

ORDINANCE NO. _____

**AN ORDINANCE TO AMEND LITTLE ROCK, ARK., REV. CODE § 36-
ARKANSAS, TO PROVIDE FOR THE MODIFICATION OF VARIOUS
PROCEDURES, DEFINITIONS, AND FOR OTHER PURPOSES.**

WHEREAS, the use of homes for Short-Term Rentals is occurring throughout the City without clear allowances for this land use; and,

WHEREAS, a regulatory framework is needed to provide for Life-Safety Standards for both hosts and visitors of Short-Term Rentals; and,

WHEREAS, use of residential homes for Short-Term Rentals grants owners opportunities for housing to be used for the purpose of safe temporary rental accommodations throughout the City’s collective of neighborhoods; and,

WHEREAS, the City has developed an equitable system for permitting Short-Term Rentals, incorporating mechanisms to preserve neighborhood character while allowing reasonable latitude for the use of private residences to generate income; and,

WHEREAS, this regulatory framework for operation of Short-Term Rentals helps establish equity in Municipal Tax Collection; Hotel Taxes from Short-Term Rentals will be collected and used in City’s efforts to promote travel and tourism.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS.

Section 1. Little Rock, Arkansas Rev. Code Chapter 17. Licenses, Taxation, and Miscellaneous Business Regulations, Article IV. Hotel and Restaurant Tax, Code of Ordinances of the City of Little Rock, Section 17-96 Levied, sub-Section (a), as follows:

There is hereby levied a tax of 4% upon the gross receipts or gross proceeds derived and received from the renting, leasing or otherwise furnishing of hotel, motel, house, cabin, bed and breakfast, campground, condominium, or apartment accommodations, or other similar rental accommodations for sleeping, meeting, or party or banquet use for profit in the city, provided that such levy shall not apply to the rental or leasing of such accommodations for a period of thirty (30) days or more; and

Be amended to read as follows:

There is hereby levied a tax of 4% upon the gross receipts or gross proceeds derived and received from the renting, leasing or otherwise furnishing of hotel, motel, house, cabin, bed and breakfast, Short-Term Rentals, campground, condominium, or

1 apartment accommodations, or other similar rental accommodations for sleeping,
2 meeting, or party or banquet use for profit in the city, provided that such levy shall
3 not apply to the rental or leasing of such accommodations for a period of thirty (30)
4 days or more; and

5 **Section 2.** Little Rock, Arkansas Rev. Code, Chapter 36. Zoning, Article I. In General, Section 36-3.
6 Same – Uses, as follows:

7 Bed and breakfast house means an owner-occupied single-family residence which
8 contains not more than five (5) guest rooms, which for a fee may be occupied by a
9 guest for no longer than fourteen (14) consecutive days.

10 Be amended to read as follows:

11 Bed and Breakfast House/ Short-Term Rental (STR) means an owner occupied or non-
12 owner occupied single or multi-family dwelling unit which contains not more than
13 five (5) guest rooms, no more than one (1) of which may be located in an approved
14 accessory dwelling, which for a fee may be occupied by a guest for no longer than
15 twenty-nine (29) consecutive days. Bed and Breakfast House/ Short-Term Rental
16 (STR) are a land use allowed only where the Planning Commission has granted a
17 Special Use Permit in accordance with Chapter 36. Article II. Section 36-54 Special Use
18 Permits.

19 **Section 3.** Little Rock, Arkansas Rev. Code, Chapter 36. Zoning, Article II. Administration and
20 Enforcement, Section 36-54. Special Use Permits, Sub-Section (e.) Development Criteria, as follows:

21 (1) Bed and breakfast hotels

- 22 a. The occupancy fee may include a continental breakfast (coffee, juice and pastry)
23 to be served to paying guests with no full meals.
24 b. The owner must provide one (1) paved off-street parking space per guest room and
25 one (1) additional for the residence use.
26 c. Allowable signage is that permitted by the single-family residential standard.
27 d. No receptions, private parties or tours for a fee are allowed.

28 Be amended to read as follows:

29 (1) Bed and Breakfast House/Short-Term Rental Type (STR)

- 30 a. See Article XIII. Bed and Bed and Breakfast House/Short-Term Rentals for
31 development standards and submittal requirement

32 **Section 4.** Little Rock, Arkansas Rev. Code, Chapter 36. Zoning, Article V. District Regulations,
33 Section. 36-253. R-1, Single-Family District. Sub-Section (b) Use Regulations. (5) Special uses, as follows.

