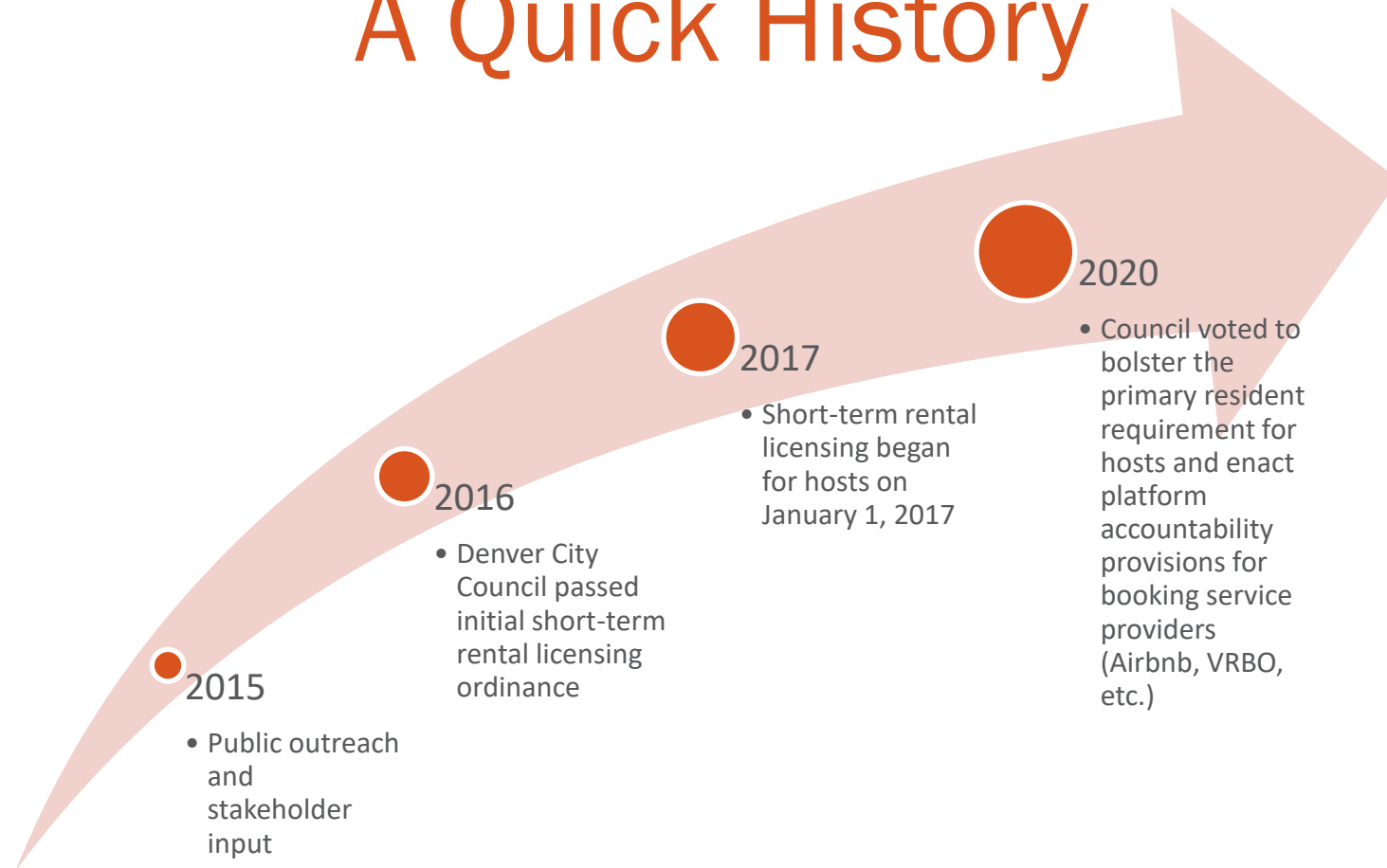


Denver Short-Term Rentals

March 3, 2022

Denver Excise and Licenses

Short-Term Rentals in Denver: A Quick History



Short-Term Rentals: Opportunities and Risks

Opportunities

- STRs can create additional income opportunities for Denver residents
- STRs can foster variety in lodging options for Denver visitors
- STRs can drive community economic development when hosts recommend local businesses and employ service providers

Risks

- Use of properties for STRs can put stress on the housing stock and affect [affordability](#)
- STRs used as “mini hotels” can lead to commercial encroachment in residential neighborhoods and accelerate gentrification and/or displacement of permanent residents
- Disrespectful guests can lead to health, safety, welfare, or quality of life concerns in neighborhoods

Denver STR Program - The Basics

All short-term rentals must be **licensed**.

