

AGENDA

City of West Fargo Short-Term Rental Committee

Monday, June 30, 2025

4:30 PM

West Fargo Room, West Fargo City Hall – 2515 6th St E

1. Call to Order
2. Roll Call
3. Election of Committee Chair and Vice Chair
4. Approval of Order of Agenda
5. Public Comment Period *(Members of the public will be allowed 2 minutes and 30 seconds to address the Committee)*
6. Committee Orientation & Scope Discussion
 - a. Staff presentation of draft “Committee Overview” document
 - b. General committee discussion & feedback
7. Review of Draft Short-Term Rental Ordinance
 - a. General committee discussion and initial identification of key issues, questions, and policy focus areas for the committee
8. Process & Next Steps
 - a. Discuss and confirm next process steps, research/informational needs, and/or agenda items for the next meeting
 - b. Set date, time, and location of next meeting
9. Adjournment

DRAFT City of West Fargo Short-Term Rental Committee – Committee Overview

June 27, 2025

Purpose Statement:	The committee's purpose is to evaluate, deliberate, and recommend to the City Commission policies and/or a draft ordinance for the regulation of short-term rentals (STRs) in West Fargo. The recommendations will aim to balance economic opportunity with neighborhood integrity, public safety, and community values.
Scope of Work:	• Review and evaluate the draft STR ordinance. — Assess its alignment with community goals. — Identify key policy questions and areas of concern requiring further discussion. • Evaluate the regulatory approaches to short-term rentals that comparable jurisdictions have taken. • Identify and engage key stakeholders including residents, STR operators, neighborhood groups, and local businesses. • Develop a set of policy recommendations and/or specific edits to the current draft STR ordinance. • Deliver a recommendations report and/or draft ordinance to the City Commission for further consideration.
Deliverables:	• A final Recommendations Report, including: — key findings and policy considerations. — A revised draft STR ordinance, if applicable. — Summary of stakeholder engagement and public input.
Key Challenges & Considerations:	• Need to define the main issue(s)/problem(s) we are trying to solve. • Lack of comprehensive data on current short-term rentals and associated citizen complaints. • Disagreement on commercial vs residential nature of STRs within the context of a neighborhood or residential zoning district. A broader policy question is: Should short-term rentals be allowable year-round or only as an accessory use to a primary residence? • Policy questions on how standards are applied to STR vs traditional residential dwellings (e.g. number of occupants). • Confusion regarding owner vs renter occupancy in relation to licensing and primary residency requirement of the draft ordinance. • Need to ensure regulations are legal and enforceable. • Stakeholders we've heard from so far have opposing views on the extent/type of regulation for short-term rentals. • Desire for amount of regulation to be proportional to the scale/nature of impacts.

Anticipated Process Elements:	• Kick-off meeting to define the Committee's scope of work and goals (updates to this document). • Regular committee meetings throughout the process. • Staff working to compile information and draft materials between committee meetings. • Public communications & input opportunities for stakeholders. — Could include surveys, comment submittals, listening sessions, etc. — Open meeting requirements (Public notice, meeting agendas & minutes) — Meeting materials posted to the City's webpage and calendar of events. — Social media notifications and media releases, as needed. • Official votes/action of the Committee on key policy questions, task items, and final recommendations. • Final recommendations/deliverables drafted, voted on, & submitted/presented back to the City Commission.
Committee Membership:	• Rory Jorgensen, City Commission • Roben Anderson, City Commission • Aaron Nelson, Staff – Planning & Zoning • Randy Burkhartsmeier, Staff – Police • Dell Sprecher, Staff – Fire
Committee Procedures:	The committee will maintain an informal and collaborative atmosphere during discussions. However, for procedural and formal action items, the committee will follow Robert's Rules of Order to ensure clarity, consistency, and transparency in decision-making.
Feedback & Questions:	<u>Please contact the West Fargo Planning Department with any feedback or input you would like to share regarding the work of this committee.</u> West Fargo Planning Department Attn: Aaron Nelson 2515 6th St E West Fargo, ND 58078 Phone: (701) 515-5370 Email: Aaron.Nelson@WestFargoND.gov

ORDINANCE NO. 1254

AN ORDINANCE TO CREATE AND ENACT CHAPTER 10-16 OF THE REVISED ORDINANCES OF 1990 OF THE CITY OF WEST FARGO RELATING TO SHORT-TERM RENTALS, AND TO AMEND AND REENACT SECTION 4-0402.2 RELATING TO THE DEFINITIONS OF DWELLING UNIT AND SHORT-TERM RENTAL.

