

ORDINANCE _____ OF 2022

AN ORDINANCE ESTABLISHING SHORT TERM RENTAL LICENSING AND REGULATION

The City of Manistique Ordains:

A. The City recognizes that one of our largest industries is tourism. The tourism market supports many different types of businesses including the hospitality market, the restaurant/dining market, the shopping and retail market as well as a host of others. The city believes that the tourism industry will continue to grow.

B. The City recognizes that a major part of the tourism industry is the short-term rental or vacation rental marketplace. This marketplace has grown exponentially with the increasing use of online booking websites, and it will most likely continue to grow as surrounding municipalities limit, restrict or eliminate the practice.

C. The City needs to take action to ensure that the operation of short-term rentals is done in a safe and controllable manner for the well-being of all in the community. The intent of these regulations is not to restrict or eliminate short-term rentals; rather, the intent is to have safeguards in place to protect the consumer as well as the property owner, surrounding neighbors and emergency responders. The character of residential zoning districts must also be preserved.

THE MAXIMUM ALLOWED SHORT TERM RENTALS IN A "R1 & R2" ZONED DISTRICT WILL BE 53 UNITS. THIS WILL BE ON A FIRST COME FIRST SERVE BASIS. A COMPLETED APPLICATION, INSPECTION AND AN ISSUED STR PERMIT. STR ARE PERMITTED IN ALL OTHER ZONED DISTRICTS WITH THE EXCEPTION OF INDUSTRIAL. ALL CURRENT STR WILL HAVE TO COMPLY WITH THIS ORDINANCE. ALL CURRENT STR'S ARE IN VIOLATION OF THE CITY OF MANISTIQUE RENTAL ORDINANCE (PRIOR TO NOVEMBER 2022)

Sec. 1. Definitions

For the purposes of this ordinance, the following words and phrases shall have the meanings ascribed to them herein unless the context clearly indicates a different meaning:

- A. Short Term Rental License means a document issued by the City Clerk or other person designated by the City Manager indicating that the unit identified thereon is in compliance with the Michigan Housing Law of 1917, as amended, MCL 125.401 and the Ordinances of the City of Manistique, including to but not limited to the City Anti-blight Ordinance 237 of 1995. The owner of the property, the address of the complying unit, and expiration date shall be shown hereon. A Short-Term Rental License shall be displayed within six (6) feet inside the front entrance door prior to any rental.
- B. Application shall mean the application for a Short-Term Rental License.
- C. Complete Application shall mean an Application that has satisfied all of the submittal requirements set forth in this Short-Term Rental Ordinance and otherwise complies with all of the criteria required for the issuance of a Short-Term Rental License.
- D. Clerk shall mean the Manistique City Clerk.

- E. Floor Plan shall mean a level-by-level plan of the Rental Property with labeling of all enclosed spaces within the structure and dimensions, including without limitation, all sleeping areas.
- F. Short Term Rental shall mean the rental of a Dwelling Unit or a portion thereof, for less than thirty (30) days to a single entity. Short Term Rental does not include the Use of a Dwelling for Commercial Uses.
- G. Occupancy means the purpose for which a dwelling unit or portion thereof is utilized or occupied.
- H. Occupant means any individual living or sleeping in a dwelling unit, or having possession of space within a dwelling unit.
- I. Owner shall mean the record titled owner of the residence for which a Short-Term Rental License is sought or has been issued. The Owner may be a person or any form of business entity recognized by the State of Michigan. If the Owner is a form of business entity, the business entity shall maintain current registration with the Michigan Department of License and Regulatory Affairs-Corporation Division.
- J. Person means an individual, firm, corporation, association, partnership, limited liability company, or other legal entity.
- K. Rent or Rental means to permit, provide for, or offer possession or occupancy of a dwelling unit in which the owner does not reside for a period of less than thirty (30) days to a person who is not the legal owner of record thereof, pursuant to a written or unwritten lease, agreement or license.
- L. Short Term Rental means any dwelling or condominium or portions thereof, in which the owner does not reside, that is available for use or is used for accommodations or lodging of guests, paying a fee or other compensation for a period of less than thirty consecutive days.
- M. Tenant means a person who is not the legal owner of record and who is occupying a dwelling unit pursuant to a written or unwritten rental lease, agreement or license.
- N. Parking Space shall mean an area with a width of not less than 8 feet and a length of not less than 18 feet located either within designated garages, or on impermeable surfaces such as asphalt, concrete, or gravel.
- O. Property or Short-Term Rental shall mean all such residences or dwelling units used for Short Term Rental purposes.
- P. Property Management Company shall mean the Owner's agent for renting the Property, if any.
- Q. Sleeping Area shall mean any room that has a bed, bunk beds, daybed, or other furniture for sleeping, including, and without limitation, pull out couch or futon. To be a valid sleeping area the sleeping area shall have an appropriate exit, a closet, and a window. A sleeping area shall require a minimum of 100 square feet of floor space. Bathrooms, closets, halls, utility spaces, gazebos, pergolas, or similar areas are not considered sleeping areas.