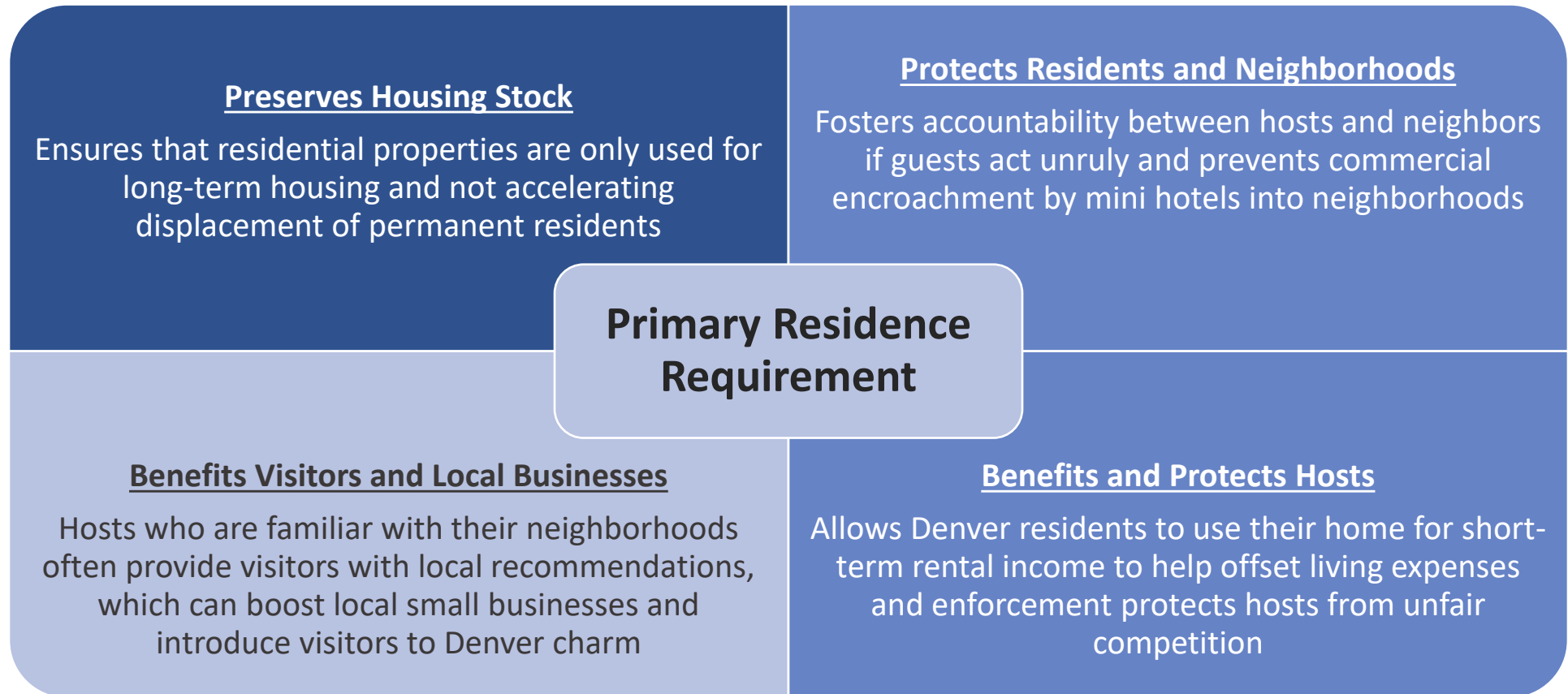
Any short-term rental must be the host's **primary residence**.