BE IT ORDAINED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF WEST FARGO, NORTH DAKOTA:

SECTION 1. Chapter 10-16 of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota, is hereby created and enacted to read as follows:

CHAPTER 10-16

SHORT-TERM RENTALS

SECTIONS:

- 10-1601. Purpose and Intent
- 10-1602. Definitions
- 10-1603. Annual Licensing Requirements for Short-Term Rentals
- 10-1604. Operational Standards for Short-Term Rentals
- 10-1605. Penalties for Violations
- 10-1606. Severability
- 10-1607. Transitional Provisions for Existing Short-Term Rentals

10-1601. PURPOSE AND INTENT.

1. The purpose of this ordinance is to establish regulations for the operation of short-term rental properties within the City of West Fargo. This ordinance aims to balance the interests of property owners, residents, and the community by ensuring that short-term rental properties are operated safely, responsibly, and in a manner that is consistent with the residential character of the neighborhoods in which they operate.

10-1602. DEFINITIONS.

1. *Short-Term Rental (STR)*: The rental of a dwelling unit or any portion thereof for a period of twenty nine (29) or fewer consecutive days. Short-term rentals are accessory to primary residential use of a dwelling unit. Short-term rentals are intended for temporary lodging and do not constitute a primary or long-term residence for the guest(s).

2. *Dwelling Unit*: A structure or portion of a structure designed for residential occupancy, including single-family homes, apartments, condominiums, and other similar residential structures but not including hotels or motels.
3. *Party*: Any gathering, event, or social activity occurring at a short-term rental property that exceeds the intended use of the property for lodging and residential purposes, typically involving a significant number of guests who are not residential occupants of the rental, and may include amplified sound, music, food, drink, and/or other activities likely to disturb the peace, create a nuisance, or violate local ordinances.
4. *Licensed Premises*: A dwelling unit that has a valid license issued pursuant to this chapter allowing short-term rental of such dwelling unit.
5. *Tenant*: An individual who leases or rents a dwelling unit as their primary full-time residence for more than one-half of the year.
6. *Primary Residence*: A dwelling unit in which an owner or a tenant occupies the dwelling unit as their primary full-time residence for more than one-half of the year.

10-1603. ANNUAL LICENSING REQUIREMENTS FOR SHORT-TERM RENTALS.

1. *License Requirement*: No dwelling unit in the City of West Fargo's zoning jurisdiction shall be operated as a short-term rental property unless the owner, operator, or tenant of a dwelling unit first obtains an annual Short-Term Rental License from the City of West Fargo for the dwelling unit. The City Auditor, or their designee, shall be responsible for the administration of short-term rental licensing in accordance with this chapter.
2. *Application Requirements*: Property owners, operators, or tenants of dwelling units looking to become licensed shall submit a Short-Term Rental License application to the City. Along with other information deemed necessary by the City Auditor, the application shall include:
 - a. Address of the short-term rental unit.
 - b. Type of dwelling unit (e.g., single-family home, apartment, condominium).
 - c. Proof of property ownership, operation, or tenancy.
 - d. Proof of liability insurance.
 - e. Proof of ND Sales and Use Tax Permit.

