of dwelling unit (e.g., single-family home, apartment, condominium).
  - C. Proof of property ownership.
  - D. Proof of liability insurance.
  - E. Proof of ND Sales and Use Tax Permit
  - F. Number of bedrooms and/or sleeping areas available for rent, number and location of off-street parking spaces, and the maximum permitted occupancy pursuant to Section 10-1604.1, "Occupancy Limits."
  - G. Contact information for the property owner and all other applicable property representatives, such as property manager. The applicant must identify one (1) or more persons who will be available to respond within two (2) hours at all times during which the dwelling unit is rented to any issues raised by the renter or the City. Any such person must have access to the dwelling unit and be authorized to make decisions regarding the dwelling unit.
  - H. A signed statement by the owner that the licensed premises is the owner's primary residence and that the owner will, at all times, comply with all the requirements of the license and this chapter. Failure to comply with said requirements will constitute a violation of the provisions of this chapter.
  - I. Payment of the applicable licensing fee, as determined by the City Commission.

3. Ownership Residency: The licensed premises must be the owner's primary residence.<sup>1</sup>
4. Safety and Compliance Inspection: The licensed premises must comply with all applicable federal, state, and local laws. A Short-Term Rental License shall only be issued upon successful completion of a safety inspection, including that the licensed premises complies with applicable fire, building, and health codes.<sup>2</sup>
5. Taxes: Property owners operating a short-term rental are responsible for paying all applicable taxes, including applicable sales taxes in accordance with State law and lodging taxes in accordance with Chapter 10-05 of the City Ordinances. Property owners shall maintain tax records for a minimum of seven (7) years and shall make these records available to the City upon request for compliance purposes.
6. License Term: The term of a Short-Term Rental License shall be for a period of one (1) year; provided, however, that all licenses shall be prorated on a quarterly basis and expire on December 31 of each year unless sooner suspended or revoked.
7. License Renewal: Short-Term Rental Licenses, which have not been suspended or revoked, must be renewed annually, subject to payment of the renewal fee and compliance with all provisions of this chapter. Applications for renewal shall be made at least thirty (30) calendar days prior to the expiration date of the current valid license.
8. Transferability: A Short-Term Rental License is not transferable. A new license is required upon change of ownership of the Licensed Premises.
9. Insurance: Property owners operating a short-term rental must maintain general liability insurance for the licensed premises in the amount of at least \$500,000 at all times. Property owners must provide proof of the required insurance coverage to the City upon request.
10. Private Restrictions/Covenants: A license issued to a person whose premises is subject to private restrictions and/or covenants that prohibit the use of short-term rentals is the sole responsibility of the person applying for the license. The interpretation and enforcement of the private restrictions and/or covenants is the sole responsibility of the private parties involved; the City is in no way responsible for interpreting or enforcing private restrictions and/or covenants.

#### 10-1604. Operational Standards for Short-Term Rentals

---

<sup>1</sup> Many cities restrict STRs to an owner's primary residence, so as to prevent year-round transient rentals and to prevent the operation of income properties by non-residents of a neighborhood. However, not all cities have such provisions.

<sup>2</sup> Safety Inspection to be conducted by the Fire Department.

1. Occupancy Limits: Occupancy is limited to a family of persons related by blood or marriage or a group of not more than five (5) persons who need not be related by blood or marriage.<sup>3</sup>

In no case shall occupancy exceed the maximum allowed by applicable building, fire, or zoning codes. Sleeping areas that are advertised for rent must meet all applicable building and fire code standards.<sup>4</sup>

2. Noise, Maintenance, and Conduct: Short-term rentals shall comply with all applicable City ordinances, including, but not limited to, the City's ordinances relating to noise; snow removal; tall grass and weed control; trash, junk, and debris; nuisances; parking; and property maintenance.

There shall be no exterior signage and no change to the outside appearance of the premises that would reflect the presence of a short-term rental.

Short-term rentals may only be used for overnight accommodations and shall not be used for any gathering meeting the definition of a party.

3. Parking Requirements: Short-term rentals shall provide at least two (2) off-street parking spaces.<sup>5</sup> All guest parking associated with the short-term rental shall be accommodated on site or on that part of the street which immediately abuts the lot. Any parking outside of these requirements can be grounds for a violation.
4. Guest Recordkeeping: Property owners shall maintain records of guest stays, including dates of occupancy, for a minimum of twelve (12) months and shall make these records available to the City upon request for compliance purposes.
5. Advertising and Public Notice:
  - A. All advertising for a short-term rental unit shall include the City-issued Short-Term Rental License number in the listing, as well as the maximum occupancy permitted by this chapter.
  - B. Every licensee of a short-term rental shall post the annual license issued by the City. The annual license shall be conspicuously posted by the licensee in the main entryway of the short-term rental for which they are issued and shall include contact information for the owner and other property representatives.