All advertisements for short-term rentals must **display** the host's **business license number**.

All short-term rental hosts must abide by rules related to **safety, taxes, zoning, and insurance**.

Failure to follow the rules can result in **finest or other penalties, including license revocation**.

The Primary Residence Requirement



Proposed Standards for Issuance or Denial

The following factors **MAY** be considered in determining primary residence for purposes of the short-term rental license:

- Whether the applicant claims any other residence for domestic, legal, billing, voting, and/or licensing purposes;
- Whether and how often the applicant returns to the short-term rental or other places of habitation;
- Whether the address listed on an applicant's legal documents or tax assessment records is different than the address of the short-term rental;
- Whether an applicant's business pursuits, employment, income sources, residence for income or other tax purposes, leaseholds, situs of personal and real property, and motor vehicle registration indicate that the short-term rental is the applicant's primary residence;
- Whether the amount of time the short-term rental has been, or will be, rented within the calendar year indicates the short-term rental is or is not the applicant's primary residence;
- Whether the applicant is actively deployed in the United States military; or
- Whether any other relevant information discovered by the director or submitted by the applicant indicates that the short-term rental is or is not the applicant's primary residence

STR Platform Accountability Provisions

1. Defines and regulates platforms that act as **booking service providers** for short-term rentals
2. Creates **penalties** for booking service providers who process **illegal transactions**
3. Requires licensees and booking service providers to **keep certain records**

Definition of “Booking Service Providers”



Booking service providers are defined to mean:

“any person or entity who facilitates a transaction between a prospective guest and a person or entity offering a short-term rental”

Penalties for Processing Illegal Transactions

Effective February 1, 2021, the ordinance made it **unlawful** for *“any booking service provider to receive payment, directly or indirectly, for an unlicensed short-term rental located in the City and County of Denver.”*

Any booking service provider who processes an illegal transaction is subject to a **civil penalty** of *\$1,000.00 per violation per day*

The ordinance does not mandate which method(s) of compliance that a platform may use.

Compliance Terms, Tools, and Methods

Notification Measures (Denver)

- Publicly **posting notice** of all active and pending short-term rental licenses
 - Available online
 - Updated every 24 hours
- **Email notification** of active listings that either do not have a license number displayed or have an invalid license number displayed
 - Denver has continued this practice as a courtesy

