

1 **ORDINANCE NO. 2X,XXX SHORT TERM RENTALS**

2 **AN ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF**
3 **LITTLE ROCK, ARKANSAS, TO PROVIDE FOR THE MODIFICATION OF VARIOUS**
4 **PROCEDURES, DEFINITIONS, AND FOR OTHER PURPOSES.**

5 **WHEREAS**, the use of homes for short-term rentals is occurring throughout the City without clear
6 allowances for this land use; and

7 **WHEREAS**, a regulatory framework is needed to provide for life-safety standards for both hosts
8 and visitors of short term rentals; and

9 **WHAREAS**, use of residential homes for short-term rentals grants owners opportunities for
10 housing to be used for the purpose of safe temporary rental accommodations throughout the City's
11 collective of neighborhoods; and

12 **WHEREAS**, the City has developed an equitable system for permitting short-term rentals,
13 incorporating mechanisms to preserve neighborhood character while allowing reasonable latitude for the
14 use of private residences to generate income; and

15 **WHEREAS**, the City divided meaning of Bed and breakfast house into two land use categories,
16 being owner occupied (Type 1) and non-owner occupied (Type 2), given the difference in tone and nature
17 of the two types of land use, and crafted an entitlement process; and

18 **WHEREAS**, this regulatory framework for operation of short-term rentals helps establish equity
19 in municipal tax collection; hotel taxes from short-term rentals will be collected and used in City's efforts
20 to promote travel and tourism.

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

23 ***NOTE: FOR PREVIEW ORDINANCE, PROPOSED NEW TEXT IS SHOWN UNDERLINED***

24 **SECTION 01. Little Rock, Arkansas Rev. Code Chapter 17. Licenses, Taxation, and**
25 **Miscellaneous Business Regulations, Article IV. Hotel and Restaurant Tax, Code of Ordinances of**
26 **the City of Little Rock, Section 17-96 Levied, sub-Section (a), as follows:**

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

33 **Be amended to read as follows:**

34 *There is hereby levied a tax of four (4) percent upon the gross receipts or gross proceeds*
35 *derived and received from the renting, leasing or otherwise furnishing of hotel, motel,*

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

6 **SECTION 02. Little Rock, Arkansas Rev. Code, Chapter 36. Zoning, Article I. In General,**
7 **Section 36-3. Same – Uses, as follows:**

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

11 **Be amended to read as follows:**

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

19 *Bed and breakfast house / short term rental type 2 (STR- 2) means a non-owner occupied*
20 *single-family or multi-family dwelling unit which contains not more than five (5) guest*
21 *rooms, which for a fee may be occupied by a guest for no longer than twenty nine (29)*
22 *consecutive days. Bed and breakfast house / short term rental type 2 (STR- 2) are a land*
23 *use allowed only where a Planned Zoning District has been approved in accordance with*
24 *Chapter 36. Article VII. Planned Zoning District.*

25 **SECTION 03. Little Rock, Arkansas Rev. Code, Chapter 36. Zoning, Article II.**
26 **Administration and Enforcement, Section 36-54. Special Use Permits, sub-Section (e.) Development**
27 **Criteria, as follows:**

28 *(1) Bed and breakfast hotels*

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

35 **Be amended to read as follows:**

36 *(1) Bed and breakfast house / short term rental type 1 (STR-1)*

1 a. See Article XIII. Bed and breakfast house / short term rentals for development
2 standards and submittal requirement

3 **SECTION 04. Little Rock, Arkansas Rev. Code, Chapter 36. Zoning, Article V. District**
4 **Regulations, Section. 36-253. R-1 Single-family district. Sub-Section (b) Use Regulations. (5) Special**
5 **uses, as follows.**

6 a. *Bed and breakfast house*

7 **Be amended to read as follows:**

8 a. Bed and breakfast house/short term rental (Type 1)

9 **SECTION 04. That Little Rock, Arkansas Rev. Code be amended to include a new Article**
10 **for incorporation into Chapter 36. Zoning, providing land use controls for bed and breakfast house/**
11 **short term rentals (Type 1 & 2).**

12 **ARTICLE XIII. BED AND BREAKFAST HOUSE/SHORT TERM RENTALS**

13 **ARTICLE XIII. SEC. 36-599 SHORT TITLE**

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

15 **ARTICLE XIII. SEC. 36-600 PURPOSE**

16 Purpose of this Article is to establish regulations for use of residential dwellings as bed and
17 breakfast house/ short term rentals, establish a system to track the short-term rental inventory in the
18 City, ensure compliance with local performance standards, provide a means of contact for the
19 Responsible Party of bed and breakfast house/ short term rentals, and allow private property owners
20 the right to fully and efficiently utilize their property without undue regulation or interference.