---

<sup>3</sup> This language is taken from Title IV zoning standards and is the same occupancy restriction that applies to all residential dwellings in the City.

<sup>4</sup> Building & Fire Codes require such things as minimum room size, egress requirements, and fire safety standards, and restrict certain spaces from being used for sleeping areas.

<sup>5</sup> Requirement of 2 off-street parking spaces is consistent with zoning standards for all residential dwelling units. (Hotels require 1 space per guest room.)

#### 10-1605. Penalties for Violations

1. **Enforcement and Penalties:** Any violation of this chapter is an infraction as provided under Section 1-0211 of the City Ordinances, and may also result in administrative fines and/or suspension or revocation of the Short-Term Rental License. Fines shall be established by resolution of the City Commission and may increase with each repeated violation.

Properties identified as operating a short-term rental without a license may be given a compliance period of up to thirty (30) calendar days to apply for a license. After the compliance period, a short-term rental found to be operating in lieu of obtaining proper licensure requirements will be subject to penalties as set forth in this chapter.

2. **Administrative Fines and/or Revocation or Suspension of License:** The City may impose an administrative fine and/or revoke or suspend a Short-Term Rental License for any property that is found to be in violation of this chapter. Administrative fines shall be established by resolution of the City Commission and may increase with each repeated violation. Notice of revocation or suspension must be sent to the licensee by certified mail addressed to the licensee at the address set forth in the application. The Chief of Police shall be notified of the revocation or suspension of the license. The licensee may appeal a revocation or suspension to the Board of City Commissioners and request a public hearing on such revocation or suspension. The licensee must give written notice of its intent to appeal the order of suspension or revocation to the Board of City Commissioners no later than ten (10) calendar days of the date of the suspension or revocation decision. At the close of the public hearing, the Board of City Commissioners shall act to affirm or reverse the original decision.

#### 10-1606. Severability

1. If any section, subsection, sentence, clause, or phrase of this chapter is for any reason held to be unconstitutional or otherwise invalid, such invalidity shall not affect the remaining portions of this chapter, which shall remain in full force and effect.

\*\*\*

## **Proposed Ordinance Updates to Title IV Regarding Short-Term Rentals**

### *Section 1. Additions and Modifications to Definitions*

1. *Dwelling Unit*: One room, or rooms connected together, constituting a separate, independent housekeeping establishment for 1) owner occupancy, ~~or 2) rental or lease on a weekly, monthly, or longer basis,~~ and/or 3) Short-Term Rental licensed in accordance with Chapter 10-16 of the City Ordinances; and physically separated from any other rooms or dwelling units which may be in the same structure;; and containing independent cooking and sleeping facilities.<sup>6</sup>

2. *Short-Term Rental*: The rental of a Dwelling Unit or any portion thereof for a period of twenty-nine (29) or fewer consecutive days, licensed in accordance with Chapter 10-16 of the City Ordinances.

### *Section 2. Addition of Short-Term Rentals to the list of Permitted Uses*

*The following shall be added to the list of Permitted Uses within each residential zoning district:*  
*Short-Term Rental of a permitted Dwelling Unit, licensed in accordance with Chapter 10-16 of the City Ordinances.*

---

<sup>6</sup> The definition of “Dwelling Unit” appears in both the subdivision definitions and zoning definitions of Title IV.





[EXAMPLE]

## SHORT-TERM RENTAL LICENSE APPLICATION

**PERMIT IS VALID FOR ONE (1) CALENDAR YEAR BEGINNING JANUARY 1 AND ENDING DECEMBER 31.\***

\*Permits issued after January 1 in any given calendar year will also expire December 31 of that year. Annual license renewal is required.

### OWNER/PROPERTY INFORMATION

Property Owner Name: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

Address of Short-Term Rental: \_\_\_\_\_

Have you read and familiarized yourself with the City's short-term rental ordinance and licensing information? ( Y / N )

Have you read and familiarized yourself with other City ordinances regarding such items as noise; snow removal; tall grass and weed control; trash, junk, and debris; nuisances; parking; and property maintenance? ( Y / N )

Is the short-term rental property the owner's primary residence (i.e., the owner resides at this address most of the year)? ( Y / N )

Type of dwelling unit (e.g., detached single-family home, duplex, condominium): \_\_\_\_\_

Will you be renting out the entire dwelling unit or specific rooms/areas within the unit? \_\_\_\_\_

If only specific rooms/areas within the unit, please describe. \_\_\_\_\_

What is the sleeping capacity of the rental area? \_\_\_\_\_

List the number and location of off-street parking spaces: \_\_\_\_\_

Do you have liability insurance for the property? ( Y / N ) Amount of coverage: \$ \_\_\_\_\_

### POINT OF CONTACT

Provide at least one (1) point of contact who will be available to respond within two (2) hours to any issues raised by the renter or the City at all times during which the dwelling unit is rented. This may be the owner or an alternative representative. Any such person must have access to the dwelling unit and be authorized to make decisions regarding the dwelling unit.