34 a. Bed and Breakfast House

35 Be amended to read as follows:

1 a. Bed and Breakfast House/Short-Term Rental

2 **Section 4.** That Little Rock, Arkansas Rev. Code be amended to include a new Article for incorporation
3 into Chapter 36. Zoning, providing land use controls for Bed and Breakfast House/Short-Term Rentals.

4 **ARTICLE XIV. BED AND BREAKFAST HOUSE/SHORT-TERM RENTALS**

5 **ARTICLE XIV. SEC. 36-599 SHORT TITLE**

6 This chapter may be cited as the “Short Term Rental Ordinance.”

7 **ARTICLE XIV. SEC. 36-600 PURPOSE**

8 Purpose of this Article is to establish regulations for use of residential dwellings as Bed
9 and Breakfast House/Short-Term Rentals, establish a system to track the Short-Term
10 Rental inventory in the City, ensure compliance with Local Performance Standards,
11 provide a means of contact for the Responsible Party of Bed and Breakfast House/Short -
12 Term Rentals, and allow private property owners the right to fully and efficiently utilize
13 their property without undue regulation or interference.

14 **DEFINITIONS.**

- 15 A. Administrative Approval shall mean formal acceptance of approval by the Director
16 of Planning and Development, or their designee.
- 17 B. Bed and Breakfast House/Short-Term Rental type shall mean an owner occupied
18 or non-owner occupied single-family or multi-family property which contains not
19 more than five (5) guest rooms, no more than one (1) of which may be located in
20 an approved accessory dwelling, which for a fee may be occupied by a guest for
21 no longer than twenty-nine (29) consecutive days.
- 22 C. Occupant shall mean the person or persons who contracts with the Responsible
23 Party for use of the Short Term Rental (STR).
- 24 D. Owner-occupied shall mean owner of the property permanently resides in the STR
25 or in the principal residential unit with which the STR is associated on the same
26 tax parcel.
- 27 E. Responsible Party shall mean the owner of a Residential dwelling being used as a
28 short-term rental, as well as any person designated by the owner who is responsible
29 for compliance with this Article by an Occupant and any guests utilizing the Short
30 Term Rental. The Responsible Party shall provide for the maintenance of the
31 property and ensure compliance by the Occupant and any guests with the
32 provisions of this Article, or any other applicable law, rule, or regulation pertaining
33 to the use and occupancy of a Short-Term Rental. The owner of the property shall
34 not be relieved of responsibility or liability for noncompliance with the provisions.

1 **ARTICLE XIV. SEC. 36-601 BED AND BREAKFAST HOUSE / SHORT TERM**
2 **RENTALS (STR) ENTITLEMENT**

3 (a) Bed and Breakfast House/Short-Term Rental (STR) is an owner-occupied or
4 non-owner occupied single or multi-family dwelling unit which contains not
5 more than five (5) guest rooms, no more than one (1) of which may be located
6 in an approved accessory dwelling, which for a fee may be occupied by a guest
7 for no longer than twenty-nine (29) consecutive days.

8 1. Bed and Breakfast House/Short-Term Rental (STR) are a land use allowed only where
9 the Planning Commission has granted a Special Use Permit in accordance with Chapter
10 36. Article II. Section 36-54 Special Use Permits.

11 a. Business License required.

12 1. Upon Planning Commission approval of a Special Use Permit, the owner
13 can submit application for a Business License, to be renewed annually.

14 2. Annual Inspection Fee of One Hundred Dollars (\$100.00) per bedroom up
15 to maximum of Five Hundred Dollars (\$500.00). Unless the owner does
16 not reside on the property, or reside in a unit within 1,500 feet of said
17 property, then the inspection fee shall be Five Hundred Dollars (\$500.00)
18 for the entire structure.

19 3. The Annual Inspection Fee would be waived if the structure is in a historic
20 district and passes inspection adding to the historic district's contributing
21 structures

22 (b) Pre-existing Bed and Breakfast House/Short-Term Rental (STR) owner
23 occupied, or a unit within 1,500 of the owner's primary dwelling.
24 Administrative approval for pre-existing Bed and Breakfast House/Short-Term
25 Rental (STR) can be granted. Within six (6) months of the passage of this
26 ordinance, the owner must register the STR with the City, demonstrate the STR
27 was in operation six (6) months prior to passage of this ordinance, demonstrate
28 compliance with all Bed and Breakfast House/Short-Term Rental (STR)
29 Development Standards, and pay a One Hundred Fifty Dollar (\$150.00)
30 Administrative Review Fee.