21 **DEFINITIONS.**

- 22 A. Administrative Approval shall mean formal acceptance of approval by the Director
23 of Planning and Development or their designee.
- 24 B. Bed and breakfast house / short-term rental type 1 (STR-1) shall mean an owner
25 occupied single-family or multi-family property which contains not more than five
26 (5) guest rooms, no more than one (1) of which may be located in an approved
27 accessory dwelling, which for a fee may be occupied by a guest for no longer than
28 thirty one (29) consecutive days.
- 29 C. Bed and breakfast house / short-term rental type 2 (STR-2) shall mean a non-owner
30 occupied single-family or multi-family property which contains not more than five
31 (5) guest rooms, which for a fee may be occupied by a guest for no longer than
32 twenty nine one (29) consecutive days.
- 33 D. Occupant shall mean the person or persons who contracts with the Responsible
34 Party for use of the Short-Term Rental (STR).

1 E. Owner-occupied shall mean owner of the property permanently resides in the STR
2 or in the principal residential unit with which the STR is associated on the same lot.

3 F. Responsible Party shall mean the owner of a Residential dwelling being used as a
4 short-term rental Type 1 or Type 2, as well as any person designated by the owner
5 who is responsible for compliance with this Article by an Occupant and any guests
6 utilizing the Short-Term Rental. The Responsible Party shall provide for the
7 maintenance of the property and ensure compliance by the Occupant and any guests
8 with the provisions of this Article, or any other applicable law, rule, or regulation
9 pertaining to the use and occupancy of a Short-Term Rental. The owner of the
10 property shall not be relieved of responsibility or liability for noncompliance with
11 the provisions

12 **ARTICLE XIII. SEC. 36-601 BED AND BREAKFAST HOUSE / SHORT-TERM RENTALS**
13 **(TYPE 1 & 2) ENTITLEMENT**

14 (a) Bed and breakfast house / short term rental type 1 (STR-1) is an owner occupied single or
15 multi-family dwelling unit which contains not more than five (5) guest rooms, no more
16 than one (1) of which may be located in an approved accessory dwelling, which for a fee
17 may be occupied by a guest for no longer than twenty nine (29) consecutive days.

18 1. Bed and breakfast house / short term rental type 1 (STR- 1) are a land use allowed
19 only where the Planning Commission has granted a Special Use Permit in
20 accordance with Chapter 36. Article II. Section 36-54 Special Use Permits.

21 a. Privilege License required.

22 1. Upon Planning Commission approval of a Special Use Permit, the
23 owner can submit application for a Privilege License, to be
24 renewed annually (every 365 days).

25 2. Inspection fee for STR-1 Privilege License is \$100.

26 b. To qualify for an owner-occupied permit, the owner of the property must
27 permanently reside at the property and be a natural person or persons.
28 LLCs, corporations, partnerships, joint ventures and other entities are
29 ineligible for STR-1 status.

30 1. Owner-occupied status shall be confirmed by at least two (2)
31 documents demonstrating primary residence. Documentation of
32 primary residence address must match the deed as recorded with
33 the Pulaski County Clerk's office. Acceptable documents include:
34 Arkansas driver's license, State of Arkansas ID card, Pulaski
35 County voter registration card, IRS W2 form, utility bill (dated
36 within 60 days), Bank statement (dated within 60 days).

37 (b) Bed and breakfast house / short term rental type 2 (STR- 2) means a non-owner occupied
38 single-family or multi-family dwelling unit which contains not more than five (5) guest
39 rooms, which for a fee may be occupied by a guest for no longer than twenty nine (29)

1 consecutive days. Bed and breakfast house / short term rental type 2 (STR- 2) are a land
2 use allowed only where a Planned Zoning District has been approved in accordance with
3 Chapter 36. Article VII. Planned Zoning District.

