

**To:** Honorable Mayor and Members of Town Council

**From:** Kristin Read, Assistant Town Manager

**..Title**

Update: Short-Term Rentals

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### **Executive Summary**

Staff last provided Council with an update on the issue of short-term rentals within the community in February 2021 (**Attachment A**). This topic arose again during a recent Council discussion of accessory dwelling units, and Council requested staff provide updated information on the issue of short-term rentals. The purpose of this item is to provide that update.

### **Discussion**

Council originally discussed this issue in February 2020, when there were roughly 120 short-term rentals operating in Castle Rock. By the time of staff's 2021 update a year later, that had fallen to roughly 60 short-term rentals – likely due to declines in travel related to the pandemic. In reviewing multiple available data sources in April 2025, staff believes the number of short-term rentals in Castle Rock has returned to the range of 100 to 150 properties, out of a housing stock of roughly 31,000 units.

In 2020, staff examined whether to engage a vendor to facilitate pursuing greater compliance with business licensing and sales tax collection requirements for short-term rentals and did not believe it worthwhile to pursue at that time based on cost-benefit analysis. Staff refreshed information on this option in April 2025 and believes there would now be a cost benefit to engaging a third-party vendor for licensing and tax collection compliance, should Council desire. Though the number of short-term rentals is similar to when this option was originally examined, the cost of third-party support has fallen from \$18,000 per year in 2020 to \$5,000 annually now. Further, since the time this issue was last examined, Castle Rock voters have approved a 6% lodging tax, which applies to short-term rentals, increasing the associated revenue potential.

Roughly 30 property hosts operating rentals within Town have obtained a Town business license and are remitting sales and lodging tax. Further, Airbnb recently began remitting sales and lodging tax to the Town on behalf of its hosts under the State's "marketplace facilitators" regulations. In 2024, the Town brought in \$669,050 in sales and lodging tax revenue related to short-term rentals. Estimating conservatively, staff believes this could increase to \$749,050 annually if all 100+ short-term rental properties complied with the Town's licensing and tax-collection requirements.

Beyond the issue of business licensing and sales and lodging tax collection, Council could consider implementing regulations specific to short-term rentals, up to and including a ban of such rentals in Castle Rock. Within Douglas County, Castle Pines and Parker prohibit all short-term rentals, while Lone Tree allows grandfathered short-term rentals to operate but does not allow new short-term rentals. Douglas County allows short-term rentals in unincorporated areas with a license, and as long as the area's zoning specifically allows such use.

There are no State regulations for short-term rentals. Municipal regulations vary, as summarized in an April 2022 Colorado Lawyer article, and address aspects including maximum occupancy, owner occupation, parking and the percentage of a community's housing that may be used as short-term rentals, to name a few (**Attachment B**). Regulations are typically implemented to address nuisances or to promote housing affordability, among other values. HOAs may also regulate short-term rentals.

Few concerns have been raised about the short-term rentals operating in Castle Rock since they have come onto the marketplace. Staff is happy to take Council's direction regarding any particular regulations they might wish to examine further but does not have any recommendation beyond requiring business licensing and sales and lodging tax collection, so that all lodging properties in Castle Rock are on a level playing field in this regard.

### **Attachment**

**Attachment A:** Staff Report from February 2021 Short-Term Rental Update

**Attachment B:** The State of Short-Term Rentals in Colorado from Colorado Lawyer magazine

**To:** Honorable Mayor and Members of Town Council  
**From:** Kristin Read, Assistant Town Manager  
**Thru:** David L. Corliss, Town Manager  
**Title:** Update: Short-Term Rentals

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## **Executive Summary**

Council in February 2020 discussed the issue of short-term rentals within the community. Council directed staff to define the rentals within Town Code and to continue efforts to collect from the rentals the sales tax due to the Town. The purpose of this memo is to provide an update on staff efforts to date in this area.

## **Discussion**

At the time of Council's last discussion on this issue, staff found approximately 120 listings in the Castle Rock area on Airbnb and about 25 on VRBO. (Staff disclosed these numbers were not exact – especially given the unincorporated pockets that exist throughout and around Castle Rock – but they provided a ballpark figure for listings in the area. Also, property owners may choose to list on more than one service, so there could be some overlap between the two sites.) Subsequent to the Council discussion, staff purchased services from a third-party vendor that validated this analysis – in February 2020, the service found 116 listings in Castle Rock, 103 of which would be considered short-term rentals, estimated to be comprised of 93 unique properties.

Likely due to declines in travel related to the COVID-19 pandemic, listings have fallen off by about 35% over the last year. The January 2021 third-party report showed 67 listings, 60 of which would be considered short-term rentals, comprised of 60 unique properties.

The service – which staff has not renewed for 2021 and which costs \$380 annually – also estimates the annual revenue generated by each property. The most common estimate as of the January 2021 report was \$0, for 19 of the 60 properties. Of those estimated to be generating revenue, there were:

Less than \$5,000 annually:	10 properties
\$5,000-\$10,000 annually:	13 properties
\$10,000-\$25,000 annually:	14 properties
\$25,000-\$50,000 annually:	four properties

The Town's general 4% sales tax is applicable to short-term rentals. Using median figures from the above estimates, short-term rentals in Town could be estimated to be generating \$517,500 in rental charges. Applying the 4% Town sales tax, these properties could potentially generate \$20,700 in tax revenue. However, getting to that amount of remittance could come at a cost to the Town.

While Airbnb and VRBO listings generally charge renters local taxes, those services are not remitting taxes to the Town. Staff is unable to enforce remittance without either 1) cooperation from the listing services or 2) assistance from a third-party service, since the actual addresses of rentals are not made public except to renters. Staff during 2020 made an initial attempt to gain voluntary compliance from Airbnb but has not heard back from that service, which is has been inundated with similar

requests from communities throughout the country. Staff in 2021 intends to refresh its request to Airbnb and to make a voluntary request compliance of VRBO, as well.

Staff did investigate a third-party service that could assist with compliance in February 2020, and the cost for that was quoted at about \$18,000 annually. Given the potential tax revenues for these properties is presently about \$21,000 (this is down from about \$24,000, when similar analysis was completed in February 2020), staff did not believe it worthwhile to pursue a third-party option to gain compliance.

Roughly a dozen property hosts operating rentals within Town have obtained a Town business license and are remitting Town sales tax, so pursuit of compliance using a paid service would most likely be a financial “wash” as the rentals market and as the Town’s taxation policies presently stand. That said, any future lodging tax could be made applicable to these rentals. So, if the Town pursues and voters approve a lodging tax, it may make more financial sense or the Town to pursue a third-party compliance option then, should efforts to obtain voluntary compliance prove unsuccessful.

As to the additional direction given to define the rentals within Town Code, staff has generated a definition for incorporation within Town Code. However, staff’s analysis is that this definition is not necessary to collect Town sales tax on short-term rentals and is not likely to facilitate additional compliance. Staff has the goal of incorporating the definition into the Code on its radar and plans to advance that item along with other sales tax definition changes at an optimal point in the coming years.

Staff aimed to roll up the aforementioned information very succinctly in the 2021 Major Projects List presented to Council on December 15, 2020, by indicating: “Staff has concluded research regarding short-term rentals within Castle Rock but can resume activity in this area if Council so provides direction.” Staff provides this more detailed update now, based on Council’s recent request, and asks Council to please provide any additional direction desired.

### **Attachment**

**Attachment A:** Staff Report from February 2020 Short-Term Rental Discussion



# Town of Castle Rock

## Agenda Memorandum

**Agenda Date:** 2/18/2020

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**Item #:** 12. **File #:** DIR 2020-006

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**To:** Honorable Mayor and Members of Town Council

**From:** Kristin Read, Assistant Town Manager

**Discussion/Direction:** Short-Term Rentals

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### Executive Summary

Council in December directed staff look into the issue of short-term rentals within the community. Among the topics requested to be researched were the prevalence in Town of such rentals - generally defined by stays of 30 days or less - as well as tax, regulatory and business-related issues. Staff has completed initial research in these areas and presents this report for Council's discussion and any further direction.

### Discussion

Short-term rentals have been more prevalent across the Country since online listing service Airbnb surged in popularity over the last decade. An attached article indicates Airbnb has about half of the market share, with longtime service VRBO having the second-largest share. Numerous smaller services are in the market, too. There are three basic varieties of rentals: 1) shared accommodations, where the resident remains on site with the guests; 2) unhosted sharing, where the resident vacates the unit so it can be used by short-term guests; and 3) dedicated rentals, where there is no primary resident.

Without a reservation, the listing services generally do not release a property's exact address. Using map searches in early February, staff found approximately 120 listings in the Castle Rock area on Airbnb and about 25 on VRBO. These numbers are not exact - especially given the unincorporated pockets that exist throughout and around Castle Rock - but they provide a ballpark figure for listings in the area. Council should keep in mind that property owners may choose to list on more than one service, so there could be some overlap between the two sites. Listings exist in most neighborhoods within Castle Rock, which has roughly 21,000 total housing units, to provide context as to the prevalence of listings.

Examining a listing on either site, one will notice listed among the applicable charges taxes including "occupancy taxes and fees" on Airbnb and "lodging tax" on VRBO. However, neither Airbnb nor VRBO are presently remitting taxes to the Town of Castle Rock. Airbnb executes with municipalities "Voluntary Collection Agreements" prior to remitting taxes, and the Town does not presently have one in place. Cities with the agreements in place have experienced challenges collecting tax revenues

from Airbnb; see the “Wired” article in **Attachment A**.

Still, the Town is receiving limited sales tax revenue from a handful of property “hosts” who have obtained Town business licenses as required to operate a business within Castle Rock. The Town’s 4% general sales tax is applicable to short-term rentals. The Town does not have a lodging tax, but any future lodging tax would be applicable to the rentals, as well.

Numerous Colorado municipalities have chosen to restrict or regulate short-term rentals. See **Attachment B** for a summary compiled by the Colorado Municipal League last year. Within Douglas County, the City of Castle Pines, Highlands Ranch Community Association and the Town of Parker prohibit short-term rentals, while Lone Tree does not regulate nor require licenses for them.

Town Code at present is silent on the issue, so the presumption is they are allowed where not restricted by homeowners association rules. Checking in with the larger HOAs in Town, staff found rentals shorter than one month are not allowed in Founders Village nor The Meadows, and rentals shorter than six months are not allowed in Terrain. (Staff also checked with the Crystal Valley HOA but had not received a response as of the writing of this memo.)

There are numerous considerations when evaluating whether to regulate short-term rentals, one of the chief of which is enforcement. Companies including Harmari, Host Compliance and LODGINGRevs contract with cities to monitor listings, verify compliance and collect complaints. Airbnb itself has launched a “Neighborhood Support” webpage where concerns can be submitted. Concerns about short-term rentals generally relate to noise, parking, trash and transient occupants. Positive aspects of the rentals include that they provide supplementary income to community members and can increase tourism spending and tax dollars within the local economy. Regulations are generally seen as a way to balance these various interests, as well as to provide for life-safety inspections and to level the playing field between these rentals and other commercial lodging businesses. Though, the rentals have been found to provide low direct competition for hotels, including by the American Planning Association and within a paper by a Harvard Business School professor.

Staff offers this information in response to Council’s direction and requests any further direction arising out of this briefing.

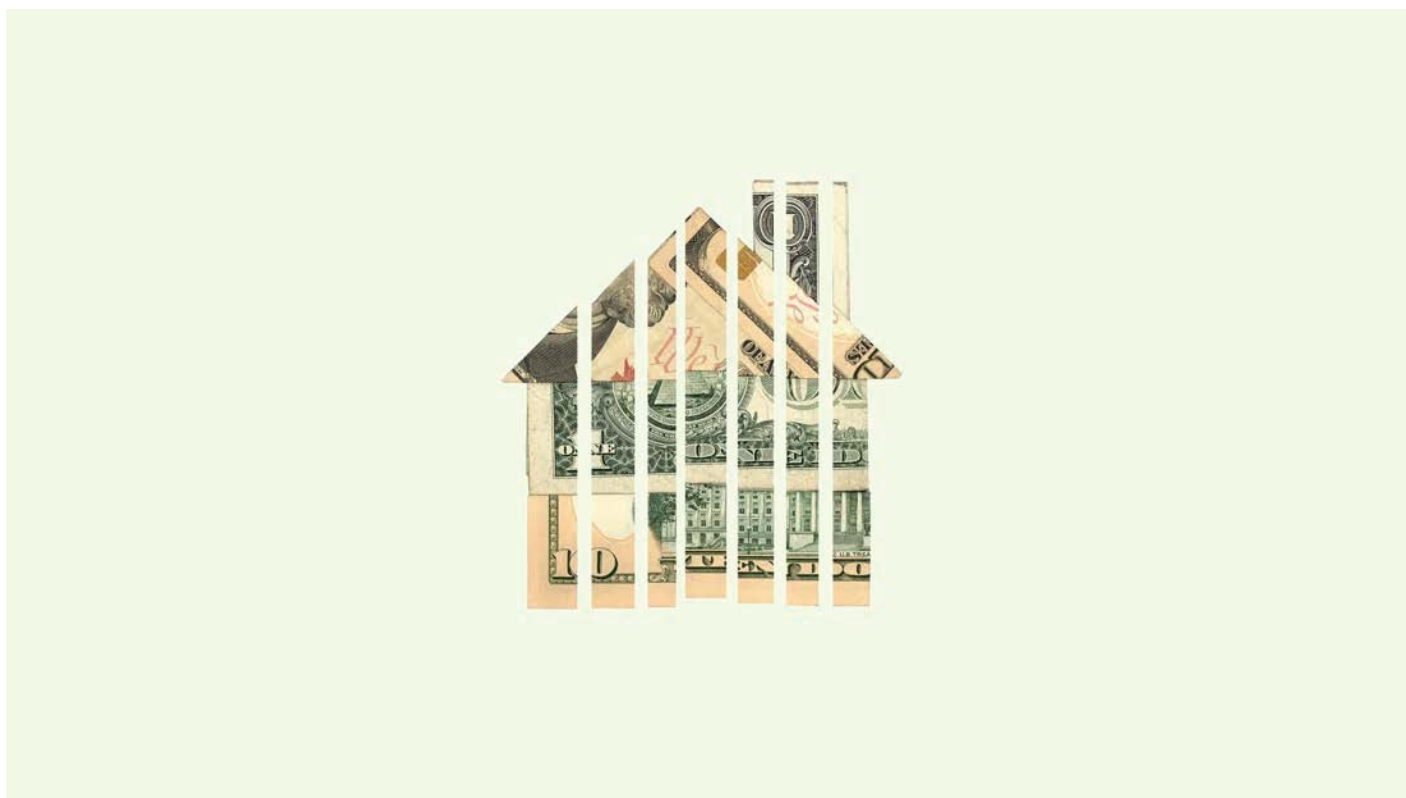
### **Attachment**

**Attachment A:** Inside Airbnb’s ‘Guerilla War’ Against Local Governments, Wired  
**Attachment B:** Short-Term Rental Property Ordinance Matrix-March 2019, CML

PARIS MARTINEAU BUSINESS 03.20.2019 07:00 AM

## Inside Airbnb's 'Guerrilla War' Against Local Governments

The high-profile unicorn is battling cities from Boston to San Diego over collecting taxes and enforcing zoning rules.