#### Point of Contact #1

Name: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_

## Point of Contact #2

Name: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_

## Point of Contact #3

Name: \_\_\_\_\_

Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_

## SAFETY AND COMPLIANCE INSPECTION

Prior to the issuance of a Short-Term Rental License, the property must undergo and pass a safety and compliance inspection conducted by the West Fargo Fire Department. Please contact the West Fargo Fire Department to schedule your inspection. You do not need to wait until after the inspection to submit your application. However, the application cannot be approved until the safety and compliance inspection has been passed.

West Fargo Fire Department: (701) 515-5600

## ADDITIONAL APPLICATION MATERIALS

The following application materials must also be submitted to the City in addition to this application form.

| INITIAL HERE | Review and Initial  |
|--------------|---|
|              | Proof of Residency (e.g., driver's license, utility bill statement, bank/credit card statement) |
|              | Proof of Ownership (e.g., copy of deed, County tax statement)                                   |
|              | Proof of Liability Insurance  |
|              | Proof of ND Sales and Use Tax Permit  |
|              | Annual Licensing Fee - \$150.00 (checks made payable to CITY OF WEST FARGO)                     |

## OWNERS STATEMENT OF COMPLIANCE

By signing below, you certify that you are the owner of the dwelling unit for which you seek a Short-Term Rental License, that this property is your primary residence, that the information provided in this application is true and complete to the best of your knowledge, and that you will, at all times, comply with the requirements of the City's short-term rental standards and all applicable laws.

Owner's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# DRAFT

## Short-Term Rental Licensing Process

### Departments & Roles:

1. City Auditor
  - a. Identified by ordinance as the administrator of the licensing process. May delegate authority to other staff.
2. Planning & Building Inspections
  - a. Application Review – Building Code & zoning compliance
  - b. Building Inspectors may support Fire Department with Safety Inspection, when needed
3. Fire
  - a. Application Review – Fire Code compliance
  - b. Safety Inspection
4. Police:
  - a. Application Review – Review of past violations/complaints
  - b. Code Enforcement
5. Finance:
  - a. Application Review – Confirmation of past lodging tax submittals
  - b. Receives lodging tax and maintains lodging tax records
6. Communications
  - a. Licensing Application Software Management
  - b. Website management, including Short-Term Rental information, Fact Sheet/FAQ, and application submittal page.

### Overview of License Application Process Steps

1. Application Submittal
  - a. Applicant completes and submits licensing application on City website (same platform as backyard chicken licenses).
  - b. Applicant contacts Fire Department to schedule a Safety and Compliance Inspection and pay inspection fee.
  - c. Applicant pays fee online (using software platform). Fee is prorated based on quarter of the year at time of application.
2. Application Review
  - a. Application routed to reviewing departments for review & approval (routing automated by the software platform).
  - b. Safety and Compliance Inspection completed by Fire Department
  - c. Reviewing departments approve/deny/request additional information (using software platform).
3. Issuance of License
  - a. City Auditor or their designee issued license once all departments sign-off and fee is paid.
  - b. Copy of license emailed to applicant.
  - c. Application materials, license document, and all other documents archived (using software platform and/or as determined by City Auditor or their designee).

## Post-Licensing Steps:

1. Sales & Lodging Taxes Submitted
    - a. Licensees required to submit lodging taxes to Finance Department on a monthly basis by the 10<sup>th</sup> of each month.
    - b. Finance Department maintains lodging tax records.
  2. Annual Renewal Reminder
    - a. City Auditor (or their designee) emails out license renewal reminder emails to current license holders on or around November 1<sup>st</sup> and November 15<sup>th</sup> of each year.
- 

## Proposed Fee Structure to be Adopted via Resolution<sup>1</sup>

Annual license application and renewal fee shall be as follows:

- \$150.00

Fines for violations of the City's Short-Term Rental ordinance shall be as follows:

- \$250.00 for first offence
  - \$500.00 for second offence
  - \$1,000.00 for third offence
- 

## Ordinance Policy Questions & Considerations

- Should the ordinance include residency requirements or provisions to restrict large-scale/commercial short-term rental (STR) operations? Such options could include:
  - Restricting STRs to an owner's primary residence. (Units in which the owner resides for more than one-half of the year.)
  - Restricting STR licenses to residents of West Fargo.
  - Restricting STR licenses to natural persons and prohibiting business entities, such as LLCs, from holding a license.
- Should there be a notification requirement for adjacent property owners or residents?<sup>2</sup> And, if so, should this be the responsibility of the applicant or City staff?

---

<sup>1</sup> Fees to be adopted by resolution in accordance with draft § 10-1605 of Title X of the City Ordinance.

<sup>2</sup> The recently adopted backyard chicken ordinances does not require notification of adjacent property owners; however, the application form requires applicants to verify they have notified their neighbors.