- f. Number of bedrooms and/or sleeping areas available for rent, number and location of off-street parking spaces, and the maximum permitted occupancy pursuant to Section 10-1604.1, "Occupancy Limits."
 - g. Contact information for the property owner, operator, or tenant, as applicable, and all other applicable property representatives, such as property manager. The applicant must identify one (1) or more persons who will be available to respond within two (2) hours at all times during which the dwelling unit is rented to any issues raised by the renter or the City. Any such person must have access to the dwelling unit and be authorized to make decisions regarding the dwelling unit.
 - h. A signed statement by the owner, operator, or tenant, as applicable, that the licensed premises is a primary residence and that the owner, operator, or tenant, as applicable, will, at all times, comply with all the requirements of the license and this chapter. Failure to comply with said requirements will constitute a violation of the provisions of this chapter.
 - i. Payment of the applicable licensing fee, as determined by the Board of City Commissioners.
- 3. Primary Residency: The licensed premises must be a primary residence.
- 4. Safety and Compliance Inspection: The licensed premises must comply with all applicable federal, state, and local laws. A Short-Term Rental License shall only be issued upon successful completion of a safety inspection, including that the licensed premises complies with applicable fire, building, and health codes.
- 5. Taxes: Licensees operating a short-term rental are responsible for paying all applicable taxes, including applicable sales taxes in accordance with State law and lodging taxes in accordance with Chapter 10-05 of the City Ordinances. Licensees shall maintain tax records for a minimum of seven (7) years and shall make these records available to the City upon request for compliance purposes.
- 6. License Term: The term of a Short-Term Rental License shall be for a period of one (1) year; provided, however, that all licenses shall be prorated on a quarterly basis and expire on December 31 of each year unless sooner suspended or revoked.
- 7. License Renewal: Short-Term Rental Licenses, which have not been suspended or revoked, must be renewed annually, subject to payment of the renewal fee and compliance with all provisions of this chapter. Applications for renewal shall be made at least thirty (30) calendar days prior to the expiration date of the current valid license.
- 8. Transferability: A Short-Term Rental License is not transferable. A new license is required upon change of ownership, operation, or tenancy of the licensed premises.

9. Insurance: Licensees operating a short-term rental must maintain general liability insurance for the licensed premises in the amount of at least \$500,000 at all times. Licensees must provide proof of the required insurance coverage to the City upon request.
10. Private Restrictions/Covenants: A license issued to a person or entity whose premises is subject to private restrictions and/or covenants that prohibit the use of short-term rentals is the sole responsibility of the person or entity applying for the license. The interpretation and enforcement of the private restrictions and/or covenants is the sole responsibility of the private parties involved; the City is in no way responsible for interpreting or enforcing private restrictions and/or covenants.

10-1604. OPERATIONAL STANDARDS FOR SHORT-TERM RENTALS.

1. Occupancy Limits: Occupancy is limited to a family of persons related by blood or marriage or a group of not more than five (5) persons who need not be related by blood or marriage.

In no case shall occupancy exceed the maximum allowed by applicable building, fire, or zoning codes. Sleeping areas that are advertised for rent must meet all applicable building and fire code standards.

2. Noise, Maintenance, and Conduct: Short-term rentals shall comply with all applicable City ordinances, including, but not limited to, the City's ordinances relating to noise; snow removal; tall grass and weed control; trash, junk, and debris; nuisances; parking; and property maintenance.

There shall be no exterior signage and no change to the outside appearance of the premises that would reflect the presence of a short-term rental.

Short-term rentals may only be used for overnight accommodations and shall not be used for any gathering meeting the definition of a party.

3. Parking Requirements: Short-term rentals shall provide at least two (2) off-street parking spaces on the premises. These parking spaces must be open and available to short-term renters at all times during their stay. Any illegal parking of vehicles associated with the short-term rental is grounds for a violation of this chapter.
4. Guest Recordkeeping: Licensees shall maintain records of guest stays, including dates of occupancy, for a minimum of twelve (12) months and shall make these records available to the City upon request for compliance purposes.
5. Advertising and Public Notice:

- a. All advertising for a short-term rental unit shall include the City-issued Short-Term Rental License number in the listing, as well as the maximum occupancy permitted by this chapter.
- b. Every licensee of a short-term rental shall post the annual license issued by the City. The annual license shall be conspicuously posted by the licensee in the main entryway of the short-term rental for which they are issued and shall include contact information for the licensee and other property representatives.
- c. Upon approval of a short-term rental license, the City Auditor shall notify by mail all owners of property within 150 feet of the licensed premises. The notification shall include the address of the licensed premises, information about the City's short-term rental standards, and information on how to report potential violations.

10-1605. PENALTIES FOR VIOLATIONS.