- 4 1. No person or entity shall advertise or operate a property for use as a bed and
5 breakfast home / short term rental type 2 (STR-2) without having first obtained
6 Board of Director’s approval of a Planned Zone Development (PZD).

7 a. Privilege License required.

- 8 1. Upon the Board’s adoption of an ordinance for a PZD, the owner
9 can submit application for a Privilege License, to be renewed
10 annually (every 365 days).

- 11 2. Inspection fee for STR-2 Privilege License is \$500.

12 (c) Pre-existing Bed and breakfast house / short term rental type 1 (STR-1). Administrative
13 approval for pre-existing bed and breakfast house / short term rental type 1 (STR-1) can be
14 granted. Within six (6) months of the passage of this ordinance, the owner must register
15 the STR-1 with the City, demonstrate the STR-1 was in operation six (6) months prior to
16 passage of this ordinance, demonstrate compliance with all Bed and breakfast house / STR-
17 1 development standards, and pay a one hundred fifty (\$150) dollar administrative review
18 fee. Upon administrative approval, the operator shall obtain a Privilege Permit, to be
19 renewed annually (every 365 days) to remain in compliance.

20 (d) Pre-existing Bed and breakfast house / short term rental type 2 (STR-2). Non owner-
21 occupied short-term rentals (STR-2’s), which have not secured entitlement through a PZD
22 and in operation prior to six (6) months of passage of this ordinance may potentially
23 continue operations as a non-conforming use, provided owner/operators of a pre-existing
24 STR-2 applies for a PZD with the City of Little Rock Planning and Development
25 Department within six (6) months following passage of this ordinance, if no application is
26 received, and/or if the PZD application is not approved, the property shall revert to its
27 former use status.

28 (e) All Bed and breakfast house / STR-1 & 2 permit holders are responsible for collecting and
29 remitting all applicable room, occupancy, and sales taxes required by state law or City
30 Code.

31 **ARTICLE XIII. SEC. 36-602 RESPONSIBLE PARTY**

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

36 (b) A Responsible Party, upon notification that any Occupant or guest has created any
37 unreasonable noise or disturbance, engaged in disorderly conduct, or committed a violation
38 of any applicable law, rule or regulation pertaining to the use and occupancy of a Short-
39 Term Rental, shall promptly respond in an appropriate manner within sixty (60) minutes

1 and require an immediate halt to the conduct, and take such steps as may be necessary to
2 prevent a recurrence of such conduct. Failure of the Responsible Party to respond to calls
3 or complaints regarding the condition, operation, or conduct of an Occupant or guest in a
4 short-term rental in an appropriate manner within sixty (60) minutes shall constitute a
5 violation of this Article.

6 (c) A Responsible Party shall provide their contact number and information to all residents
7 adjacent to the Residential Dwelling being used, or will be used, as short-term rental (Type
8 1 or 2).

9 (d) A Responsible Party shall post on or near the front door of the short-term rental a notice
10 which includes the address of the Rental, emergency contact numbers (including the
11 Responsible Party contact number), maximum occupancy, and a diagram showing
12 emergency exit route(s) approved by the Fire Department.

13 **ARTICLE XIII. SEC. 36-603 DEVELOPMENT STANDARDS.**

14 (a.) Purpose and intent of this Section is to establish development standards for Bed and
15 breakfast house / short term rentals. Compliance with these development standards shall
16 be demonstrated by applicants requesting entitlements for both STR Type 1 & 2.

17 1. For STR-1 applications, compliance with these development standards shall be
18 demonstrated and submitted as a supplement to a Special Use Permit application.

19 2. For STR-2 applications, compliance with these development standards shall be
20 demonstrated and submitted as a supplement to the minimum criteria required for
21 the submittal of a Planned Zoning District Application.

22 (b.) Development Standards.

23 1. Hosting of private parties and special events such as weddings, receptions, and
24 other similar gatherings is not allowed in short term rentals.

25 2. No tours for a fee are allowed.