ALYSSA FOOTE; GETTY IMAGES

"Read my lips: We want to pay taxes," Chris Lehane, Airbnb's global head of public policy, [told the nation's mayors](#) in 2016. In the years since, the home-sharing site has repeated the declaration in [press releases](#), [op-eds](#), [emails](#), and on [billboards](#). On its website, Airbnb says it is "democratizing revenue by generating tens of millions of new tax dollars for governments all over the world."

But when Palm Beach County, Florida, a popular tourist destination, passed an ordinance in October 2018 requiring [Airbnb](#) and other short-term rental companies to collect and pay the county's 6 percent occupancy tax on visits arranged through their sites, Airbnb sued.

Palm Beach County tax collector Anne Gannon wasn't surprised. "We knew we were going to get sued," she says. "That's what they do all over the country. It's their mode of operation."

Gannon has been cajoling, threatening, and ordering Airbnb to collect taxes for its hosts since 2014. Five years, three lawsuits, and millions in unpaid occupancy taxes later, she's still trying. "All we want them to do is pay their taxes," she says. "They absolutely don't want to pay their taxes the way we want to collect them. That's the bottom line."

Similar dramas are playing out around the country. From Nashville to New Orleans to Honolulu, Airbnb is battling local officials over requests to collect occupancy taxes and ensure that the properties listed on its site comply with zoning and safety rules. In the past five months alone, the company has spent more than half a million dollars to overturn regulations in San Diego and has sued Boston, Miami, and Palm Beach County over local ordinances that require Airbnb to collect taxes or remove illegal listings. Elsewhere, Airbnb has fought city officials over regulations aimed at preventing homes from being transformed into de facto hotels and requests from tax authorities for more specific data about hosts and visits.

Airbnb is engaged in "a city-by-city, block-by-block guerrilla war" against local governments, says Ulrik Binzer, CEO of Host Compliance, which helps cities draft and enforce rules for short-term rentals, sometimes putting it at odds with hosting platforms. "They need to essentially fight every one of these battles like it is the most important battle they have."

Founded in 2008 as an early champion of the sharing economy by allowing people to rent homes, apartments, and rooms to others, Airbnb has grown into a lodging colossus, offering more than 6

Special Offer. [Subscribe to WIRED](#)

One reason Airbnb is often a cheap option for travelers: Running a hotel or bed and breakfast is expensive; snapping photos of your home, apartment, or spare room and filling out an online profile is not. Hotels must comply with a litany of health, safety, and zoning rules—as well as register with local agencies and agree to collect certain taxes—before they can book a single guest.

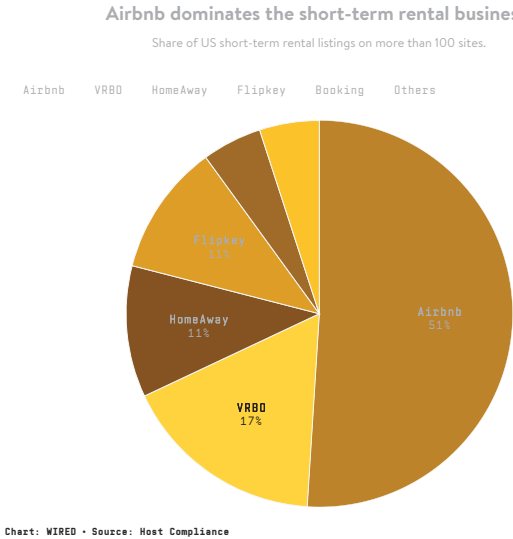
Airbnb maintains that, in some cases, it's not permitted to collect occupancy taxes required of hotels and other lodgings; it's also not responsible for ensuring the rooms and homes listed on its sites comply with zoning or health regulations. The company says it follows local and state laws but considers itself a “platform,” serving merely to connect hosts and visitors, rather than a lodging provider—more akin to Facebook than Marriott.

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The onus is on hosts, Airbnb argues, to collect and pay any relevant taxes and to comply with other regulations. In practice, though, few actually do—at least not without considerable effort by local authorities—according to interviews with more than a dozen local government officials and advisers.

Some officials agree with Airbnb. In an early 2018 survey of state tax departments by [Bloomberg](#), officials in 25 states said it was the host’s responsibility to pay occupancy tax for an Airbnb stay. Officials in 14 states said they consider it the responsibility of Airbnb or other short-term rental operators. The survey was taken before the US Supreme Court ruled in June that states may collect sales tax from online retailers even when they don’t have a physical presence in that state. The survey did not include local authorities, who are often more reliant on revenue from occupancy taxes, especially in popular tourist areas.

To be sure, these aren’t Airbnb’s taxes, any more than Hilton “pays” taxes for its guests’ hotel stays. Rather, the officials sparring with Airbnb want the company to collect and forward the taxes from guests, much as hotels do. Airbnb says it isn’t required to collect the taxes in many places; early on, it largely didn’t.



That changed around 2014, when Airbnb began striking deals with officials in select cities to collect and deliver taxes from its hosts. It calls these Voluntary Collection Agreements, or VCAs. In Portland, site of the first agreement, city officials legalized home-sharing and lowered the registration fee for short-term rentals around the same time Airbnb agreed to add a 11.5 percent occupancy tax on each booking. It later negotiated similar deals in San Francisco, Chicago, Philadelphia, Washington, DC, and elsewhere. The company says it has signed more than 350 such agreements nationwide and more than 500 around the world, and has collected more than [\\$1 billion](#) in taxes.

“Some governments have rules requiring platforms like Airbnb to collect and remit taxes, and we make every attempt to comply with these obligations,” says Christopher Nulty, Airbnb’s head of public policy. “However, many governments do not have such rules and so Airbnb has proactively established more than 500 voluntary collection agreements globally to ensure our community is paying their fair share of taxes. We are eager to do everything we can to ensure we are paying our fair share and willing to work with any government that will work with us.”



However, those agreements don't require hosts to meet other zoning, health, and safety rules, and they prohibit cities from attempting to collect back taxes. Some also create obstacles for local agencies to identify and police hosts who list through the site. Dan Bucks, former director of the Montana Department of Revenue and former executive director of the US Multistate Tax Commission, [analyzed](#) some of the few publicly available Airbnb agreements and found that most prevented city officials from learning the names or addresses of Airbnb hosts, making it impossible for officials to enforce local codes. Bucks says the agreements helped Airbnb grow by "providing a shield of secrecy" to hosts. His study was partially funded by the American Hotel and Lodging Association, which is often at odds with Airbnb and other short-term rental companies.

## "All we want them to do is pay their taxes."

— ANNE GANNON, PALM BEACH COUNTY TAX COLLECTOR

Airbnb says its VCAs are designed to help government agencies collect tax revenue, not to help them enforce other laws related to short-term rentals. The company says the agreements show that it is a responsible corporate citizen.

Historically, other online rental services, such as Booking.com, HomeAway, and VRBO, have not collected these taxes in many places. In the past two years, [HomeAway](#) and [VRBO](#) have begun collecting some occupancy taxes in a handful of areas—sometimes using [their own version](#) of a VCA. Booking.com does not offer any occupancy-tax collection services, compounding the revenue drain for municipalities. Booking.com's global communications manager, Kim Soward, says the company pays all required taxes. Expedia Group—owner of HomeAway, VRBO, VacationRentals, and other sites—did not respond to multiple requests for comment.

Airbnb is the undeniable giant of the field, and is reportedly preparing for an initial public offering. About 51 percent of all short-term rental listings in the US are on Airbnb, according to an analysis by Binzer, of Host Compliance. VRBO controls 17 percent of listings and HomeAway 11 percent, he says.

## Poster Child

New Orleans was hailed as the [poster child for Airbnb's work](#) with local governments after signing a VCA in December 2016. Around the same time, the city struck a deal with Airbnb to legalize short-term rentals while requesting that the company share the names and addresses of hosts, ban certain illegal listings, and create an online system that automatically registers hosts with the city, among other things. Many viewed the deal as a sign Airbnb was learning to live with local taxes and regulations.

Today, city officials say they're disappointed. They say a surge in short-term rentals has exacerbated New Orleans' affordable housing crunch and turned entire residential blocks into de facto hotels. Jane's Place Neighborhood Sustainability Initiative, a local housing group, says there were 4,319 whole-unit Airbnb listings in the city last year, more than double the 1,764 in 2015. The group found that 11 percent of operators, including many from outside Louisiana, control 42 percent of the city's short-term rentals.

The largest operator, a company called Sonder, has 197 short-term rental permits. Nearly 80 percent of Sonder's listings are booked through platforms like Airbnb, according to Sonder's director of communications, Mason Harrison. "That's a different story than the mom-and-pop" narrative that Airbnb often uses to describe its hosts, says New Orleans councilmember Kristin Gisleson Palmer.

City officials say the registration system Airbnb launched in April 2017 didn't give them some data they had requested, such as the identity of the property owner or tenant, the number of bedrooms in the property, and contact information for the property manager. To collect the missing data, city staffers say they had to contact 4,786 applicants over three months. "We could not really effectively use [the data provided] for enforcement and holding folks accountable," Palmer says.

In May 2018, the city council imposed a nine-month freeze in some areas on new permits for renting a home without an owner present. The following month, Airbnb disabled the registration system—including another enforcement-enabling feature, which displayed hosts' license numbers on their Airbnb listings.

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A February 15 report by the city's Department of Safety and Permits, obtained by WIRED, states that disabling the registration system caused a year of work by city officials tracking short-term rentals to "disappear overnight." The report concludes that Airbnb and other short-term rental companies had engaged in "deliberate data obfuscation, refusal to provide the required data, and a total failure of cooperation with any enforcement mechanisms pursued by the City." The report notes that Airbnb continues to collect and remit occupancy taxes for its listings in the city.

Airbnb says city officials' description of events is "inaccurate," and that it is supplying all the information that is required. The company says there were "initial bumps in the road that Airbnb was working with the city to address, only to have lawmakers abruptly change the rules in May 2018." Those changes, the company says, made the registration system ineffective.

"Housing affordability is a challenge in New Orleans—in fact 70 percent of our host community have said they rely on the income they make to stay in their homes," Airbnb says. The company says it is committed to working with officials to resolve any concerns.

A February report by the New Orleans Department of Safety and Permits is critical of short-term rental companies.

Blocking New Laws

Airbnb says it complies with laws that require it to collect and pay taxes for hosts. But it has also worked to forestall such laws—even seeking at times to strip cities of authority over short-term rentals. That’s what happened in Nashville in late 2017 and early 2018.

As the city inched closer to prohibiting so-called “mini hotels”—non-owner-occupied homes used exclusively as vacation rentals—Airbnb shifted its focus from City Hall to the state Capitol three blocks away. In the latter half of 2017, the company more than doubled the number of lobbyists it employed in Tennessee, to from four to 11, and spent between \$225,000 and \$350,000 on lobbying between February 2017 and August 2018, according to reports the company filed with the state.

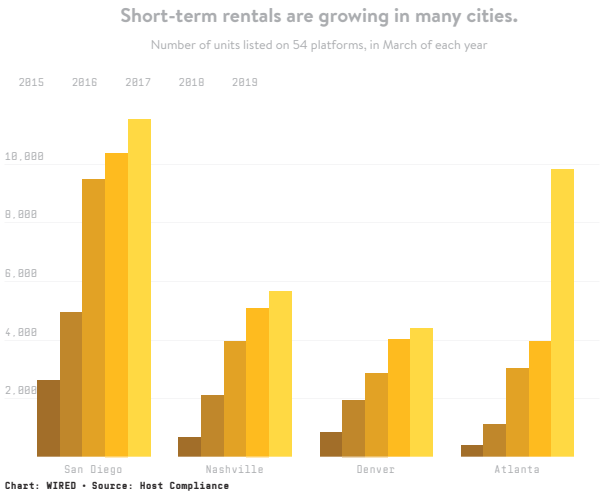
In January 2018, the Tennessee Department of Revenue signed a VCA with Airbnb. The agreement requires Airbnb to collect and pay the 7 percent state sales tax on its bookings, but does not cover the 5 percent occupancy tax in Nashville, by far its largest market in the state. A few days later, Nashville passed its ordinance prohibiting mini hotels.

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Around this time, a political action committee called the Committee to Expand Middle Class By Airbnb, Inc. donated \$10,000 to groups representing Tennessee Republicans, according to campaign finance records. The donations included \$2,500 to the campaign of state representative Cameron Sexton, who had introduced a bill in 2017 specifying that short-term rentals should not be considered hotels under state law. The bill, known as the Short-Term Rental Unit Act, was drafted in consultation with Airbnb and other short-term rental companies, including HomeAway, according to the Tennessean. It included a provision stripping cities of the power to ban existing short-term rentals. The Tennessee General Assembly passed the bill in April 2018.

Local activists say the law cripples cities’ ability to tackle an important local issue. “The Tennessee state Legislature and Tennessee’s governor decided to severely weaken the basic protections for the health, safety, and well-being of Nashvillians that were created by our local government,” John Stern, president of the Nashville Neighborhood Alliance, a residents’ group, says via email.

Airbnb says the Tennessee law was the work of “state lawmakers who care deeply about this issue and worked to organize a broad coalition of supporters—including the business, technology, property rights, and home sharing communities.” Sexton did not return a request for comment.



Similar scenarios have unfolded elsewhere after cities have moved to restrict short-term rentals. In February 2016, the Austin City Council voted to phase out mini hotels in residential areas by 2022. In the following months, several other Texas cities passed similar restrictions. Then, early in 2017, Texas state lawmakers introduced two bills in the legislature preventing municipalities from banning

Airbnb says it has “excellent working relationships” with many Texas cities and hopes to extend the VCA with the state to “new tax agreements with Texas municipalities to help them collect new revenue from home sharing.”

## Where's the Money?

Gannon, the Palm Beach tax collector, has been tilting at travel companies for a decade. In 2009, she sued Expedia, Orbitz, Priceline, and Travelocity for failing to collect and pay occupancy taxes on the full cost of the hotel rooms they were selling; three years later, the companies settled the suit and agreed to pay nearly \$2 million in back taxes.

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She then turned to the online home-rental companies. In 2014, she sued Airbnb, HomeAway, and TripAdvisor, alleging they should be classified as “dealers” renting accommodations under Florida law, and thus required to collect occupancy taxes on behalf of their hosts. In January, after five years, a judge ruled that the services were not dealers under Florida law and did not have to collect the taxes for hosts. Gannon is appealing the ruling.