Sec. 2. Registry of Owners

- A. All persons owning proposed short term rental property shall register with the rental building inspector or other person designated by the City Manager indicating their name, address, telephone number, and address of the structure owned by them proposed to be rented in whole or part, including the number and types of units in each structure. No person shall rent or cause

to be rented a dwelling unit or efficiency dwelling unit within the City of Manistique for a period of less than thirty (30) days without first obtaining a City of Manistique Short Term Rental License from the City Clerk pursuant to the requirements of this Ordinance.

- B. If the premises are managed or operated by an agent, the owner shall supply the agent's name, address, and telephone number and indicate that said agent is authorized to receive notices and processes under this ordinance.
- C. The owner or agent shall report, within thirty (30) days, any changes in registry information in order that the registration maintained by said rental building inspector or other person designated by the City Manager is current at all times.
- D. The owner shall register, as provided above, prior to the date upon which any part of the single and/or multiple and/or duplex dwelling is offered for occupancy. Owners of single and/or multiple and/or duplex dwellings containing units which are occupied or offered for occupancy at the time this article becomes effective, shall register within sixty (60) days after the adoption date of this article.
- E. Each owner at the time of registration shall complete an application for a Short-Term Rental License and shall pay any fees associated with such license at the time of filing the application.
- F. The rental building inspector or other person designated by the City Manager shall collect double any applicable fees necessary for a Short-Term Rental Application and a Short-Term Rental License in the event the owner has failed to comply with timely registration of the single and/or multiple and/or duplex dwelling as set forth herein.
- G. Each owner or agent shall provide a copy of this ordinance to renter upon rental. Subsequent renters will be given a copy of this ordinance upon any subsequent rental.
- H. Any owner who is in default on any real estate taxes, personal property taxes or water or sewer bills will bring any and all bills current prior to offering any property or portion thereof for rent.
- I. Any owner who has been ticketed for blight will first correct any and all blight conditions prior to offering any property or portion thereof for rent.
- J. Short Term Rental units cannot be offered to be rented and occupied until inspected and approved and the Short-Term Rental Application is completed and the Short-Term Rental License is obtained.

Sec. 3. Inspection:

- A. Inspection. Upon application for a Short-Term Rental License, the rental building inspector or other person designated by the City Manager shall forthwith undertake a systematic inspection of proposed short term rental properties, for the purpose of determining whether such units qualify for a Short-Term Rental License. The application, original inspection reports, and Short-Term Rental License shall be filed with the City Clerk. It is anticipated that such units shall

have been inspected once and shall comply with this article and shall qualify for a Short-Term Rental License sixty (60) days after the effective date of this ordinance.

Sec. 4. Responsibility and adoption of fees- Inspection.

- A. The owner of a proposed short term rental property shall be responsible for the fees for a Short-Term Rental License, as well as reasonable fees for inspection and re-inspection by the rental building inspector or other person designated by the City Manager.

The inspection fees shall be as follows:

1. \$150.00 for the first inspection for a single unit. A second (follow-up) inspection shall be free. A third inspection and all subsequent inspections shall be \$150.00.