31 1. If administrative approval is granted, the applicant will be notified and an
32 inspection will be scheduled, a One Hundred Dollar (\$100.00) Inspection
33 Fee to be collected.

34 2. Following payment of the administrative review and inspection fee,
35 operator shall obtain a Business Permit, to be renewed annually.

1 3. Annual inspection fee for pre-existing STR: One Hundred Dollars
2 (\$100.00) per bedroom up to maximum of Five Hundred Dollars
3 (\$500.00).

4 4. The Annual Inspection Fee would be waived if the structure is in a Historic
5 District and passes inspection adding to the Historic District's contributing
6 structures

7 (c) Pre-existing Bed and Breakfast House/Short-Term Rental (STR) non-owner
8 occupied. Non-owner occupied Short-Term Rentals (STR) in operation prior to
9 six (6) months of passage of this ordinance, which have not secured entitlement
10 through a SUP the owner/operator of a pre-existing STR shall apply for a SUP
11 with the City of Little Rock Planning and Development Department within six
12 (6) months following passage of this ordinance. If no application is received,
13 and/or if the SUP application is not approved, the property shall revert to its
14 former use status.

15 (d) All Bed and Breakfast House/Short-Term Rental (STR) permit holders are
16 responsible for collecting and remitting all applicable room, occupancy, and
17 sales taxes required by Arkansas State Law or City Code.

18 **ARTICLE XIV. SEC. 36-602 RESPONSIBLE PARTY**

19 (a) A Responsible Party must be available twenty-four (24) hours per day, seven (7)
20 days per week, for the purpose of responding within sixty (60) minutes to
21 complaints regarding the condition of the short term rental or the conduct of the
22 Occupant of the Short-Term Rental and/or their guests.

23 (b) A Responsible Party, upon notification that any Occupant or guest has created
24 any unreasonable noise or disturbance, engaged in disorderly conduct, or
25 committed a violation of any applicable law, rule or regulation pertaining to the
26 use and occupancy of a Short-Term Rental, shall promptly respond in an
27 appropriate manner within sixty (60) minutes and require an immediate halt to
28 the conduct, and take such steps as may be necessary to prevent a recurrence of
29 such conduct. Failure of the Responsible Party to respond to calls or complaints
30 regarding the condition, operation, or conduct of an Occupant or guest in a Short-
31 Term Rental in an appropriate manner within sixty (60) minutes shall constitute
32 a violation of this Article.

33 (c) A Responsible Party shall provide their contact number and information to all
34 residents adjacent to the Residential Dwelling being used, or will be used, as
35 Short-Term Rental (STR).

- 1 (d) A Responsible Party shall post on or near the front door of the Short-Term Rental
2 a notice which includes the address of the Rental, emergency contact numbers
3 (including the Responsible Party name and contact number), maximum
4 occupancy, and a diagram showing emergency exit route(s) approved by the Fire
5 Department.
- 6 1. The responsible party shall answer calls twenty-four (24) hours a day,
7 seven (7) days a week for the duration of each Short-Term Rental period
8 to address problems associated with the STR.

9 **ARTICLE XIV. SEC. 36-603 DEVELOPMENT STANDARDS.**

10 (a.) Purpose and intent of this Section is to establish development standards for bed
11 and Bed and Breakfast House/Short-Term Rental. Compliance with these
12 development standards shall be demonstrated by applicants requesting
13 entitlements for STR.

- 14 1. For STR Applications, compliance with these development standards shall
15 be demonstrated and submitted as a supplement to a Special Use Permit
16 Application.

17 (b.) Development Standards.

- 18 1. Hosting of private parties and special events such as weddings, receptions,
19 and other similar gatherings is not allowed in Short-Term Rentals.
- 20 2. No tours for a fee are allowed.
- 21 3. The Occupancy Fee may include a continental breakfast (e.g. coffee, juice,
22 pastries) to be served to paying guests; no full meals.
- 23 4. Allowable signage is that as permitted by the single-family residential
24 standard.
- 25 5. Parking plan must be provided with permit application. Off-street standard
26 for STRs shall be provided in accordance with Little Rock Arkansas Code,
27 Chapter 36 36-54 (e) (1).

28 If on-street parking is proposed as an alternative to meet the above
29 requirements, parking must be available for guest use within three-
30 hundred and thirty (330) feet of the STR and parking plan must address
31 neighborhood impact. If the STR is proposed within a Design Overlay
32 District, any alternate parking requirements, as provided in Little Rock,
33 Arkansas Rev. Code, Chapter 36. Zoning, Article V. District Regulations
34 shall be applicable.