In 2015, the Florida Department of Revenue signed a VCA authorizing Airbnb to collect and remit the 6 percent sales tax for all listings in the state, plus local sales and occupancy taxes for some counties.

Soon after, Gannon asked to see the details of the agreement; state officials told her it was confidential. So she sued the Florida Department of Revenue, alleging that the agency's secrecy violated the state's public records law. A few hours later, the department faxed a copy of its Airbnb VCA to Gannon's office; she says she was instructed not to share it with anyone. It required Airbnb to provide the state only with aggregate data and allowed the company to withhold “any personally identifiable information” about hosts or guests. Most other VCAs signed with state or local governments contain identical language.

Officials say such details about hosts and their rentals are crucial to enforcing local laws and ensuring the lump sum tax payments match up with detailed data on stays. Shielding names and other details from tax officials “is a gross departure from standard practice,” says Bucks, the former tax commissioner.

### "We're the middle—the hosts are stuck in the middle."

— MARIA VALE, AIRBNB HOST IN PALM BEACH COUNTY, FLORIDA

In New Orleans, the February report by the city's Department of Safety and Permits says Airbnb provided officials there with anonymous account numbers in place of addresses or taxpayer identifiers, making it difficult for the city to audit the information. “It is impossible to track whether we are getting all the money that we are supposed to get,” says Andrew Sullivan, chief of staff for Palmer, the New Orleans councilmember.

Airbnb disagrees. “Airbnb provides the necessary information to ensure tax payments are accurate, including number of nights, charges, and the amount of tax collected,” Nulty says. He says the company welcomes audits; however, many of the company's VCAs prohibit cities from auditing Airbnb more than once every two years.

To print the document, click the "Original Document" link to open the original PDF. At this time it is not possible to print the document with annotations.

*Airbnb's 2016 VCA with Sonoma County, California.*

## A Public Clash

Palm Beach County's monthly commissioners meeting is typically a dull affair. But October 16, 2018, was different.

The chambers were packed with people dressed in white, holding hot pink flyers. The reason: Gannon's proposal to amend the county's Tourist Development Ordinance to require platforms such as Airbnb to collect and remit occupancy taxes on behalf of hosts, and to share more data with the county.

A few weeks earlier, emails from Airbnb had arrived in the inboxes of its hosts in the county. "Home-sharing in Palm Beach County is under attack," many declared in bold letters, asserting that Gannon had proposed an "unfriendly" ordinance that would make hosts' lives more difficult. The emails implored hosts to attend the hearing and "use your voice to oppose this proposal and share the benefits" of home sharing.

Around 100 hosts attended the meeting. But Gannon was prepared. Having seen several of the emails, she assembled a three-page document rebutting what she calls Airbnb's "campaign of misinformation," line by line. The packet was printed on hot pink paper and given to each person who walked through the door.

During the meeting, some hosts expressed doubts about Airbnb's position. Some recalled seeing a message from Airbnb stating that it was collecting and remitting taxes on their rentals, though the company was not. "I have this underlying fear ... that I am breaking a law that I don't really know about," said Ruth Riegelhaupt-Herzig, an Airbnb host since 2015.

"We thought Airbnb took care of everything, and I was a little scared I was in trouble with the government," host Maria Vale said at the meeting. "All I'm saying is we're the middle—the hosts are stuck in the middle."

Nulty says that Airbnb makes it clear to hosts which taxes it collects via [this webpage](#), which lists areas with VCAs and what taxes they cover. The page does not explain which taxes hosts are required to collect on their own. A [different Airbnb page](#) instructs hosts to tell guests to bring extra money when checking in so the host can collect taxes in person. Riegelhaupt-Herzig says that isn't effective, as most guests are wary of paying an additional 6 or 10 percent directly to the host, in addition to the booking charges they paid online through Airbnb.

What's more, all stays booked in the area have a charge labeled "Occupancy Taxes and Fees" added to the final bill, because of the state's VCA. "So for us to turn around and say, 'I'm sorry, you haven't paid the occupancy tax in Palm Beach County,' they think we're scamming them," which isn't good for a reviews-based business, Riegelhaupt-Herzig told WIRED. She says she has been paying the county occupancy tax since October out of her own pocket.

**\$137** per night

★★★★★ 11

Dates

04/17/2019



04/29/2019

Guests

1 guest



\$144 x 12 nights ⓘ

\$1,731

Cleaning fee (?)	\$150
Service fee (?)	\$231
Occupancy taxes and fees (?)	\$126
<b>Total</b>	<b>\$2,151</b>

**Request to Book**

**You won't be charged yet**

Screenshot of the confirmation for a booking in Palm Beach County, Florida, showing occupancy taxes and fees. AIRBNB

After more than an hour of testimony, commissioner Dave Kerner said Airbnb had allowed its hosts to “be misled” about paying taxes. “That is concerning,” Palm Beach County mayor Melissa McKinlay said. “And so I will support this ordinance today.” It was approved unanimously seconds later.

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In San Diego last year, Airbnb took a different tack to counter a new law. City officials had signed a VCA with Airbnb in 2015. But they grew unhappy with the setup's lack of transparency and the inability to audit, says San Diego councilmember Barbara Bry. What's more, Airbnb use had skyrocketed in San Diego since then. In March 2015, there were more than 2,600 rental units listed on short-term rental sites in San Diego, according to Host Compliance; by 2019, that total had soared to more than 11,500. Host Compliance says two-thirds of short-term rentals in San Diego are posted on Airbnb. Bry says that the rise of full-time investor-owned short-term rentals in residential areas has hurt enrollment in public schools, transformed neighborhoods into districts of mini hotels, and contributed to a citywide housing shortage.

Last August, the San Diego City Council passed an [ordinance](#) that banned the short-term rental of homes that aren't the owner's primary residence and required platforms to collect taxes on behalf of their hosts, effectively overriding their VCA. Bry says she assumed Airbnb would sue, but it didn't. Within days, Airbnb threw its weight behind a movement to overturn the new rules through a citywide referendum.

Public records show Airbnb donated \$1.1 million to a California political action committee called “Committee To Expand the Middle Class, Supported by Airbnb, Inc.” That group reported spending \$300,000 to hire signature gatherers to circulate petitions opposing the San Diego ordinance. Airbnb also directly donated \$276,358 to a second group around the same time, records show.

Four weeks after the city council approved the new rules, representatives of Airbnb, HomeAway, and Stand for Jobs delivered more than 62,000 signatures calling for a referendum to rescind the ordinance, nearly twice the number needed to force a citywide vote.

City councilmembers said they didn't want to risk losing the vote, so they rescinded the ordinance, with plans to try again. “I'm disappointed that a corporation reportedly valued at \$31 billion descended upon our city with its unlimited millions of dollars and used deceptive tactics to force us to where we are today,” Bry said during a council meeting on October 22, just before the council voted to rescind its ordinance.

Airbnb says the petitions garnered so many signatures because the ordinance “would have devastated the local economy, impacted property rights in every San Diego neighborhood, and cost the city

and the response that their own public relations campaign and the one they selected continues to a public role.

Airbnb's battles with local officials have intensified since last year's Supreme Court ruling in a case involving online retailers. Some tax experts say the decision undercuts Airbnb's position that it doesn't have to collect taxes for its hosts. "There is no doubt whatsoever now that on a constitutional basis Airbnb can be required to collect [taxes]," says Bucks. "There is no justification for these special deals anymore." Airbnb says it's monitoring state-by-state developments related to the case.

Airbnb's recent lawsuits against Palm Beach, Boston, and Miami focus on another aspect of those cities' ordinances: a requirement that platforms remove listings that don't comply with the law. Airbnb says the requirements are unconstitutional and technologically unfeasible. But the company does remove illegal listings in its hometown of [San Francisco](#), and has conducted occasional or ongoing purges in New Orleans, Santa Monica, [Japan](#), [Berlin](#), [Vancouver](#), and, briefly, [New York City](#). In New York, Airbnb sued to block a city ordinance requiring it to turn over more detailed information on listings; a judge in January blocked the law from taking effect.

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In Boston, city councilor Michelle Wu helped lead the push last year for an ordinance aimed at discouraging hosts from turning apartments and homes into mini hotels. The ordinance requires hosts to register with the city and restricts short-term rentals to owner-occupied units. "Airbnb describes itself as a quaint little home-sharing service ... but the reality is that it has grown to be a corporate entity that makes millions of dollars from businesses taking advantage of loopholes and running de facto hotels," she says.

On April 17, Airbnb sent emails to thousands of Boston Airbnb users criticizing Wu. The email claimed that she was aligned with "big hotel interests" and falsely said she intended to place a "restrictive 30-day cap on unhosted stays." Wu says Airbnb never sought to discuss the ordinance or check the claims in the email. Airbnb says Wu's proposal was "anti-tenant, anti-middle class," and "overly restrictive."



**Michelle Wu** 吳弭  
@wutrain

Interesting strategy, @Airbnb. No changes proposed since last amendment w @LydiaMEwards. Not sure where you're getting 30-day cap, but spreading fake news doesn't bode well for credibility that you'll be a partner to the city as we work to address the housing crisis #bospoli [twitter.com/chrisvillani44...](#)

**Chris Villani** @ChrisVillani44

.@Airbnb has sent out an E-mail to Boston area residents urging people to call Boston City Council President @wutrain & urge her to drop what they call "unreasonable" restrictions on city rentals

Hi Chris,

Boston City Councilor Michelle Wu has a proposal that would place unreasonable restrictions on home sharing in the city and we need your help to stop it. She has aligned with big hotel interests against the interests of regular Bostonians. Will you use our speakout tool and send an email to Mayor Walsh and City Council today asking them to support responsible home sharing in Boston?

Send an email

The Wu proposal would place unnecessary restrictions on home sharing by:

- Placing a restrictive 30-day cap on unhosted stays.
- Prohibiting renters from sharing their homes, something not done anywhere else in the United States.
- Requiring notification of neighbors and that platforms like Airbnb collect and share an invasive amount of personal information putting your privacy at risk.

We know that when the collective voices of the Airbnb community

248 8:58 AM - Apr 17, 2018

136 people are talking about this

The ordinance passed in June. Four months later, Airbnb sued the city, alleging the rules—which went into effect January 1—violate state and federal laws. Wu says the city modeled its ordinance after San Francisco's, which Airbnb complies with. The Boston lawsuit—much like others recently filed by Airbnb—only challenges requirements that platforms remove illegal listings and share information with local officials to aid enforcement. The suit seeks an injunction against parts of the law, and the city has agreed not to enforce those sections until a judge rules.

A few weeks after Airbnb sued Boston, Massachusetts governor Charlie Baker signed legislation to tax and regulate short-term rentals at both the state and local levels. The law, which goes into effect

Airbnb’s municipal confrontations have been a boon for Binzer, whose company Host Compliance works with 150 cities to identify short-term rental owners skirting taxes and regulations and to devise an enforcement strategy without striking deals with Airbnb. He used to be an occasional Airbnb host himself—and paid occupancy taxes—when he lived in Tiburon, California; then he was tapped to help local officials quantify Airbnb’s business in town. He says cities are often overmatched by Airbnb, in part because the company periodically tweaks the site in ways that impede tax collectors and enforcement agencies.

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For example, Binzer says that until December 2016, Airbnb included the street name of a property in the metadata attached to the listing. Airbnb’s terms of service prohibit third parties from scraping its site for this kind of information, but critics say it’s crucial for enforcement. Officials in some cities used this data to identify hidden hosts. Then Airbnb removed the street name, and altered the geocoding for listings, changing the latitude and longitude so properties appear in slightly different locations.

“It’s a cat and mouse game,” Binzer says. “They literally put the pin in the wrong place of where the actual property is.”

Airbnb says it shields the street name and other personal information related to hosts “to ensure an added level of privacy when third-party scrape sites aim to compile listing information.”

### From Negotiation to Litigation

Around the time Palm Beach County Commissioners passed the short-term rental tax ordinance in October, Gannon says she spoke with a representative from Airbnb. She recalls the company floating a gradual implementation strategy: Airbnb would comply with some of the new rules immediately, but others—like a system requiring hosts to be properly registered with tax authorities—would be phased in over time.

Gannon thought that seemed reasonable, as long as Airbnb collected and paid the taxes. But she didn’t have time to see the discussion through. A month and a half after the ordinance was passed, Airbnb sued the county. The suit argues Airbnb can’t be required to police illegal listings and share host information because “Airbnb is a realization of Congress’s [free speech] goals” and a “classic intermediary.” It doesn’t question whether the company can be compelled to collect occupancy taxes; Airbnb is not collecting them in the county, though the ordinance went into effect on January 20. HomeAway also sued the county; the suits have since been combined.

“They were just stringing us along until they had their lawsuit ready to file,” Gannon says. “It’s typical of Airbnb ... They’re getting ready to issue an IPO and go public.”

To print the document, click the "Original Document" link to open the original PDF. At this time it is not possible to print the document with annotations.