Sec. 5. Short Term Rental License

To operate as a Short-Term Rental, the Property Owner or Owner's Agent shall file an Application with the Clerk. An Owner's failure to meet the requirements prior to renting shall be subject to the Penalties as referred to in Section 8.

Requirements for Application: Short-term rentals shall be allowed in all zones except where Homeowner's Associations do not allow them. Homeowner's Associations must provide the city with a letter stating they do not allow Short-term rentals along with a copy of their CCR's showing that they are clearly prohibited. The following information and documentation shall accompany the application and be provided to the Clerk:

- A. Completed Application.
- B. Proof of Ownership for each unit.
- C. Site Plan drawn to scale for each unit, including the parking area with each parking space mapped out.
- D. Proof of valid insurance for each unit being licensed for short term rentals.
- E. Proof of valid liability insurance for the following:
 - a. Owner
 - b. Property management company/or any other entity.
 - c. Contact person.
- F. Floor Plan drawn to scale with dimensions.
- G. Zone designation and street address for each unit.
- H. If direct vehicular access from the Property to a public street is not shown on the Site Plan, the Application must include a Temporary Access Easement from the owners of each property over which vehicles must pass to access the Property. All Temporary Access Easements shall be signed and notarized by the owner or owners of the property or properties granting the Temporary Access Easements. Upon the termination of any Temporary Access Easement, it shall be the responsibility of the Owner to obtain a new Temporary Access Easement from the new property owner. Failure to obtain a replacement Temporary Access Easement shall be cause for termination of the License.
- I. Copies of currently valid State Sales Tax collection and accounting numbers in the name of the Owner or the Property Management Company.
- J. The name, address, and contact information including a 24-hour contact phone number for the person at the Property Management Company managing the Property; or, if there is no Property Management Company, the name, address, and contact information including a 24-hour contact phone number, of a person living within 15 minutes of the property(s), who may be the Owner or Owner's Agent, and who can be contacted in the event of an emergency.

- K. A passed inspection by the Rental Building Inspector.
- L. A signed acknowledgement on the application, that the Owner, Property Management Company, and /or Owner's agent, if any, have read all of the regulations pertaining to the operation of a Short-Term Rental.
- M. The Owner shall sign the application certifying the accuracy of the information submitted and agreeing to comply with all regulations. If there is a Property Management Company or other agent of the Owner managing the Short-Term Rental, the agent or an authorized officer of the Property Management Company, or both, shall also sign the application certifying the accuracy of the information submitted and agreeing to comply with all regulations.
- N. Effective Date of License. The License shall be issued by the City Clerk provided that:
 - 1. The City Clerk has reviewed the application, and if necessary has interviewed the applicant/owner and set requirements as stipulated by this ordinance. The Applicant/owner has addressed and corrected any violations, as stipulated by this ordinance.
 - 2. All conditions of the license approval have been completed by the applicant or owner.
- O. Fees: The License fee and annual renewal fee shall be set by resolution and will be used to offset the cost to City of Manistique to process, administer, and monitor the operation of Short-Term Rentals.
- P. Term of License: The License shall be valid for up to one year and may be renewed annually by January 1st of each year. The License may be renewed upon the payment of the annual renewal fee unless there is a substantial change to the information contained in the application. If the license is not renewed by January 1st, it is considered to be suspended until such time the renewal process is complete.
 - 1. Prior to May 1st. Paying the annual renewal fee and a penalty equal to the renewal fee, or
 - 2. After May 1st. Paying \$500.
 - 3. All Short-Term Rentals may be subject to a random annual inspection during checkout times and unoccupied periods.
- Q. The Owner shall amend the Application at any time there is a change in circumstances that would require an update to the information submitted by the Owner or Property Manager. By way of example, and not limitation, a change in circumstance would be: a change of ownership of the Property, any modification to the physical premises, including any changes to the Floor Plan, Site Plan, or number of sleeping areas; any change of the Property Management Company; or any change in the 24-hour contact information. At the time of renewal, the Owner, Property Management Company, or Owner's agent shall specify the number of ordinance violations incurred within the preceding 12-month period, together with any other convictions for conduct described in Section 8 of this Ordinance.