6. Applicants shall provide a scaled floor plan that includes all of the rooms available for rent with location of windows, doors, and smoke detectors identified. Smoke detectors (certified) are required in all sleeping areas, in every room in the path of the means of egress from the sleeping area to the exit, and in each story with sleeping unit, including basements.
7. All sleeping areas must have two ways of egress, one of which can be an operable window.
8. Proof of homeowner's fire, hazard, and liability insurance. Liability coverage shall have limits of not less than One Million Dollars (\$1,000,000.00) per occurrence.
9. All persons operating a Bed and Breakfast House/Short-Term Rental shall meet all applicable requirements of the City of Little Rock's Municipal Code, Chapter 12, Fire Prevention and Protection, Article II. Arkansas Fire Prevention Code. Prior to use as a Bed and Breakfast House/Short-Term Rental, the annual City of Little Rock, Building Code and Fire Marshal inspection fee must be paid and payment of annual Business License received.
10. Smoke alarms shall be installed, all smoke alarms shall meet local and state standards (current Fire Code). Smoke alarms shall be installed in all sleeping areas and every room in the path of the means of egress from the sleeping area to the door leading from the sleeping unit.
11. Carbon monoxide detectors shall be installed as directed by City staff if there are fuel fired appliances in the unit or the unit has an attached garage.
12. Five (5)-pound ABC type extinguisher shall be mounted where readily accessible.
13. No recreational vehicles, buses, or trailers shall be visible on the street or property in conjunction with the Bed and Breakfast House/Short-Term Rental use.
14. Principal renter shall be at least eighteen (18) years of age.
15. Maximum occupancy. Every bedroom shall have a maximum two (2) guest capacity.
16. Simultaneous rental to more than one party under separate contracts shall not be allowed.

17. The owner shall not receive any compensation or remuneration to permit occupancy of a STR for a period of less than twenty-four (24) hours.

ARTICLE XIV. SECTION 36.604 COMPLIANCE

(a.) It is unlawful for any Responsible Party to offer for rent a Bed and Breakfast House/Short-Term Rental or to operate a Bed and Breakfast House/Short-Term Rental without a Business License. Owners shall not list a property or units online until they have received a Business License, operation of an STR without a Business License could make the owner ineligible to apply for a Business License for up to one (1)-year.

(b.) It is the intent of the City of Little Rock that complaints regarding Bed and Breakfast House/Short-Term Rental properties be resolved according to existing State law and City of Little Rock Ordinances pertaining to public nuisances, vehicles and traffic, health and safety, and public peace, morals, and welfare.

(c.) Sanctions:

1. In addition to any other remedy or procedure authorized by law, for three (3) or more confirmed violations of or failure to comply with any of the standards of this Article in a calendar year, the Director of the Planning and Development or his/her designee may revoke a Business License and, in addition, may order that no new Business License be issued for up to one (1) year pursuant to the following procedures.

a. Prior to the revocation of any Business License or the denial of a Business License for repeated violation of the provisions of this Article, written notice of the reasons for such action shall be served on the Owner and/or Responsible Party in person or by certified mail at the address on the permit application.

b. Revocation shall become final within ten (10) days of service unless the Owner and/or Responsible Party appeals the action. The Owner and/or Responsible Party shall provide the appeal in writing to the Director of Planning and Development or his/her designee within ten (10) days of receipt of the notice. The written notice of appeal must state the reasons for the appeal and the relief requested.

c. Should the owner and/or Responsible Party request an appeal within the ten (10) day period, the Director of the Planning and Development Department or his/her designee shall notify the

owner and/or Responsible Party in writing of the time and place of the hearing.

d. Appeals shall be heard by the Board of Adjustment as an administrative appeal pursuant to Chapter 36, Division 4. Section 36-109 of the Little Rock Zoning Code. For good cause shown, the Board may affirm or reverse the decision to revoke a Business License.

e. Once a Business License for an STR has been revoked, no new Business License shall be issued to the applicant for the same property for a period of one year.

Section 5. Severability. In the event any title, section, paragraph, item, sentence, clause, phrase, or word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the ordinance which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of the ordinance.

Section 6. Repealer. All laws, ordinances, resolutions, or parts of the same that are inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.

PASSED: September 6, 2022

ATTEST:

APPROVED:

Susan Langley, City Clerk

Frank Scott, Jr., Mayor

APPROVED AS TO LEGAL FORM:

Thomas M. Carpenter, City Attorney

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