*Airbnb's lawsuit against Palm Beach County, Florida.*

*Updated 3-21-2019, 5:30 pm EDT: This story was updated to clarify the relationship between the American Hotel and Lodging Association and Airbnb, to clarify a characterization of Airbnb's corporate citizenship, and to add a comment clarifying Airbnb's position about its cooperation with the city of New Orleans. The updated story also makes clear that HomeAway was among the companies that helped draft a Tennessee law and that HomeAway has sued Palm Beach County.*

*Updated 4-5-2019, 4:50 pm EDT: This story was updated to correct the amount Airbnb spent to oppose a San Diego ordinance.*

*Updated 4-12-2019, 6:00 pm EDT: This story was updated to incorporate additional comment from Airbnb regarding the company's stance on collecting taxes.*

### More Great WIRED Stories

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*Credits: Colorado Association of Ski Towns, CML, City of Fort Collins*

City	Primary Residence Allowed	New-Primary Residence Allowed	Which Taxes Required	Tax Collected By Municipality or Rating Agency	License Required	Neighbor Notification	Concentration Limit	Zoning Limitations	Fees	Company Requirement	Requires a "local responsible party" to take complaints?	Utlize a 24-hour call center for complaints?	Compliance Efforts? (Compliance monitoring software, other)	Well-its to STR outside regulations	Number of Ratings (Approx.)	Other
Avon	yes	yes	yes	yes	yes, non-transferable	no	no	Short Term Overlay Districts - currently no town com	Annual Business License - none fee is \$75	no	No	No	MarkRus	<a href="https://www.avon.co.uk/en-gb/">https://www.avon.co.uk/en-gb/</a>	125	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Aurora	yes	no	8% lodging tax	municipality	yes	no	no	yes, mandatory to primary residence, no second or third home allowed	\$39 fee	no	No	No	STR Helper	<a href="https://www.aurora.co.uk/en-gb/">https://www.aurora.co.uk/en-gb/</a>	300	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Bassett	yes	yes	May only be rented yes	yes	yes, annually renewable	no	no	no on single-family, rental allowed in multi-family	\$35 annually plus a charge on rental income	none	No	No	MarkRus	<a href="https://www.bassett.co.uk/en-gb/">https://www.bassett.co.uk/en-gb/</a>	125	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Beaver Creek	no	yes	yes	yes	yes, annual Business License	no	no	no on multi-family, rental allowed in multi-family	\$200 annually	no	Yes	30 days	No	STR Helper	1200	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Blue River	yes	yes	7.5% lodging tax	Municipality	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	No	No	STR Helper	<a href="https://www.blueriver.co.uk/en-gb/">https://www.blueriver.co.uk/en-gb/</a>	148	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Bozler	yes	no	7.5% lodging tax	AdHoc collects by Town	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	No	No	STR Helper	<a href="https://www.bozler.co.uk/en-gb/">https://www.bozler.co.uk/en-gb/</a>	148	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Broomfield	yes	yes	yes	municipality	yes, non-transferable	no	no	no on multi-family, rental allowed in multi-family	\$200 annually	no	Yes	60 minutes	No	STR Helper	1200	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Central Falls	Yes	Yes	4.5% Lodging Tax, 3% Sales Tax & 5% Excise Tax	The Property owner or Town of Central Falls	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	2 people per bedroom plus an additional 2 people for the unit	Yes	1 hour	No	STR Helper	200	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Danver	yes	no	lodging tax: 10.7%	AdHoc collects by town	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	No maximum number of guests per night	Yes	LTP must be in City and County of Denver during the period, must have access to the internet and a phone for emergency purposes	STR Business Licensing - 4 compliance manager, 4 compliance manager, 4 compliance manager, 4 compliance manager	STR Business Licensing - 4 compliance manager, 4 compliance manager, 4 compliance manager, 4 compliance manager	277	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Durango	yes	yes	lodging tax: 10.7%	AdHoc collects by town	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	113	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Eden	Yes	Yes	lodging tax: 10.7%	AdHoc collects by town	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	90	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Englewood	yes	yes	lodging tax: 10.7%	AdHoc collects by town	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	90	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Essex Park	no	yes	yes	yes	yes, non-transferable	yes	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	2 per bedroom, plus 2 per BDR total	Yes	No	No	STR Helper	88	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Essex Park, outside Town, inside Estes Valley	no	yes	yes	yes	yes, non-transferable	yes	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	2 per bedroom, plus 2 per BDR total	Yes	No	No	STR Helper	88	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Fort Collins	yes	yes	3.85% sales tax 3% lodging tax	municipality	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	100	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Fraser	yes	yes	sales & lodging	do not self collect	registration	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	120	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Georgetown	yes	yes	sales & lodging	yes, non-transferable	yes, non-transferable	yes	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	120	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Glenwood	yes	yes	lodging tax: 10.7%	AdHoc collects by town	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	100	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Glenwood, outside Town, inside Estes Valley	no	yes	yes	yes	yes, non-transferable	yes	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	100	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Golden	yes	yes	lodging tax: 10.7%	AdHoc collects by town	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	100	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Grand Lake	yes	yes	lodging tax: 10.7%	AdHoc collects by town	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	100	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Steamboat Springs	yes	yes	lodging tax: 10.7%	AdHoc collects by town	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	100	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Telluride	yes	yes	yes	yes	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	100	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence
Vail	Yes	Yes	lodging tax: 10.7%	AdHoc collects by town	yes, non-transferable	no	no	yes, determinative occupancy limits	\$100 fee, time, \$75 annually	none	Yes	No	No	STR Helper	100	None. Short term rental is a legal use in the city, however, limit to a single listing as part of a long, secondary 5 summer residence







# The State of Short-Term Rentals in Colorado

BY REAGAN LARKIN AND AMY BRIMAH



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*This article provides an overview of the current state of short-term rental regulation in Colorado. It focuses on local requirements across the state.*

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Colorado property owners have enjoyed record-setting appreciation in property values over the last decade. But soaring property prices have arguably caused a housing crisis, which has contributed to a severe labor shortage, particularly in resort communities. Causes of the housing crisis have been targeted through legislation, ballot initiatives, and local ordinances, with short-term residential lodging rentals (STRs) singled out as a primary culprit. This article offers an overview of STR regulation in Colorado. It focuses on county and municipal requirements throughout the state.

#### **Regulatory Overview**

STRs are governed by layers of state and local laws and regulations, and through private leases and covenants enforced by homeowners' associations (HOAs). STRs are generally defined as residential properties available for rent for a period of fewer than 30 days.<sup>1</sup> STRs may include all or a portion of a property and range from entire luxury homes to single rooms. STR owners and/or authorized property managers must typically obtain an STR-specific license and a sales and lodging tax or business license.<sup>2</sup>

In recent years, and especially in the last few months, state legislators and local officials have introduced a rash of legislation, ballot initiatives, and local regulations aimed at controlling the growth of STRs and, in some cases, curbing or banning them altogether.<sup>3</sup>

#### **Legislative Initiatives**

During the 2020 legislative session, the Colorado General Assembly passed HB 20-1093, which authorizes counties to adopt ordinances to license and regulate STRs.<sup>4</sup> The bill became effective September 14, 2020.

Legislators have also attempted to increase taxes on STRs in recent years. Legislation was

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In recent years, and especially in the last few months, state legislators and local officials have introduced a rash of legislation, ballot initiatives, and local regulations aimed at controlling the growth of STRs and, in some cases, curbing or banning them altogether.  
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introduced in 2020 proposing to reclassify residential properties leased as STRs, which are currently taxed at a lower rate, to “non-residential” (i.e., commercial) properties that are taxed at a rate more than three times

higher than residential properties.<sup>5</sup> A similar bill was introduced by the General Assembly's Legislative Oversight Committee Concerning Tax Policy and Task Force in 2021.<sup>6</sup> While the 2020 and 2021 bills were ultimately rejected, a bill to reclassify the tax status of STRs is expected to be introduced in the 2022 legislative session.

#### **Ballot Initiatives**

Ballot initiatives to increase taxes on STRs to support initiatives to offset or counteract the effects of STRs have become increasingly popular. These efforts are particularly popular in mountain towns, which face critical housing shortages for resort workers. For example, in November 2019 Telluride voters approved a 2.5% tax on all STRs, effective January 1, 2020, to be applied to an affordable housing fund.<sup>7</sup>

In 2021, voters in Avon, Crested Butte, Leadville, and Ouray considered similar taxes. Avon voters approved a 2% tax on STRs.<sup>8</sup> The proceeds from the tax, which went into effect on January 1, 2022, are earmarked for community housing funds and expected to generate between \$1 and \$1.5 million in revenue annually.<sup>9</sup> Crested Butte voters approved a 2.5% increase on STRs, increasing the total excise tax on STRs to 7.5%,<sup>10</sup> to support workforce housing.<sup>11</sup> Leadville voters approved a 4.92% accommodation tax on STRs units, among other accommodations,<sup>12</sup> to fund affordable and community housing.<sup>13</sup> Ouray voters approved a 15% excise tax to support workforce housing and wastewater treatment facilities.<sup>14</sup>

In 2021, Telluride voters also raised the business license fees for STRs, with the increased revenue to be dedicated to Telluride's Affordable Housing Fund.<sup>15</sup> In addition, Telluride voters considered two competing ballot initiatives on capping STR licenses. Voters rejected a cap on short-term rental licenses at 400 and an annual lottery system for permits,<sup>16</sup>

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Thus, the increase in municipal tax proceeds resulting from spending by STR renters, versus the negative impacts STRs have on communities where they're located, continues to be a policy and legal struggle for local governments, police departments, and other regulators. Accordingly, local governments around the state have imposed a range of regulations, and some have either capped or suspended the issuance of new STR licenses.

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which would have cut the existing number of licenses nearly in half.<sup>17</sup> Instead, Telluride voters approved a cap to limit the number of STR licenses to the number that had been issued as of election day, November 2, 2021.<sup>18</sup>

### Local Rules and Ordinances

Even before boards of county commissioners were handed specific authority to license and regulate STRs, municipalities regulated them by requiring licenses or permits to rent STRs and collecting taxes on the rentals.<sup>19</sup> Local and county requirements vary substantially. For example, unincorporated Eagle County has no restrictions on STRs, and unincorporated Routt County bans them altogether.<sup>20</sup> Durango and Breckenridge cap STR permits and have long permit waiting lists.<sup>21</sup>

Many other counties and municipalities have similar ordinances and rules. As noted above, STRs are typically defined as rentals of residential dwellings for less than 30 consecutive days. Some jurisdictions add occupancy limits<sup>22</sup> and parking requirements to the duration requirement.<sup>23</sup> In counties and municipalities that require STR licenses or permits, those licenses and permits are typically effective for one- or two-year terms and must be renewed before such period expires.<sup>24</sup> Proof of insurance is typically required,<sup>25</sup> as is designation of a point

person who must be available 24 hours a day to respond to emergencies.<sup>26</sup>

Some municipalities engage third-party companies that monitor STRs to identify illegal STR operations within the municipalities and to ensure compliance.<sup>27</sup>

Notwithstanding the breadth of regulations, the STR market continues to expand, with more companies competing with giants such as Airbnb and VRBO to attract both listings and renters. Local realtors also participate in brokering STRs. Not to be left behind, the traditional hospitality industry also has a presence in the STR market through platforms such as Homes & Villas by Marriott International.<sup>28</sup> And aggregator and property management sites offer strong analytical tools to sell data to subscribers about everything from nightly pricing to the STR market strength in particular locations.<sup>29</sup>

Yet local governments must balance the competing and conflicting desired policy outcomes of various players. Some constituents want less STR regulation to benefit STR operators and listing owners, tourism, and the resulting STR-generated tax dollars. Others want more regulation to limit STRs based on the perceived negative impact STRs have had on housing prices in general, the affordable housing market, neighborhood safety, and the character of communities that are not designed for tourists.

The push for increased regulation is driven in part by studies indicating the negative effects of STRs. For example, according to several studies, the conversion of leases for periods over 30 days into STRs has exacerbated the housing crisis,<sup>30</sup> which may have created worker shortages as workforce housing evaporates in some communities. A study in Boston concluded that “home sharing is increasing rents by decreasing the supply of units available to potential residents.”<sup>31</sup> This study also concluded that an increase in Airbnb listings relative to total housing units is correlated with a decrease in the number of non-STR units offered for rent.<sup>32</sup> Thus, the increase in municipal tax proceeds resulting from spending by STR renters, versus the negative impacts STRs have on communities where they're located, continues to be a policy and legal struggle for local governments, police departments, and other regulators. Accordingly, local governments around the state have imposed a range of regulations, and some have either capped or suspended the issuance of new STR licenses. Regulations for specific counties and, where applicable, their constituent municipalities, are described below.

### The City and County of Denver

The City and County of Denver (Denver) implemented its first STR licensing requirements

in 2016.<sup>33</sup> Denver requires a license to offer a short-term rental in a primary residence, which is the only type of premises eligible for an STR license. A person can have only one primary residence, which is where the person's habitation is fixed for the term of the license and is the person's usual place of return, as documented by specified identification such as a driver's license.<sup>34</sup> Accordingly, Denver does not allow investor-owned STRs or multiple licenses per person.<sup>35</sup> The license applicant must provide a valid Colorado driver's license or state identification card and at least two other documents to demonstrate primary residency.<sup>36</sup> The applicant must also self-certify that the information on the application is accurate and truthful under penalty of perjury.<sup>37</sup>

Denver limits the services offered by third-party booking providers to facilitating STRs. It is unlawful for booking service providers to receive payment, directly or indirectly, for an unlicensed STR located in Denver, and providers face strict liability and civil penalties of \$1,000 per violation per day.<sup>38</sup> STR owners and third-party booking providers must collect Denver's lodger's tax at 10.75% of the listing price, including cleaning fees, for the first 29 nights of any reservation.

### **El Paso County**

The El Paso County commissioners discussed STRs at meetings in 2019<sup>39</sup> but did not adopt a countywide permitting or licensing system. However, several municipalities within the county have permitting systems.

### **Colorado Springs**

In 2018, the Colorado Springs City Council adopted a permitting system for STRs.<sup>40</sup> In 2019, the city amended its STR permitting ordinance to establish two types of permits, owner occupied and non-owner occupied.<sup>41</sup> "Owner occupied" means the property owner occupies the dwelling for at least 185 days each year.<sup>42</sup> Permissible STR locations are also limited. Owner-occupied STR units are allowed in lawful dwelling units in zones where residential units are allowed.<sup>43</sup> Non-owner-occupied STRs are not permitted in single-family zoning districts and must be 500 feet from another permitted STR unit.<sup>44</sup>

While the city does not cap the number of permits issued, the limitation on non-owner-occupied permits likely acts to suppress or decrease the number of non-owner-occupied permits sought and issued. Further, the city limits the number of licenses to one permit per lawful dwelling unit<sup>45</sup> on a property and up to four STR units per property.<sup>46</sup> Each owner of a condominium or similar building is limited to two STR units per property.<sup>47</sup> And the use of STRs for commercial or large social events, including weddings, is prohibited.<sup>48</sup>

### **Manitou Springs**

Manitou Springs limits STRs to 2% of the available residential structures within city limits.<sup>49</sup> According to official data, that figure is 58 potential permits.<sup>50</sup> STR units must be a minimum of 500 feet from other STRs.<sup>51</sup> Property owners who meet these conditions may apply for a Minor Conditional Use Permit (MCUP), to be approved by the planning commission.<sup>52</sup> To maintain the MCUP, the property owner must rent the property for a minimum of 21 days per year.<sup>53</sup> On December 7, 2021, Manitou Springs promulgated a temporary one-year moratorium for the acceptance and processing of applications for STRs, which is effective until October 31, 2022.<sup>54</sup>

### **Boulder County**

Boulder County requires a license to operate an STR in unincorporated Boulder County.<sup>55</sup> It offers a primary dwelling license or a secondary dwelling license for STRs, and a vacation rental license.<sup>56</sup> A vacation rental license is permitted only in certain zone districts in unsubdivided land and is not permitted in subdivisions. The difference between a secondary dwelling license and a vacation rental license is based on the number of nights rented, with rentals for over 60 nights per year subject to a vacation rental license.