Sec. 6. Additional Criteria

- A. Sleeping area will be designated in the application packet, based on the square footage of the allowable sleeping area, and shall be required as part of the License application and approval process.
- B. There shall be at least one parking space on the Property for every five (5) occupants as a condition of the License. Parking shall be based on the total number of occupants the unit is licensed for. All parking spaces shown on the Site Plan shall be available for parking and shall not be blocked or otherwise unavailable due to the storage of materials or for any other

reasons. All vehicles belonging to overnight occupants shall be parked on the Property and shall not be parked on any adjacent property or public right-of-way. Vehicles including all motorized vehicles and such vehicle's trailers, RV's, boats, motor-homes, etc. shall be parked in license's designated parking areas. Each trailer parked at a licensed property shall be considered a vehicle.

- C. The occupancy or number of guests shall not exceed two (2) persons per 100 square feet of sleeping area. The maximum number of occupancies shall not include children under the age of three (3).
- D. The Owner or Property Management Company, or Owner's agent shall:
 - 1. Mail or provide directly to the party signing any rental agreement or reserving the Property a copy of all Short-Term Rental rules and regulations as soon as possible, but no later than 10 days after reserving the Property; and
 - 2. Prominently display, on the Property, all of the rules and regulations pertaining to Short Term Rentals.
 - 3. Collect appropriate Sales, Resort, and Transient Rental Taxes.
- E. Each Short-Term Rental shall have a clearly visible and legible notice within the unit, on or adjacent to the front door, containing the following information:
 - 1. The name of the Property Management Company, agent, and/or Property Owner, living within 30 minutes of the property(s), the contact person's telephone number who may be reached on a 24-hour basis;
 - 2. The maximum number of occupants permitted by the license;
 - 3. The maximum number of vehicles permitted on the property and that all vehicles must be parked on the Property; the number of permitted vehicles is dependent upon the number of permitted parking spaces at the property.
 - 4. The number and location of all on-site parking spaces and the parking rules for seasonal snow removal;
 - 5. Notification that an occupant may be cited or fined by the City of Manistique, in addition to any other remedies available at law, for violating any provisions of this and any other Ordinance.
- F. The trash pick-up day and notification of all rules and regulations regarding trash removal, including without limitation, when trash may be left out and that animal-proof containers shall be used for all trash.
- G. All land-based recreational activities to be limited to rented premises and shall not encroach on neighboring properties.
- H. Campfires in designated 'fire pit' areas away from water's edge, trees, and property lines. Fires must be attended at all times and properly extinguished after use.
- I. The dwelling unit must meet all residential building, health department, and safety codes.
- J. The appearance of the dwelling shall not conflict with the residential character of the neighborhood. The structures shall be properly maintained, and kept in good repair, in order that the use in no way detracts from the general appearance of the neighborhood. Garbage must be kept in a closed animal proof container and disposed of on a regular weekly schedule.
- K. No sign shall be posted to advertise the availability of the short term residential rental unit to the public.
- L. Inspection: If the City has reasonable grounds to believe that prohibited activities are occurring at the Property, the City may require an inspection of the Property without advanced notice to the Owner, Property Management Company, agent, or local contact person of the Owner.

Section 7. Management Standards

The Short-Term Rental Property authorized by this ordinance must be managed properly. As a condition to holding a valid Short Term Rental License, the licensee agrees to provide or arrange to provide for adequate maintenance. The minimum services required and management regulations include:

- A. Structural maintenance to preserve substantial code compliance as described herein.

- B. Routine upkeep, including painting and repair to a level that is consistent with the level of maintenance of adjoining or nearby properties.
- C. Trash collection which ensures that trash containers are not left at the curb for any period in excess of twenty-four (24) hours and the property must be kept free of all accumulated garbage, refuse, and weeds. All large boxes must be collapsed and trash bagged and placed in the appropriate animal proof receptacles.
- D. A license issued under this Ordinance shall remain in effect until the happening of one or more of the following events:
 - (1) The dwelling unit is physically altered in such a way that the habitable space within the unit is increased, decreased, or re-distributed among living, sleeping, eating, and cooking areas.
 - (2) This Ordinance is amended to alter the standards of approval.
 - (a) If a license is no longer in effect as a result of subsection above, the operator shall re-apply for a new license following the same procedures for a new license.
 - (b) A Short-Term Rental Use License may not be transferred or assigned to any third party except heirs and assigns, and the license shall be void upon transfer of ownership of the property where the Short-Term Rental Use is located. Upon change of ownership, the new owner must apply for a new Short Term Rental Use License in order for Short Term Rental Use activity to be authorized.