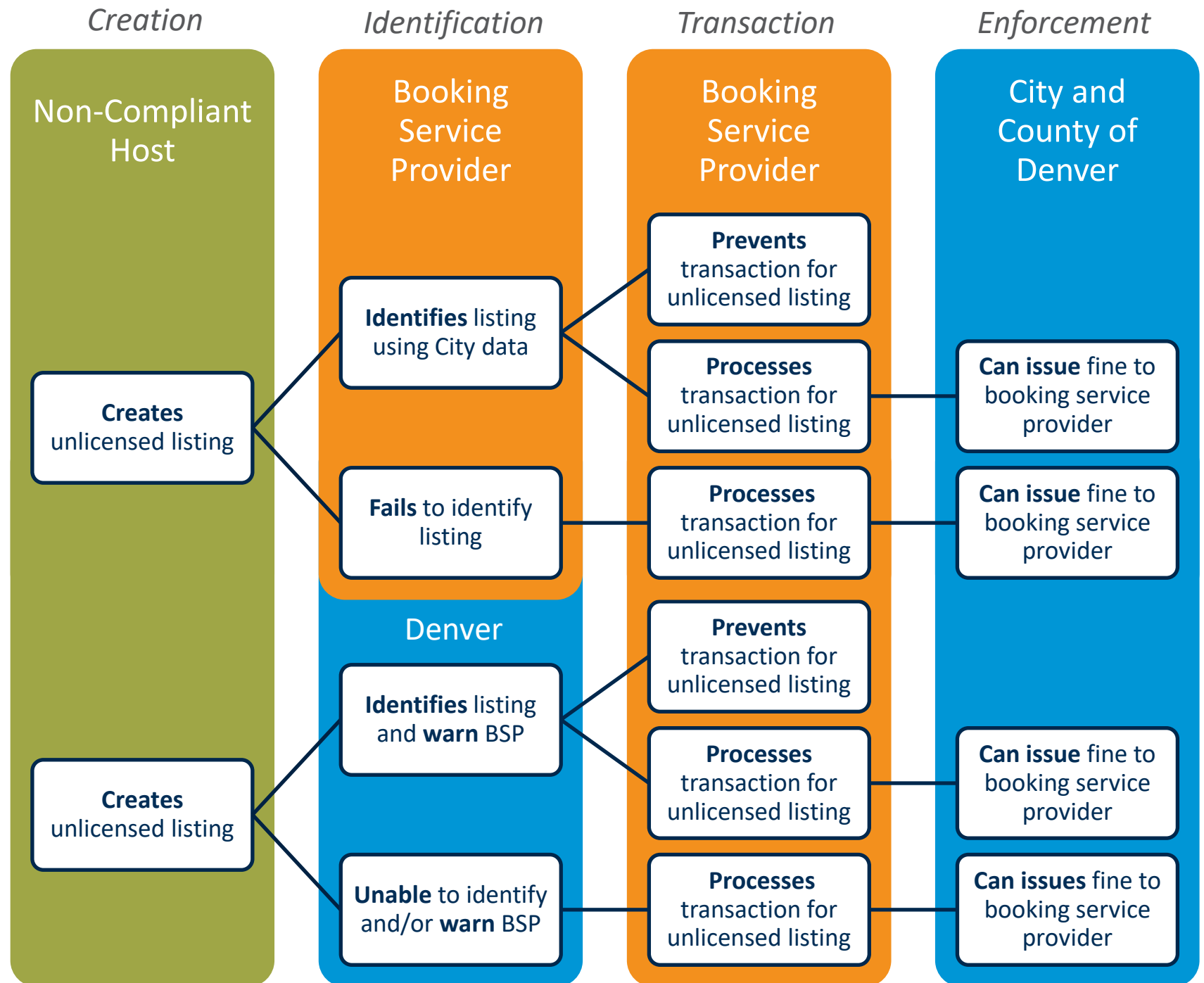
Prevention Measures* (Booking Service Providers)

- Requiring hosts to enter their license number in a **mandatory field** before allowing the host to post an advertisement
- **Verifying** the validity of a host's valid license before allowing the host to post an advertisement using any number of methods
 - examples could include writing a script, requiring host to upload license, etc.
- **Deactivating or removing listings** that do not have a license number listed or with an invalid license number displayed

*These are suggestions and ideas but are not all-inclusive. Booking Service Providers have the ability to determine how they come into compliance with the requirement to not process transactions for unlicensed STRs.

The Big Picture

- There are **many ways** that unlicensed listings can be **identified** from using the open data the Department posts online.
- Booking service providers (BSP) are responsible for **preventing** or **processing** transactions for unlicensed listings.
- If a booking service **processes** a transaction for an unlicensed listing, they are subject to a **fine** from the City.



Record-Keeping Requirements

Short-term rental licensees are required to keep the following records for **one (1) year**:

- The total number of nights the STR was rented
- The dates during which the STR was rented

Booking service providers are required to keep the following records for **five (5) years**:

- The person who offered the STR
- The address of the STR
- The STR license number
- The dates the STR was booked
- The price paid for each STR transaction

The **Department of Excise and Licenses** is required to maintain and make publicly available a list of all licensed short-term rentals within the City at all times.

STR Licensure Data and Trends (2020-2022)



Denver Short-Term Rental Resources

Check out our [Short-Term Rental Laws, Rules, and Regulations](#) page

[Sign up](#) for our short-term rental bulletin.

Denver Revised Municipal Code: [Short-Term Rental Ordinance](#)

Denver Department of Excise and Licenses: [Short-Term Rental Rules](#)

Denver Department of Finance: [Short-Term Rental Taxation Information](#)

Denver Zoning Code: [Short-Term Rental Zoning Provisions](#)

Questions?

Licenses@denvergov.org