### **Boulder**

Boulder has a "system of rental licenses for all dwelling and rooming accommodations in the city that are rented to tenants"<sup>57</sup> and requires a valid license for all rental properties in Boulder.<sup>58</sup> Additional rules apply to STRs.<sup>59</sup>

Owners are required to obtain an STR license before advertising their property for rent, and the property must be the owner's principal residence.<sup>60</sup> "Principal residence" is defined as the dwelling unit in which a person resides for more than one half of the year.<sup>61</sup> The name on the license must be the same as the name on the deed for the property, and the owner must be a natural person, trust, or nonprofit organization.<sup>62</sup> The owner must follow the city's occupancy limits, and advertisements must contain the maximum allowed unrelated occupancy as well as the rental housing license.<sup>63</sup> A license will not be issued for a permanently affordable dwelling unit.<sup>64</sup> An accessory unit or a principal dwelling unit on a single-family lot or parcel with an accessory unit may not be rented as an STR unless certain additional requirements are met, and it may not be rented for more than 120 days in a calendar year.<sup>65</sup>

### **City and County of Broomfield**

The City and County of Broomfield (Broomfield) prohibits STRs of a residence that is not the property owner's principal residence.<sup>66</sup> A principal residence is defined as the dwelling unit in which a person resides for more than half the year, with additional limitations based on the address on the license and number of days listed.<sup>67</sup> The property owner must be a natural person or the beneficiary of a trust whose name appears on the deed to the property on which the dwelling unit to be rented is located.<sup>68</sup> Broomfield limits the number of occupants based on the square feet of the interior living space and does not permit more than four cars at or near the property.<sup>69</sup>

### **Larimer County**

Larimer County passed an ordinance for the enforcement of STRs on November 8, 2021, and a license is now required in unincorporated Larimer County for STRs.<sup>70</sup>

### **Fort Collins**

Fort Collins requires an STR license for both primary and non-primary residences.<sup>71</sup> A primary STR is one occupied by the property owner for at least nine months and includes a duplex or carriage house on the same property. Non-primary STRs are not owner occupied.

STRs are only permitted in single-family (R-1) dwellings.<sup>72</sup> STRs are not allowed in multifamily R-2 buildings, which are apartment or condominium buildings with three or more dwelling units on a single property, unless such buildings were built to R-1 building standards. Fort Collins considers STR use of multifamily buildings to be too risky, because only single-family homes have extra fire wall protection at the property lines and roof areas.<sup>73</sup>

Fort Collins also requires a certification from the owner that the dwelling unit complies with specific sanitation, mechanical, electrical, structural, and fire safety requirements.<sup>74</sup> The dwelling unit must be located in a zone district that allows short-term primary rentals as specified in the Fort Collins Land Use Code;<sup>75</sup> or it must have been used as an STR since before March 31, 2017, and owners must show that a valid sales and use and lodging tax license was obtained before October 31, 2017.<sup>76</sup> The lodging tax in Fort Collins is 3%.

### **Eagle County**

Eagle County has not adopted a permitting or licensing system for STRs.

### **Vail**

Vail requires the owner or property management firm to register the STR.<sup>77</sup> Registration requires an affidavit, signed by the owner or the property management firm, under penalty of perjury, certifying that the STR is in habitable condition and complies with certain health and safety standards.<sup>78</sup> If the STR is located within a duplex, the owner or property manager must provide written notice to the last known address of the adjoining residential dwelling unit.<sup>79</sup> Each owner or property management firm is required to appoint a natural person who remains within “a sixty (60) minute distance” of the STR and is available 24 hours per day, seven days a week, to serve as the STR’s local representative.<sup>80</sup> Complaints related to the STR are to be directed to the local representative.<sup>81</sup>

### **Grand County**

All property owners who engage in STRs in unincorporated Grand County must obtain a license.

### **Winter Park**

Winter Park requires STR registration before advertising or operating the STR.<sup>82</sup> A “high impact” STR, which is one that accommodates more than 20 people, must also apply for a special use permit before registration.<sup>83</sup>

The Winter Park Town Council recently passed an incentive program, “The Short Term Fix,” to encourage owners to rent their properties to full-time tenants rather than nightly visitors.<sup>84</sup> For a one-bedroom unit, the town offers property owners who choose to rent to an employee working at least 35 hours a week in Winter Park \$5,000 for a six-month lease and \$10,000 for a year lease.<sup>85</sup> For a two- or three-bedroom unit, the town provides a \$10,000 upfront payment for a six-month lease and \$20,000 for a year lease.<sup>86</sup> Winter Park’s Short-Term Fix 2021–22 budget was exhausted, so applications are no longer being accepted at this time.

### **Summit County**

Summit County has been regulating short-term lodging and vacation rentals since 2018 when it initially began requiring property owners to obtain permits.<sup>87</sup> In June 2021, the Summit County Board of County Commissioners (Board) adopted Ordinance 20 to improve existing STR regulations.<sup>88</sup>

Shortly after adopting Ordinance 20, in September 2021, the Board noted that “more than 30% of all Summit County’s housing stock [was] being utilized as short-term vacation rentals.”<sup>89</sup> Further, an increase in short-term rentals was contributing to a loss of workforce housing, “resulting in local businesses being understaffed and cutting hours and services due to the lack of employees.”<sup>90</sup> With such concerns in mind, and to “prevent [] the further conversion of potential long-term housing stock,” the Board instituted a 90-day moratorium on the acceptance of new STR applications to give the county time to review data and propose further regulations and amendments.<sup>91</sup> The moratorium was effective from September 17, 2021, to December 17, 2021.<sup>92</sup>

Six months after adopting Ordinance 20, on December 16, 2021, Summit County adopted Ordinance 20-B, amending and revising Ordinance 20.<sup>93</sup> Under Ordinance 20-B, the county adopted

regulations creating a two-tier license system, assigned by zones—the STR Resort Overlay Zone and the STR Neighborhood Overlay Zone.<sup>94</sup> As their names suggest, the zones distinguish between resort communities and residential neighborhoods.<sup>95</sup> Resort licenses are required for areas within the STR Resort Overlay Zone, which includes Keystone, Copper Mountain, Tiger Run Resort, and unincorporated areas at the base of Peak 8 in Breckenridge.<sup>96</sup> Resort licenses have greater occupancy and allowances, and place no restrictions on the number of nights rented.<sup>97</sup> On the other hand, the STR Neighborhood Overlay Zone provides for three types of licenses, varying by the number of nights leased.<sup>98</sup>

### **Breckenridge**

According to its city council, Breckenridge has experienced a “steady and dramatic” increase in the issuance of STR licenses from 2012 to 2020.<sup>99</sup> Accordingly, Breckenridge imposed a cap on the number of licenses allowed for nonexempt STR properties at 2,200, effective November 2, 2021.<sup>100</sup> The city council believes the cap will achieve an overall reduction of 276 nonexempt accommodation unit licenses.<sup>101</sup>

### **Routt County**

STRs are prohibited in unincorporated Routt County, except in commercial districts.<sup>102</sup>

### **Steamboat Springs**

Steamboat Springs requires owners of residential properties used for “vacation home rentals” to obtain a vacation home rental permit, except for properties located in resort and gondola districts.<sup>103</sup> A “vacation home rental” is defined as a single-family dwelling or duplex used as a lodging establishment where the owner does not reside and in which the owner is not residing during the rental period.<sup>104</sup> The resort and gondola districts are not currently subject to restrictions and are referred to as “by-right” areas—places where property owners have the right to rent their properties without a permit or approval from the city.<sup>105</sup> STRs are prohibited in the city’s open space, industrial, and commercial districts.<sup>106</sup> The permitting process requires public notice and the opportunity for objections



to be filed with the planning director.<sup>107</sup> Valid objections are referred to the city council for review at a public hearing.<sup>108</sup>

Steamboat Springs also allows STRs under its temporary use regulations, without requiring the property owner to obtain a vacation home rental permit.<sup>109</sup> Under a temporary use permit, a single-family dwelling or duplex may be used as an STR two or less times per year for a maximum of 30 days per calendar year.<sup>110</sup>

A “vacation rental” (as opposed to a vacation home rental) is defined as “[a] dwelling unit, in a multiple-family or mixed-use building, used as a lodging establishment where the owner does not reside in the dwelling unit.”<sup>111</sup> Vacation rentals may be rented on a short-term basis by-right, except in open space and industrial zones.<sup>112</sup> A permit is not required for a vacation rental.<sup>113</sup>

After members of the Steamboat community expressed concerns regarding the impacts of vacation homes and STRs,<sup>114</sup> the Steamboat Springs City Council imposed a 90-day moratorium on receipt of applications for permits in June 2021, citing “a severe shortage of housing of the local workforce” and the diversion of existing and new housing into the STR pool as a contributing factor to the housing shortage.<sup>115</sup> The city council later extended the moratorium to January 31, 2022, to allow time for the planning commissioners to continue their comprehensive review of the city’s policies regarding vacation home rentals and STRs.<sup>116</sup>

During the moratorium, the council has been engaging with the community to obtain feedback concerning STR regulations and the impacts of STRs on the community.<sup>117</sup> In early 2022, the Steamboat Springs Planning Commission director and the City Attorney’s Office began the process of creating a proposed set of “overlay zones” for review and approval by the planning commission. The zones will dictate how the properties in each zone are regulated with regard to STRs. There will likely be three levels of regulation: STRs will be banned, restricted, or not subject to any restrictions, depending on their locations within the overlay zones.<sup>118</sup>

Steamboat Springs seems to be unique in that it doesn’t define the period or length of stay of vacation rentals or STRs.

## **Pitkin County**

Pitkin County is currently considering imposing license requirements for STRs in unincorporated parts of the county. On December 15, 2021, the Pitkin County commissioners unanimously approved the first reading of an ordinance that would require short-term rentals to be licensed with the county and in compliance with various regulations.<sup>119</sup> A second reading of the ordinance and a public hearing occurred on January 26, 2022, and was continued for subsequent public hearings.<sup>120</sup>

## **Aspen**

Aspen requires STR owners to obtain a vacation rental permit to operate a vacation rental,<sup>121</sup> which is defined as “[t]he short term occupancy of a residential dwelling unit by the general public for a fee.”<sup>122</sup> Individual rooms within a residential dwelling unit are expressly exempt from the definition of vacation rental.<sup>123</sup> The requirement to obtain a permit does not apply to lodges, timeshare lodges, bed and breakfasts, and hotels.<sup>124</sup> Currently, Aspen allows a dwelling unit to be leased on a short-term basis (i.e., 30 consecutive days or less) without limitations in most city zones.<sup>125</sup> Aspen also requires property owners to notify any applicable HOAs when they apply for a vacation rental permit.<sup>126</sup>

However, changes to Aspen’s STR regulations are forthcoming. On December 8, 2021, the Aspen City Council imposed an immediate, emergency moratorium on the acceptance of residential development and building permits and applications for STR licenses based, at least partially, on concerns for lack of availability of affordable local housing for employees and residents.<sup>127</sup> The moratorium is being challenged in court by the Aspen Board of Realtors, which is seeking declaratory and injunctive relief to stop the city from enforcing the moratorium.<sup>128</sup>

## **San Miguel County**

San Miguel County approved STRs of single-family residences in 2014 and requires owners to obtain a permit for such use.<sup>129</sup>

## **Telluride**

Telluride allows STRs for a period of 29 days or less.<sup>130</sup> However, in Residential Zone Districts,

STRs are capped at three STRs annually for a cumulative number of rental days not to exceed 29 days.<sup>131</sup> Notably, “long-term rentals” (for periods of at least 30 consecutive days) are allowed throughout the entire town, but a single property may not exceed three rentals in a calendar year.<sup>132</sup>

## **Tax Issues**

In 2019, the Colorado Legislature passed HB 19-1240, which assigned sales tax collection responsibilities to “marketplace facilitators,” who must collect and remit sales tax for sales made by “marketplace sellers” on the marketplace facilitator’s marketplace.<sup>133</sup> As a result of this legislation, STR facilitators must now collect and remit Colorado sales tax. According to the Colorado Department of Revenue, “[o]wners and managers of units rented for less than 30 consecutive days are required to collect and remit sales taxes. Applicable state, special district taxes, county lodging and local marketing district taxes, [and] all state-collected local and county sales taxes are also due on the rental price.”<sup>134</sup> Although the legislature has considered the issue, Colorado has not passed a change in the property tax classification of property used for STRs.<sup>135</sup>

## **HOA Issues**

STR-related issues may also be regulated by HOAs, which struggle with many of the same issues that local governments face. HOAs do not enjoy the power that local governments have over STR issues because the Colorado Common Interest Ownership Act<sup>136</sup> governs most HOAs and limits their ability to make regulations that differ from the recorded covenants and declarations establishing the HOA community. For example, CRS § 38-33.3-205(1)(I) requires that any restrictions on the use, occupancy, and alienation of units be contained in the recorded declaration. CRS § 38-33.3-217(4.5) requires that no amendment may change the uses to which any unit is restricted in the absence of a vote or agreement of at least 67% of owners, or any larger percentage specified in the declaration. As a result, declarations that permit STRs must be amended to change the provisions in the declaration governing STRs,

to the extent the HOA community desires to prohibit or limit STRs.

The Colorado Court of Appeals has upheld the statutory provisions, stating that “[f]or short-term vacation rentals to be prohibited, the covenants themselves must be amended. . . . [T]he board’s attempt to accomplish such amendment through its administrative procedures was unenforceable.”<sup>137</sup> From a practical standpoint, practitioners drafting new documents for an HOA or amending existing documents should discuss STR issues with the developer and HOA board, including the differences between a covenant that runs with the land and a rule or regulation that may be amended by the board, because HOA boards lack authority to change covenants in the declaration through rules.

#### Lease Considerations

Given the potential profitability in rental arbitrage, when drafting residential leases for clients, practitioners should encourage clients to consider including either a prohibition of STRs or, alternatively, a specific permitted use. Although many jurisdictions surveyed in this article require the owner’s written consent as part of the application for a third party to obtain a license (whether a property manager or tenant), third-party facilitators do not ask for verification that the person creating the listing has permission to list the property as an STR. If the premises are located in an area with an HOA, the lease’s STR terms should be consistent with those in the HOA documents, because the property owner must answer for any violations.

#### Practice Tips

STR regulation is a constantly changing area. Practitioners advising clients on owning or operating an STR should

- review local government regulations and determine if additional updates are pending.
- advise the client on tax compliance issues. Notably, third-party facilitators must now collect the taxes on behalf of the listing party, but if the third-party facilitator fails to perform, the owner becomes liable for complying with the tax regulations.
- understand applicable HOA requirements.


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Only some local government license application processes include confirmation that the property is not subject to HOA regulations pertaining to STRs, so attorneys should review HOA documents before advising the client on whether an STR is permitted at the property.

- confirm that there are no additional applicable covenants recorded against the property or rental restrictions in the deed.

Ultimately, the property owner retains liability for compliance with all regulations and covenants, as STR platforms and facilitators to date have faced no liability for listings that do not comply with government regulations. Further, when a potential client informs the attorney that the client’s property was successfully listed on an STR platform, the attorney should not assume that the client has complied with the regulations or covenants governing the property.