26 3. The occupancy fee may include a continental breakfast (e.g. coffee, juice, pastries)
27 to be served to paying guests; no full meals.

28 4. Allowable signage is that as permitted by the single-family residential standard.

29 5. The owner must provide one (1) paved off-street parking space per guest room and
30 one (1) additional for the residence use. Private off-street parking must be fully
31 utilized at the site of the STR prior to guest parking on the streets.

32 6. Applicants shall provide a scaled floor plan that includes all of the rooms available
33 for rent with location of windows, doors, and smoke detectors identified. Smoke
34 detectors (certified) are required in all sleeping areas, in every room in the path of
35 the means of egress from the sleeping area to the exit, and in each story with
36 sleeping unit, including basements.

- 1 7. All sleeping areas must have two ways of egress, one of which can be an operable
2 window.
- 3 8. Proof of homeowner's fire, hazard, and liability insurance. Liability coverage shall
4 have limits of not less than \$1,000,000 per occurrence.
- 5 9. All persons operating a bed and breakfast home / STR (Type 1 and Type 2) shall
6 meet all applicable requirements of the City of Little Rock's Municipal Code,
7 Chapter 12, Fire Prevention and Protection, Article II. Arkansas Fire Prevention
8 Code. Prior to use as a Bed and breakfast house/Short term rental (Type 1 and
9 Type 2), inspection from the City of Little Rock, Building Code Office and the
10 Fire Marshal required prior to initial approval and renewal of annual Privilege
11 License.
- 12 10. Smoke alarms shall be installed, all smoke alarms shall meet local and state
13 standards (current Fire Code). Smoke alarms shall be installed in all sleeping areas
14 and every room in the path of the means of egress from the sleeping area to the
15 door leading from the sleeping unit.
- 16 11. Carbon monoxide detectors shall be installed as directed by City staff if there are
17 fuel fired appliances in the unit or the unit has an attached garage.
- 18 12. Five-pound ABC type extinguisher shall be mounted where readily accessible.
- 19 13. No recreational vehicles, buses, or trailers shall be visible on the street or property
20 in conjunction with the bed and breakfast home and/or STR use.
- 21 14. Principal renter shall be at least eighteen (18) years of age.
- 22 15. Maximum occupancy. Every bedroom shall have a maximum two (2) guest
23 capacity.
- 24 16. Simultaneous rental to more than one party under separate contracts shall not be
25 allowed.
- 26 17. The owner shall not receive any compensation or remuneration to permit
27 occupancy of a STR for a period of less than twenty-four (24) hours.
- 28 18. The name and telephone number of the local responsible party shall be
29 conspicuously posted within the STR unit. The responsible party shall answer
30 calls twenty-four (24) hours a day, seven (7) days a week for the duration of each
31 short term rental period to address problems associated with the STR.

32 **ARTICLE XIII. SECTION 36.604 COMPLIANCE**

- 33 (a.) It is unlawful for any Responsible Party to offer for rent a bed and breakfast house / short
34 term rental or to operate a bed and breakfast house / short term rental without a Privilege
35 License. Owners shall not list a property or units online until they have received a Privilege

1 License, operation of an STR without a Privilege License could make the owner ineligible
2 to apply for a Privilege License for up to one (1) year.

3 (b.) It is the intent of the City of Little Rock that complaints regarding bed and breakfast house
4 / short term rental properties be resolved according to existing State law and City of Little
5 Rock Ordinances pertaining to public nuisances, vehicles and traffic, health and safety, and
6 public peace, morals, and welfare.

7 (c.) Sanctions:

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

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

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

24 c. Should the owner and/or Responsible Party request an appeal within the
25 ten (10) day period, the Director of the Planning and Development
26 Department or his/her designee shall notify the owner and/or Responsible
27 Party in writing of the time and place of the hearing.

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

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

35 **SECTION 05. SEVERABILITY.** In the event any title, section, paragraph, item, sentence, clause,
36 phrase, or word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration
37 or adjudication shall not affect the remaining portions of the ordinance which shall remain in full force and
38 effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of the
39 ordinance.

1 **SECTION 06. REPEALER.** All laws, ordinances, resolutions, or parts of the same that are
2 inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.

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