Section 8. Prohibited Activities

A violation of this Ordinance is hereby declared to be a public nuisance, a nuisance per se and is hereby further declared to be offensive to the public health, safety, and welfare.

1. Violations

A person who violates any provision of this Ordinance shall be responsible for a municipal civil infraction as defined in Public Act 12 of 1994, amending Public Act 236 of 1961, being Sections 600.101—600.9939 of Michigan Compiled Laws, and shall be subject to a fine of Five Hundred and 00/100 (\$500.00) Dollars. Each day this Ordinance is violated shall be considered a separate violation.

Tenants of a property used for Short Term Rental use shall not create a nuisance. For purposes of this subsection, a nuisance includes but is not limited to any of the following:

- a) Playing or using a radio, phonograph, compact disc player, tape player, television, musical instrument, sound amplifier, or other electronic or mechanical sound-producing device in such a manner or with such volume so as to disturb the quiet, comfort, or repose of a reasonable person of normal sensitivities.
- b) Yelling, shouting, hooting, singing, or making other noise that because of its volume, frequency, or shrillness unreasonably disturbs the quiet, comfort or repose of a reasonable person of normal sensitivities.
- c) Sounding or using any horn, siren, whistle, bell or other warning device so as to unreasonably disturb the quiet, comfort, or repose of a person.
- d) Occupancy beyond the specified number allowed in the License.
- e) Parking of vehicles not in compliance with this Ordinance.
- f) Outdoor sleeping of individual(s), which exceeds the occupancy permitted.
- g) Any unauthorized commercial activities.
- h) The preparation of any food on site for persons other than the allowed occupants and such occupant's allowed guests;
- i) The following conduct shall constitute a violation for which the penalties specified in this section shall be imposed. These violations shall be determined as by occurrence/by day, per property.
 - 1. The Owner, Property Management Company, or Owner's agent has signed an application, which, at time of signing, was substantively incorrect;

2. The Owner, Property Management Company, or Owner's agent has failed to comply with any section of this ordinance
- j) The penalties for violations specified in subsection (1) of this section shall be as follows:
 1. For the first violation a written warning letter issued from the City of Manistique.
 2. For the second violation within 12-month period, the penalty will \$500.00 per property in violation;
 3. For a third violation within any 12-month period, the penalty will be \$500.00 per property in violation and revocation of the license for one year.
 4. Any unpaid fines after a period of 30 days will result in revocation of license.
- k) Operating a Short-Term Rental without a License: Any Person violating the provisions of this Chapter by conducting Short Term Rental(s) without a valid License shall be in violation which will result in the imposition of a civil fine. The Property Owner of a Short-Term Rental found to have violated this Chapter, shall not be eligible for a Short-Term Rental License for a period of 24 months following a determination that this Chapter was violated.
- l) Discovery of an Immediate Health Hazard. Upon the discovery of an immediate health hazard to renters, the City of Manistique can suspend the Short-Term Rental License until the hazard is remedied and the property has been inspected.

Section 9. Effective Date

This ordinance shall become effective ten (10) days after publication.

Sec. 10. Penalty

Any person, firm or corporation in violation of this Ordinance shall be guilty of a misdemeanor, with a maximum fine up to five hundred (\$500.00) dollars per section or subsection violated and/or a maximum of ninety (90) days in jail.

Sec. 11. Repeal

To the extent any ordinance, heretofore adopted, is inconsistent herewith, the same is hereby repealed to the extent of said inconsistency, and the balance of said ordinance shall be preserved and remain enforceable.

Sec. 12. Severability

Should any section of this ordinance be declared unconstitutional, such declaration shall not affect the validity of the remaining sections of this ordinance.