#### Conclusion

Regulations concerning STRs continue to evolve as counties, municipalities, and HOAs balance competing demands. The shortage of housing in many parts of Colorado is not expected to resolve any time soon, and it is unclear whether STR regulations will stem such shortages. When advising clients about STRs, practitioners should be up to date on all regulations governing the premises and monitor changes at the state and local levels.<sup>138</sup> 



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#### NOTES

1. See, e.g., Colorado Springs, Colo., Code § 7.2.201 (defining “short term rental unit”).
2. See, e.g., Manitou Springs, Colo., Mun. Code § 18.89.020; Aspen, Colo., Mun. Code § 26.575.220(b)(1) and (e)(1)(b); Telluride, Colo., Land Use Code art. 3, §§ 3-201.B, 3-202.B, 3-203.B, 3-204.B, 3-205.B, 3-206.B, 3-219.B, and 3-601.G.
3. The legislation, regulations, and ballot initiatives cited in this article were current as of January 15, 2022. But given the swiftly changing nature of STR laws, practitioners should always verify the currency of laws and regulations before advising clients on STRs.
4. HB 20-1093, Concerning County Authority



To License And Regulate Short-Term Lodging Rentals, codified at CRS § 30-15-401(1)(s)(I).

5. SB 20-109, Concerning the Property Tax Classification of Property Used for Short-Term Rentals. Residential properties are currently taxed at 6.95% (CRS § 39-1-104.2(r)), while nonresidential lodging properties are taxed at 29% (CRS § 39-1-104(1)).

6. Interim Comm. Bill 9, Concerning the Property Tax Treatment of Real Property That is Used to Provide Lodging for Short-Term Stays, [https://leg.colorado.gov/sites/default/files/images/lcs/bill\\_9\\_22-0168.pdf](https://leg.colorado.gov/sites/default/files/images/lcs/bill_9_22-0168.pdf).

7. 2019 Telluride, Colo., Ballot Question 300, [https://results.enr.clarityelections.com/CO/San\\_Miguel/97201/web/#/detail/13](https://results.enr.clarityelections.com/CO/San_Miguel/97201/web/#/detail/13).

8. 2021 Avon, Colo., Ballot Issue 2C, <https://www.avon.org/civicalerts.aspx?aid=1827>.

9. Longwell, "Voters go for Avon short term rental tax," *Vail Daily* (Nov. 2, 2021), <https://www.vaildaily.com/news/eagle-valley/voters-show-support-for-avon-short-term-rental-tax-in-early-results>.

10. Crested Butte, Colo., Ballot Question 2D, <https://results.enr.clarityelections.com/CO/Gunnison/111084/web.278093/#/detail/16>.

11. *Id.*

12. Leadville, Colo., Ballot Issue 2A, <https://results.enr.clarityelections.com/CO/Lake/111090/web.278093/#/detail/9>.

13. *Id.*

14. Ouray, Colo., Ballot Issue 2A, <https://results.enr.clarityelections.com/CO/Ouray/111103/web.278093/#/detail/13?v=281565%2F>.

15. Telluride, Colo., Ballot Question 2D, [https://results.enr.clarityelections.com/CO/San\\_Miguel/111114/web.278093/#/detail/11?v=282268%2F](https://results.enr.clarityelections.com/CO/San_Miguel/111114/web.278093/#/detail/11?v=282268%2F).

16. Telluride, Colo., Ballot Question 300, [https://results.enr.clarityelections.com/CO/San\\_Miguel/111114/web.278093/#/detail/12?v=282268%2F](https://results.enr.clarityelections.com/CO/San_Miguel/111114/web.278093/#/detail/12?v=282268%2F).

17. See Blevins, "Colorado mountain communities vote 'yes' on new short-term rental fees but reject heavier regulation," *Colo. Sun* (Nov. 5, 2021), <https://coloradosun.com/2021/11/05/colorado-resort-town-voters-airbnb-vrbo-election>.

18. Telluride, Colo., Ballot Question 2D, *supra* note 15.

19. Municipalities have the power to regulate businesses that operate within the municipality under several laws, including, but not limited to (1) CRS § 31-15-501 (concerning municipal power to regulate businesses); (2) CRS § 31-15-401 (concerning municipal police powers); (3) the authority granted to home rule municipalities by Colo. Const. art. XX; and (4) the powers contained in local town and city charters.

20. Berg, "Colorado conundrum: How communities around the state are handling short-term rentals," *Aspen Times* (Sept. 18, 2021), <https://www.aspentimes.com/news/colorado-conundrum-how-communities-around-the-state-are-handling-short-term-rentals>. See also Town of Breckenridge's Short Term Rentals webpage, <https://www.townofbreckenridge.com/your-government/finance/short-term-rentals>.

townofbreckenridge.com/your-government/finance/short-term-rentals.

21. *Id.*

22. See, e.g., Colorado Springs, Colo., Code § 7.5.1706(H); Manitou Springs, Colo., Mun. Code § 18.89.040(E).

23. See, e.g., Manitou Springs, Colo., Mun. Code § 18.89.030(D)(5), (F); Fort Collins, Colo., Mun. Code § 15-644(a)(3).

24. See, e.g., Colorado Springs, Colo., Code § 7.5.1702(C).

25. See, e.g., Colorado Springs, Colo., Code § 7.5.1704(G); Fort Collins, Colo., Mun. Code § 15-644(a)(5).

26. See, e.g., Colorado Springs, Colo., Ordinance No. 18-112 § 7.5.1703(B)(4).

27. See, e.g., Manitou Springs, Short-Term Rental Operations, <https://www.manitouspringsgov.com/450/Short-Term-Rental-Operations>; Town of Breckenridge, Short Term Rentals, <https://www.townofbreckenridge.com/your-government/finance/short-term-rentals>; Berg, "Steamboat Springs hires short-term rental compliance company" *Steamboat Pilot & Today* (Aug. 10, 2021), <https://www.steamboatpilot.com/news/steamboat-springs-hires-short-term-rental-compliance-company>.

28. <https://homes-and-villas.marriott.com>.

29. See, e.g., <https://www.beyondpricing.com>; <https://www.airdna.co>. Denver is listed as the 15th best market for STR arbitrage in 2021 by AirDNA, <https://www.airdna.co/blog/short-term-rental-arbitrage-2021>.

30. Lee, "How Airbnb Short-Term Rentals Exacerbate Los Angeles's Affordable Housing Crisis: Analysis and Policy Recommendations," 10 *Harvard L. & Policy Rev.* 229, 230-35 (2016), [https://harvardlpr.com/wp-content/uploads/sites/20/2016/02/10.1\\_10\\_Lee.pdf](https://harvardlpr.com/wp-content/uploads/sites/20/2016/02/10.1_10_Lee.pdf). See also Barron et al., "Research: When Airbnb Listings in a City Increase, So Do Rent Prices," *Harvard Bus. Rev.* (Apr. 17, 2019), <https://hbr.org/2019/04/research-when-airbnb-listings-in-a-city-increase-so-do-rent-prices>; Bivens, "The economic costs and benefits of Airbnb: No Reason for Local Policymakers to Let Airbnb Bypass Tax or Regulatory Obligations," *Economic Policy Institute* (Jan. 30, 2019), [epi.org/157766](http://epi.org/157766); and Barker, "The Airbnb Effect On Housing And Rent," *Forbes* (Feb. 21, 2020), <https://www.forbes.com/sites/garybarker/2020/02/21/the-airbnb-effect-on-housing-and-rent/?sh=5191edb92226>.

31. Merante and Horn, Is Home Sharing Driving up Rents? Evidence from Airbnb in Boston at 3 (Department of Economics University of Massachusetts Boston, Working Paper 2016-03), [http://repec.umb.edu/RePEC/files/2016\\_03.pdf](http://repec.umb.edu/RePEC/files/2016_03.pdf).

32. *Id.* at 4.

33. Revised Mun. Code, City and Cty. of Denver, Colo., Ordinance No. 262-16.

34. *Id.* at § 33-46(4).

35. *Id.* at §§ 33-49(b) and -48(f).

36. *Id.* at § 33-46(4).

37. *Id.* at § 33-48(b).

38. *Id.* at § 33-49(f) and (h).

39. Minutes from July 30, 2019, and October 15, 2019, El Paso County Board of County Commissioners Meetings, <https://www.agendasuite.org/iip/elpaso/file/getfile/10707>; <https://www.agendasuite.org/iip/elpaso/file/getfile/12025>.

40. See *generally* Colorado Springs, Colo., Ordinance No. 18-112.

41. See *generally* Colorado Springs, Colo., Ordinance No. 19-101.

42. Colorado Springs, Colo., Code § 7.2.201.

43. See *generally* Colorado Springs, Colo., Code § 7.5.1704.

44. Colorado Springs, Colo., Ordinance No. 19-101; Colorado Springs, Colo., Code § 7.5.1704(C), (D).

45. Colorado Springs, Colo., Code § 7.5.1704(B).

46. Colorado Springs, Colo., Ordinance No. 18-112; City of Colorado Springs, Colo., Code § 7.5.1704(B).

47. *Id.*

48. Colorado Springs, Colo., Ordinance No. 18-112, § 7.5.1706(D).

49. Manitou Springs, Colo., Mun. Code § 18.89.040(A).

50. See Manitou Springs' Short-Term Rental Operations, *supra* note 27.

51. Manitou Springs, Colo., Mun. Code § 18.89.040(I).

52. Manitou Springs, Colo., Mun. Code § 18.89.020(A).

53. Manitou Springs, Colo., Mun. Code § 18.89.040(B).

54. Manitou Springs, Colo., City Council Ordinance No. 1621, <https://www.manitouspringsgov.com/DocumentCenter/View/3669/ORD-1621-Moratorium-on-Short-Term-Rentals---Third>.

55. Boulder County, Colo., Ordinance 2020-01 (Dec. 3, 2020), <https://assets.bouldercounty.org/wp-content/uploads/2021/01/ordinance-2020-1.pdf>.

56. Boulder County, Colo., Land Use Code § 9-6-4; <https://www.bouldercounty.org/departments/land-use/short-term-dwelling-vacation-licensing>.

57. Boulder, Colo., Revised Code § 10-3-1.

58. Boulder, Colo., Revised Code § 10-3-2.

59. Boulder, Colo., Revised Code § 10-3-19.

60. Boulder, Colo., Revised Code § 10-3-19(I) and (j).

61. Boulder, Colo., Revised Code § 9-16-1.

62. Boulder, Colo., Revised Code § 10-3-19(b) and (d).

63. Boulder, Colo., Revised Code §§ 10-3-19(I) and -20(c).

64. Boulder, Colo., Revised Code § 10-3-19(g).

65. Boulder, Colo., Revised Code § 10-3-19(o).

66. Broomfield, Colo., Mun. Code § 5-39-050.

67. Broomfield, Colo., Mun. Code § 5-39-010(B).

68. Broomfield, Colo., Mun. Code § 5-39-050.

69. Broomfield, Colo., Mun. Code § 5-39-070.

70. Larimer County, Colo., Ordinance for Implementation and Enforcement of Short-Term





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71. Fort Collins, Colo., Mun. Code § 15-645.
72. Fort Collins, Colo., Mun. Code § 15-644.
73. City of Fort Collins, Short Term Rentals webpage, <https://www.fcgov.com/shorttermrentals>.
74. Fort Collins, Colo., Mun. Code § 15-644.
75. Fort Collins, Colo., Mun. Code § 15-646(a); Fort Collins, Colo., Land Use Code § 3.8.34.
76. Fort Collins, Colo., Mun. Code § 15-646(a).
77. Town Code of Vail, Colo., § 4-14-4.
78. Town Code of Vail, Colo., § 4-14-4(D). See § 4-14-6 for health and safety standards.
79. Town Code of Vail, Colo., § 4-14-4(C).
80. Town Code of Vail, Colo., § 4-14-5.
81. Town Code of Vail, Colo., § 4-14-13.
82. Town Code of Winter Park, Colo., § 3-10-4(A).
83. Town Code of Winter Park, Colo., § 3-10-3.
84. Town of Winter Park, The Short-Term Fix, <https://wpgov.com/the-short-term-fix>.
85. *Id.*
86. *Id.*
87. See generally Summit County, Colo., Land and Development Code § 3821.
88. See Summit County Board of County Commissioners, Ordinance 20, <https://www.summitcountyco.gov/DocumentCenter/View/32668/Ordinance-No-20--Short-term-Vacation-Rental-Regulations>.
89. See Summit County Board of County Commissioners, Board Resolution 2021-66, <https://www.summitcountyco.gov/DocumentCenter/View/33310/2021-66-Temporary-Moratorium-on-License-Applications-for-Short-Term-Rentals?bidId=>.
90. *Id.*
91. Summit County Government, "STR Moratorium for Unincorporated Summit County to Take Effect Friday," <https://www.summitcountyco.gov/CivicAlerts.aspx?AID=835>.
92. Summit County Board of County Commissioners, Board Resolution 2021-66.
93. Summit County Board of County Commissioners, Ordinance 20-B, <https://www.summitcountyco.gov/DocumentCenter/View/23986/STR-Regulations?bidId=>.
94. Summit County, Colo., Land Development Code § 3821.04.
95. *Id.*
96. Summit County, Colo., Land Development Code §§ 3821.04(A)(1)(a), 4302(A).
97. Summit County, Colo., Ordinance 20-B § 3.1.
98. Summit County, Colo., Ordinance 20-B § 3.2.
99. Breckenridge, Colo., Ordinance No. 29, Series 2021 (Sept. 28, 2021).
100. *Id.* at § 1.S.3.
101. *Id.*
102. See Routt County, Colo., Zoning Regulations §§ 2.3(151) and 4, chart at 4-7.
103. Steamboat Springs, Colo., Mun. Code, ch.

26, § 706.A.

104. Steamboat Springs, Colo., Mun. Code, ch. 26, § 302.E.4. Manufactured housing is specifically excluded from this definition.
105. See Steamboat Springs, Colo., Mun. Code, ch. 26, § 706.A; § 300.E, Table 300-1. "By-right uses" is defined at ch. 26, § 300D.1.
106. Steamboat Springs, Colo., Mun. Code, ch. 26, § 706.A; art. 3, Table 300-1.
107. Steamboat Springs, Colo., Mun. Code, ch. 26, §§ 703.A(1), 706.B.
108. Steamboat Springs, Colo., Mun. Code, ch. 26, § 706.B.2.
109. "Temporary use" is defined as "[a] use that is established for a fixed period of time with the intent to discontinue such use upon the expiration of the time period." Steamboat Springs, Colo., Mun. Code, ch. 26, § 307.A.
110. Steamboat Springs, Colo., Mun. Code, ch. 26, § 307.A.8.
111. Steamboat Springs, Colo., Mun. Code, ch. 26, § 302.E(5).
112. Steamboat Springs, Colo., Mun. Code, ch. 26, §§ 300.D, 300.E, Table 300-1.
113. See generally Steamboat Springs Mun. Code, ch. 26, § 706.
114. Berg, "Steamboat likely to extend vacation home rental moratorium until June 30," *Steamboat Pilot & Today* (Dec. 10, 2021), <https://www.steamboatpilot.com/news/steamboat-likely-to-extend-vacation-home-rental-moratorium-until-june-30>.
115. Steamboat Springs, Colo., City Council Ordinance No. 2819.
116. See Steamboat Springs City Council, Minutes of Regular Meeting No. 2021-26 (Oct. 19, 2021), <http://docs.steamboatsprings.net:10100/OnBaseAgendaOnline/Meetings/ViewMeeting?id=1331&doctype=2>.
117. Berg, "Steamboat continues discussions on where short-term rentals should be allowed, restricted or prohibited," *Steamboat Pilot & Today* (Dec. 14, 2021), <https://www.steamboatpilot.com/news/steamboat-continues-discussions-on-where-short-term-rentals-should-be-allowed-restricted-or-prohibited>.
118. *Id.*
119. Pitkin County Board of Commissioners, Regular Meeting Agenda (Dec. 15, 2021), <https://civicclerk.blob.core.windows.net/stream/PITKINCOCO/ce9efe63-dcae-4681-9a04-c00e19473640.pdf?sv=2015-12-11&sr=b&sig=RS4jh9jY51tvO7EYvD37fJ9T5FRrS2pBpfPab4lOdPs%3D&st=2022-01-15T14%3A56%3A35Z&se=2023-01-15T15%3A01%3A35Z&sp=r&rsc=cache&rsct=application%2Fpdf>.
120. Pitkin County Board of Commissioners, Regular Meeting Agenda (Jan. 26, 2022), <https://records.pitkincounty.com/WebLink/DocView.aspx?id=346899&dbid=0&repo=LFRrecords>.
121. Aspen, Colo., Mun. Code § 26.575.220(b).
122. Aspen, Colo., Mun. Code § 26.104.100.
123. *Id.*
124. Aspen, Colo., Mun. Code § 26.575.220(b)

(2).

125. Aspen, Colo., Mun. Code § 26.575.220(c).
126. Aspen, Colo., Mun. Code § 26.575.220(d)(1).
127. Aspen, Colo., City Council Ordinance No. 27 (Series of 2021).
128. See *Aspen Board of Realtors, Inc. v. City of Aspen, et al.*, Pitkin County Dist. Court, Case No. 2021CV30131. On March 11, 2022, the court granted plaintiff's motion for preliminary injunction.
129. San Miguel, Colo., County Land Use Code § 5-3001.B.
130. Telluride, Colo., Land Use Code §§ 3-201.B, 3-202.B, 3-203.B, 3-204.B, 3-205.B, 3-206.B, 3-219.B, 3-601.
131. Telluride, Colo., Land Use Code art. 3, § 3-601.A.
132. Telluride, Colo., Land Use Code art. 3, § 3-601.B.
133. CRS § 39-26-102.
134. [https://tax.colorado.gov/sites/tax/files/DR1917\\_2020.pdf](https://tax.colorado.gov/sites/tax/files/DR1917_2020.pdf).
135. SB 20-109, concerning the property tax classification of property used for short-term rentals, was introduced on January 15, 2020, but postponed indefinitely in committee.
136. CRS §§ 38-33.3-101 et seq.
137. *Houston v. Wilson Mesa Ranch Homeowners Ass'n, Inc.*, 360 P.3d 255, 261 (Colo.App. 2015).
138. Several municipalities enacted additional or new legislation while this article was being produced.



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# Price Proposal

FOR

**Town of Castle Rock, CO**

April 25, 2025

presented by



**RENTALSCAPE**

engineered by



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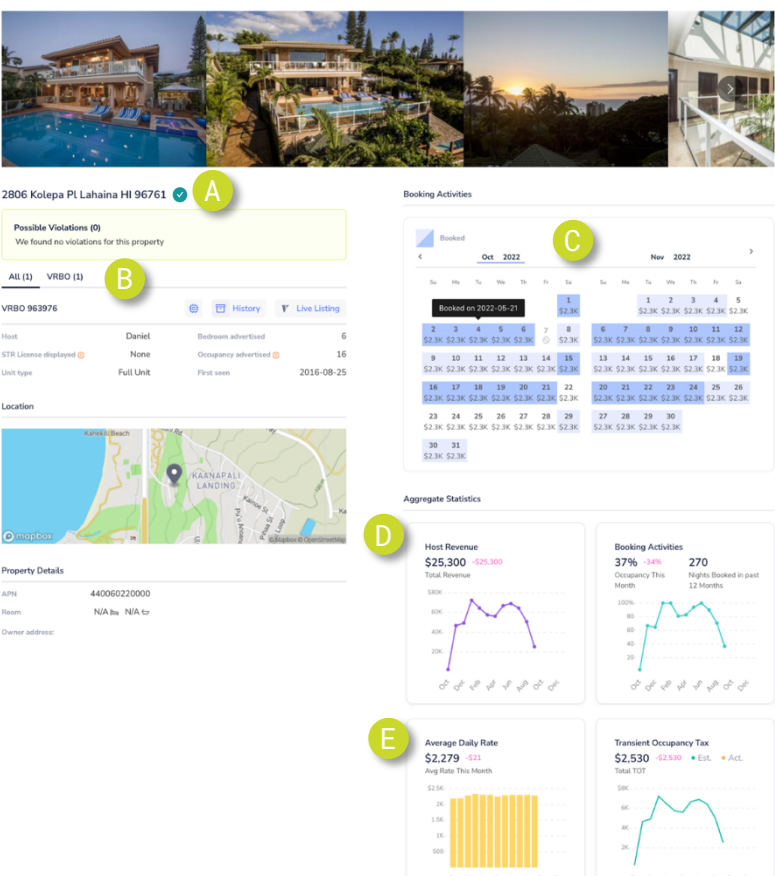
# Executive Summary

## Rentalscape Short-Term Rental ID & Monitoring Platform

Deckard Technologies utilizes data science expertise to assist local governments with managing their compliance activity and enforcement, such as short-term rental (STR) properties. Our technology ensures that everyone is held accountable to play by the same set of rules, follow all guidelines and ordinances, and pay their fair share of fees and taxes. To accurately track activity within the Town of Castle Rock, the Rentalscape platform identifies the exact address of the STR listings within the Town limits, enabling accurate display of STR activity within the Town and within community districts. Rentalscape groups listings and calculates statistics on a per-property basis. By mapping the exact location of properties, Rentalscape avoids double-counting activity. Knowing the exact location of STR properties enables compliance, enforcement, tax collection and complaint management activities.

## About Rentalscape

Deckard's Dashboard management platform for STR will discover, identify, and efficiently present all STR activity in **the Town of Castle Rock**, using unique technical capabilities such as its proprietary future booking detection software, automatic non-compliance recognition, industry-best address identification.



Rentalscape is the only platform that automatically updates upcoming rentals and bookings shortly after reservations are made.

This allows Rentalscape users to reach out to owners and hosts who are unlawfully renting and address any issues relating to these future rentals long before guests arrive, thereby eliminating disturbances, neighbor complaints and other common issues that often arise from illegal rentals.

- A** Address
- B** Sites Monitored
- C** Bookings, Cost, Occupancy
- D** Host Revenue
- E** Average Daily Rate

Figure 1: Rentalscape Property Card

Rentalscape maintains a database of every booking and stay made on all major platforms. Our system contains information dating back to late 2019 for every STR in the Town of Castle Rock. All data can be viewed interactively on the Rentalscape portal with unlimited user access and downloaded on demand in Microsoft Excel format.

Rentalscape dashboard map view shows the exact location of all STR activity, includes districts as defined by the Town and displays individual property information and aggregate statistics on a per district basis.

Rentalscape presents detailed STR activities including the precise address, owner information, booking history, availability and more. For each individual booking, the platform provides the actual date the reservation was made as well as the start and end date of each booking, ensuring that the Town is able to distinguish back-to-back bookings. These insights are not possible to achieve by simply viewing the listings itself.

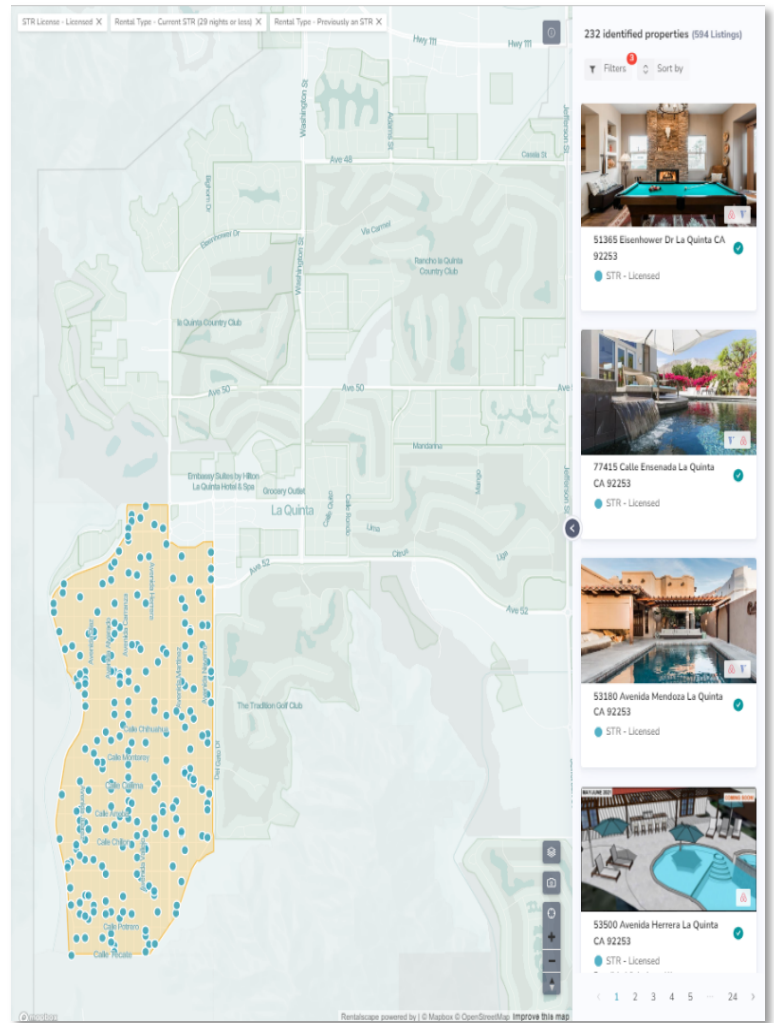


Figure 2: Rentalscape Map

## In Summary

In every jurisdiction in which we are providing service we have increased compliance and improved tax collection. Our process starts with producing the cleanest data possible – ensuring reporting is accurate and compliance levels are carefully monitored. We have in-house property appraisers and STR property managers. We also regularly consult with Town staff to ensure we are always up to date with the latest STR best practices. Our systems come with unlimited user access and unlimited end-user training. Our customers give testimonials regarding the ease of use of our systems and vastly superior level of customer service when compared to other providers in the market.

# References

We believe that **continuous innovation** is required to face the challenges of today and of tomorrow. We are proud of our achievements and solutions that enable cities and counties to manage short-term rental activities and to ensure local rules and ordinances are enforced for the betterment of local residents.

The following references are examples of successful partnerships between Deckard Technologies & its clients.

## City of Westminster, CO

Aric Otzelberger  
Operations Manager

aotzelbe@cityofwestminster.us  
303-658-2122

Product:  
Rentalscape, Outreach, Registration Portal, Tax Portal,  
Complaint Portal, 24/7 Complaint Hotline, Payment  
Integration

## Town of Mount Pleasant, SC

Jane Yager-Baumrind  
Planning & Development

jyager-baumrind@tompsc.com  
843-884-1229

Product:  
Rentalscape, 24/7 Complaint Line, Public facing portal,  
Registration portal

## City of Norman, OK

Jeanne Snider  
Assistant City Attorney

jeanne.sinder@normanok.gov  
405-217-7700

Product:  
Rentalscape, Outreach Campaign, Tax Portal,  
Registration Portal, Complaint Portal

## City of Rockport, TX

Judy Emerson  
Code Enforcement Officer

jemerson@cityofrockport.com  
361-556-5310

Product:  
Rentalscape, Outreach Campaign, Registration Portal, Tax  
Portal

## City of Charlevoix, MI

Jonathan Scheel  
Director of Planning and Zoning

jonathans@charlevoixmi.gov  
231-547-3251

Product:  
Rentalscape



# Proposed Products

## The Rentalscape Portal

The Rentalscape portal is a cloud-based system for Town staff to track STR properties, monitor STR activity, manage STR permits and record information about properties. The data in the system is constantly being updated as new properties are discovered and address identified, as new permit applications are made and as permits are expired or revoked.

The Rentalscape portal displays information on all STR listings found within the Town going back at least 12 months. We use US Census data to identify Town limits and any parcels or listings within the limits are monitored. Rentalscape also tracks properties outside the Town until they are accurately identified. On occasion, the STR listing estimated location for a property falls outside the Town, but the actual location of the property once address identified is inside the Town. Rentalscape displays:

1. Any permitted STR property
2. Any property with a currently live STR listing
3. Any property with historic STR listings
4. Any property with a future or past STR booking (even if the property currently does not have a live listing)

Rentalscape includes the ability to filter the properties displayed (e.g., only permitted properties, or only properties in a specific HOA), and to download all results. All data displayed is available for direct download from Rentalscape.

Information shown in Rentalscape for each property includes:

### Property characteristics

1. Property address
2. Owner name and mailing address
3. Residential type (primary residence, secondary/investment property)
4. Property type
5. Number of bedrooms and bathroom at the property, per public records data
6. A map showing the property's location
7. Maximum occupancy per the Town of Castle Rock ordinance

## Listing characteristics

1. Listing URL for each listing associated with each specific property
2. Listing ad ID for each listing associated with each specific property
3. Rental calendar showing current month's activity as well as past twelve months and upcoming three months booking activity (frequently updated calendar)
4. Rentalscape clearly and easily differentiates between regular bookings and host-blocked dates that are not revenue-generating
5. Host name (when available)
6. Stay limitations (minimum/maximum)
7. Permit/license number if included in the listing
8. Daily Rental rate at time of booking
9. Rental frequency
10. Individual links to all active listing for the property
11. **PDF copy of each listing, as well as a history of all previous versions of the listing**, to identify any possible changes, as well as keep a record in case the listing is taken down by the host. Each image has a date-stamp showing when it was created and is kept indefinitely.
12. Rental type (Whole home, shared home)
13. Bedrooms and bathrooms advertised
14. Maximum occupancy, per listing

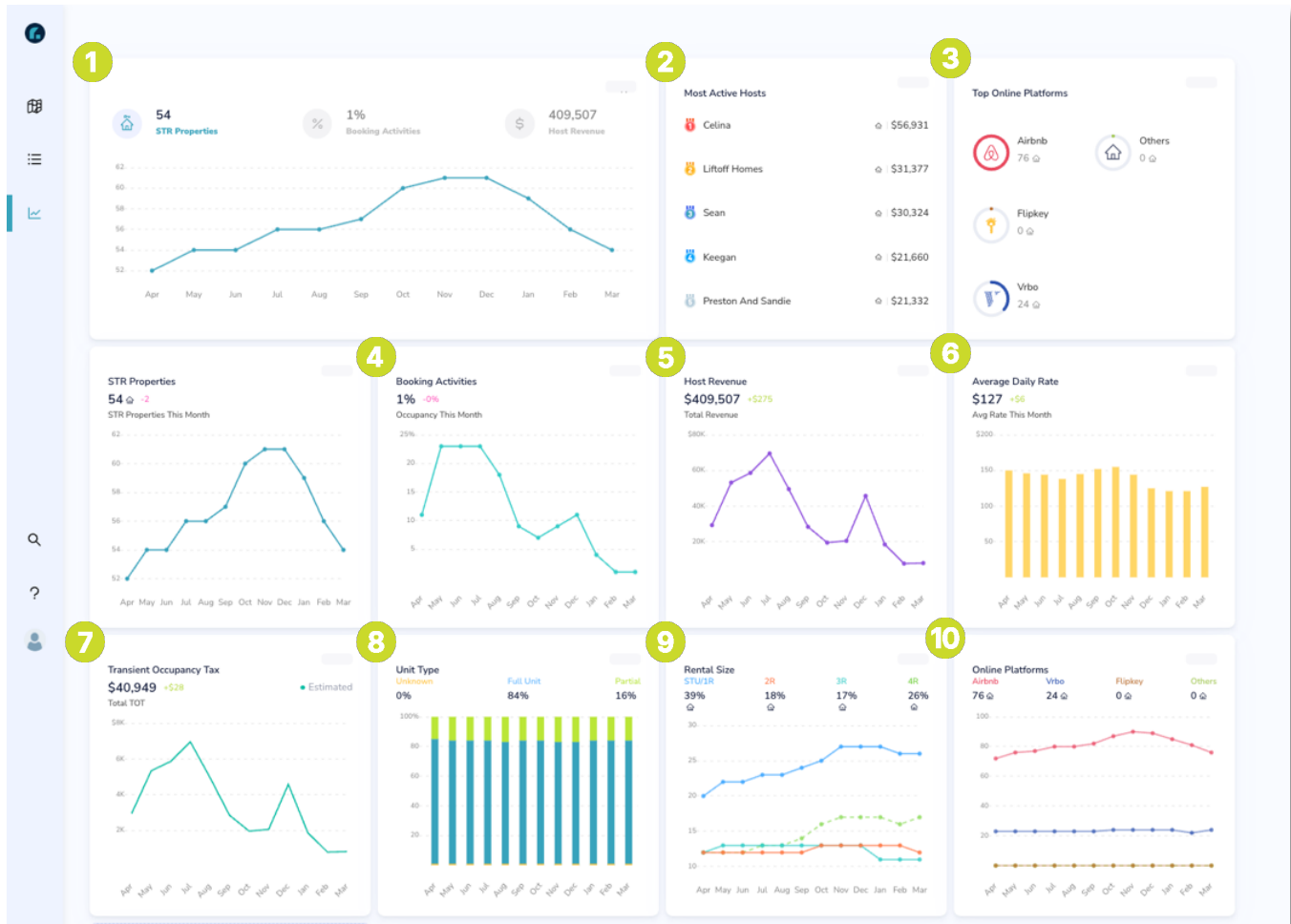
## Estimated sales tax based on rental activity

1. Occupancy rate
2. Estimated rental income
3. Estimated tax

Rentalscape is configured to match the Town 's ordinance and is capable of flagging violations following the Town 's exact rules, including but not limited to permit registration and occupancy advertised versus permitted occupancy. Rentalscape looks for bookings less than 30 days when flagging STRs. When bookings longer than 30 days are created, these are correctly categorized as long-term rentals and do not cause a property to be treated as an STR.

Rentalscape actively monitors permit status and STR listings daily, flagging violations as they occur. We have encountered situations where other providers have flagged properties as "no longer listed" or "only performing long-term rentals", that later re-list or take a short-term booking, and are subsequently missed by these other vendors as violating the Town ordinance. **Rentalscape continuously monitors every listing every day** including bookings up to a year in advance. As soon as an unpermitted booking is taken, Rentalscape sets a violation.

Rentalscape includes a **Dashboard** that provides an overview of all STR activity in the Town. This Dashboard includes aggregated revenue, bookings, and property data, and highlights top-earning hosts and owners as seen below. Please note that some charts will not be activated until we go live in the Town of Castle Rock.



- |                             |                                |
|-----------------------------|--------------------------------|
| <b>1 STR PROPERTIES</b>     | <b>7 ESTIMATED TAX REVENUE</b> |
| <b>2 MOST ACTIVE HOSTS</b>  | <b>8 UNIT TYPE</b>             |
| <b>3 TOP PLATFORMS</b>      | <b>9 RENTAL SIZE</b>           |
| <b>4 BOOKING ACTIVITIES</b> | <b>10 ONLINE PLATFORMS</b>     |
| <b>5 HOST REVENUE</b>       |                                |
| <b>6 AVERAGE DAILY RATE</b> |                                |

# Implementation & Training

Implementation is on your timeline!! Upon Contract signing, Deckard will assign the Town of Castle Rock a Dedicated Account Manager, who will work with the Town to develop “best practices” based on Deckard’s experiences with other clients. The Client Success Manager will ensure that the implementation process proceeds smoothly and will be the main point of contact for any questions, suggestions, training, or concerns. The Client Success Manager will also participate in periodic calls with Town staff as requested.

Since Rentalscape is cloud-based, no hardware or software installation is required.

Most jurisdictions have been up and running with Rentalscape within a couple weeks with Address Identification complete within 4 weeks of receipt of the permit and listing data.

## Sample Timeline

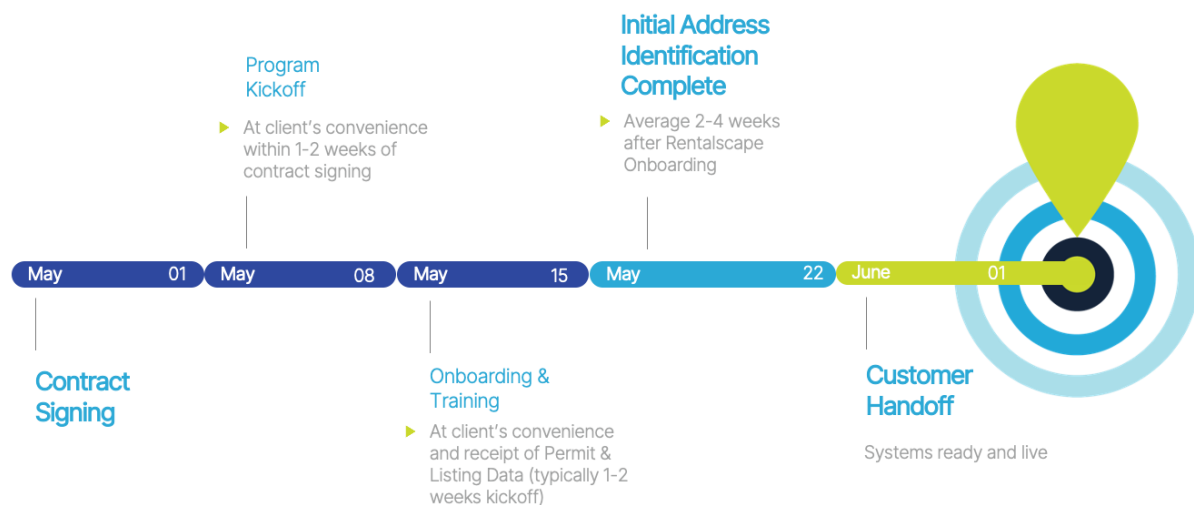


Figure 4: Sample Timeline for Rentalscape

# Pricing Proposal

Currently, Rentalscape is showing close to **147 live STR listings in the Town of Castle Rock**. Based on the number of live STR listings, we estimate there are **100+ short-term rental properties in the Town**, advertised on one or more platforms.

Deckard Technologies can provide a comprehensive, all-inclusive system that meets the requirements specified in the Proposal. Alternatively, each of our products is available for individual purchase as standalone items, allowing for tailored solutions to meet specific needs.

We only **charge fees on a per property, not per listing, basis**. Since a single property can have multiple listings, we feel it is unfair to charge fees based on listing count. Finally, we do not charge one fee for compliance monitoring and another for rental activity monitoring as, in our view, these are the same service.



## Base Product Pricing

ADDRESS IDENTIFICATION, COMPLIANCE MONITORING, & RENTAL ACTIVITY REPORTING	Price
<ul style="list-style-type: none"> <li>Identify property &amp; address</li> <li>Identify property owner address</li> <li>Real-time reporting of all new listings &amp; frequent calendar monitoring</li> <li>10,000+ Websites monitored Daily, worldwide</li> <li>FutureCast™ - Identify future bookings as they are made on the rental platform</li> </ul>	\$5,000 Annually
OUTREACH CAMPAIGN	
<ul style="list-style-type: none"> <li>Letter campaign to inform STR illegal operators regarding compliance requirements and procedures</li> <li>All letter templates will receive Town approval pre-campaign</li> <li>Campaign includes one Introductory letter and two additional escalation letters</li> </ul>	INCLUDED
REPORTING & ANALYSIS	
<ul style="list-style-type: none"> <li>On Demand, Dynamic reporting, offering multiple ad hoc reports</li> <li>Filters allowing users to focus on specific segments of the STR population</li> </ul>	INCLUDED
DEDICATED ACCOUNT MANAGER	
<ul style="list-style-type: none"> <li>Single Point of Contact for Town staff for all matters</li> <li>Ensures the Town is following Industry best practices</li> <li>Shepherds the implementation process from start to finish</li> <li>Periodic meetings/calls throughout the life of the account</li> </ul>	INCLUDED
UNLIMITED ACCOUNTS & TRAINING SESSIONS	
<ul style="list-style-type: none"> <li>No limit on the number of Rentalscape user accounts</li> <li>No per-session training costs</li> <li>Single Sign-On (SSO) available</li> <li>Dedicated client support staff available to assist with customer request</li> </ul>	INCLUDED
TOTAL YEAR ONE	\$5,000

**Note:** Pricing valid for 90 days  
**Note 2:** Pricing Confidential

## Optional Products Pricing

### STR REGISTRATION PORTAL

- Online, intuitive portal for registration and renewal
- Fields configurable to meet Town needs
- Identify properties that need registration fee
- Provide daily reports on new and modified permits

\$5,000  
(OPTIONAL)

### TAX PAYMENT PORTAL

- Easy to use online tax payment portal
- Configurable tax, late fee and interest rates on a per-property basis
- Provide daily reports on tax payments and remittances to the Town

\$5,000  
(OPTIONAL)

### COMPLAINT 24/7 HOTLINE & ONLINE FORM

- 24/7 US bilingual (upon request) call center with live agents – **Classic** (see Page 13 for Detail Information)
- Online complaint form (Complaint Form only \$2,000)

\$3,500  
(OPTIONAL)

### CONSTITUENT PORTAL

- Public facing portal (Link placed on Jurisdiction's website)
- Permit/Licensing Data and Responsible Party Contact Info for every STR Property (Standard)

\$5,000  
(OPTIONAL)

### INSPECTION MODULE

- Enables field agents to create notes, comments, complaints, or tickets directly from the field during the inspections (mobile enabled)
- Record inspection data, including notes and complaints
- E-mail inspection results to property owners and Town staff

\$5,000  
(OPTIONAL)

# Product Line



## STR Registration and Renewal Portal

This system is fully configurable and tailored to each client, featuring custom branding and fields specific to jurisdiction requirements, such as occupancy limits and bedroom counts. It securely collects necessary documents for the STR registration process and includes an approval portal for efficient registration management. The platform offers configurable permit/license pricing and expiration settings, facilitates the collection of permit fees, supports renewals and updates, and provides regular reporting capabilities.



## Letter Campaign for STR Hosts

Rentalscape will create and distribute letters to illegal operators, detailing the jurisdiction's STR ordinances, requirements, and procedures. All letter templates will be reviewed and approved by the jurisdiction's staff before mailings commence. Our strategically timed, targeted letter campaigns have proven highly effective, reducing the number of unregistered hosts by over 50% within the first six months of new client engagement.



## Tax Payment Portal

The portal facilitates tax collection from STR operators on a monthly, quarterly, or yearly basis. The Rentalscape Tax Payment system gathers data on nights available for booking and nights booked, and it is customized to each jurisdiction. It features automatic tax calculation based on the jurisdiction's tax rate, incorporates late fee and penalty computations, and provides the flexibility to apply leniency on a collective jurisdiction basis when necessary. Using Stripe for payment processing, the system accepts credit card and ACH payments, with funds remitted directly to the jurisdiction. It also generates nightly reports for easy reconciliation, significantly reducing the manual effort associated with processing paper forms.



## 24/7 Complaint Line & Online Complaint Portal

The Complaint Line is available 24/7 to field public complaints related to short-term rentals, operated by live, U.S.-based call takers. Call takers collect essential information, such as the address, property owner, type of incident, and date, and then notify the designated jurisdiction contact. Our hotline services are offered at three different levels to accommodate various needs.

► **Basic:** Standard call flow. Information is taken and forwarded to the jurisdiction. Calls are referred to the appropriate staff without follow up required.

► **Classic:** Call Center will contact the local contact when information is available (permitted properties), notify them of the complaint then forward the information to the local jurisdiction contact.

► **Premier:** Premium call flow. Dispatcher will attempt to get a complaint resolution. The local contact can be contacted up to 3 times before referring caller out to appropriate staff.

► **Rentalscape Online Complaint Form:** Neighbors can report and provide evidence for non-emergency concerns with photos and videos. The Complaint Form is customized with your logo. All complaints are logged and reported to the appropriate staff/department.



## STR Constituent Portal

The Constituent Portal is an interactive public online map that displays all registered short-term rentals within the jurisdiction. It is fully configurable to meet the jurisdiction's needs, providing information such as the property owner and emergency contact details. The portal is branded with the jurisdiction's identity and can include links to related systems, like the short-term rental registration platform.



## Inspection Module

This module streamlines the inspection process, enhancing efficiency and effectiveness for field agents and jurisdiction staff. It is a mobile-enabled system that allows agents to conduct and document health and safety inspections directly in the field. Agents can add notes, comments, and even generate complaints or tickets in PDF format on-site.