1. Enforcement and Penalties: Any violation of this chapter is an infraction as provided under Section 1-0211 of the City Ordinances and may also result in administrative fines and/or suspension or revocation of the Short-Term Rental License. Fines shall be established by resolution of the Board of City Commissioners and may increase with each repeated violation. Any repeat violations will be counted on a twelve (12) month basis, commencing on the date of the initial violation and extending for twelve (12) consecutive months thereafter. If additional violations are committed within the twelve (12) month period following the initial violation, then those additional violations will be added to the initial violation as repeat violations, and all violations committed during the twelve (12) month period will be counted toward the assessment of fines. If no additional violations are committed within the twelve (12) month period following the initial violation, then the twelve (12) month period will expire, and the initial violation will not be counted with any subsequent violations toward the assessment of fines. Another twelve (12) month period will commence if a subsequent violation is committed, and any additional violations committed within the twelve (12) month period thereafter will be added to the subsequent violation as repeat violations, and all of those violations will be counted toward the assessment of fines. Any violations committed during a prior twelve (12) month period will not be counted toward the assessment of fines in a current twelve (12) month period.

Properties identified as operating a short-term rental without a license may be given a compliance period of up to thirty (30) calendar days to apply for a license. After the compliance period, a short-term rental found to be operating in lieu of obtaining proper licensure requirements will be subject to penalties as set forth in this chapter.

2. Administrative Fines and/or Revocation or Suspension of License: The City may impose an administrative fine and/or revoke or suspend a Short-Term Rental

License for any property that is found to be in violation of this chapter. Administrative fines shall be established by resolution of the Board of City Commissioners and may increase with each repeated violation. Repeat violations will be counted on a twelve (12) month basis as set forth in the prior subsection. Notice of revocation or suspension must be sent to the licensee by certified mail addressed to the licensee at the address set forth in the application. The Chief of Police shall be notified of the revocation or suspension of the license.

3. Appeals: The applicant and/or licensee may appeal a license denial, revocation, or suspension to the Board of City Commissioners and request a hearing on such denial, revocation, or suspension. Such appeal must be made in writing to the City Auditor within fourteen (14) calendar days of notification of the denial, revocation, or suspension of license. At the close of the hearing, the Board of City Commissioners shall act to affirm, modify, or reverse the original decision.

10-1606. SEVERABILITY.

1. If any section, subsection, sentence, clause, or phrase of this chapter is for any reason held to be unconstitutional or otherwise invalid, such invalidity shall not affect the remaining portions of this chapter, which shall remain in full force and effect.

10-1607. TRANSITIONAL PROVISIONS FOR EXISTING SHORT-TERM RENTALS.

Purpose: The purpose of this section is to establish a transitional period for existing short-term rental operators to comply with the City's new requirement that short-term rentals may only be operated within a primary residence. This transition period provides affected operators time to adjust their business operations while ensuring an orderly implementation of the new regulations.

1. Transitional Period: A short-term rental that was operating before the adoption of this ordinance and does not meet the primary residence requirement may continue operating for a limited time, provided that the owner, operator, or tenant applies for, and is granted, a Transitional Short-Term Rental Compliance License in accordance with the provisions outlined below:
 - a. Application for Transitional Short-Term Rental Compliance License: Existing short-term rental operators must apply for a Transitional Short-Term Rental Compliance License with the City and provide proof that the short-term rental was in operation prior to the ordinance's adoption in order to operate in accordance with the transitional provisions of this section.
 - b. Issuance of a Transitional Short-Term Rental Compliance License: Applications for Transitional Short-Term Rental Compliance Licenses will be reviewed and approved in the same manner as an annual Short-Term Rental License, as outlined within this chapter.

- c. Expiration of Transitional Short-Term Rental Compliance Licenses: Transitional Short-Term Rental Compliance Licenses will expire on December 31, 2026. After expiration, all short-term rentals must comply with the primary residence requirement.
- d. Operational Requirements During Transition Period: Short-term rentals operating under a Transitional Short-Term Rental Compliance License must adhere to all other applicable short-term rental regulations, including but not limited to occupancy limits, noise restrictions, and safety requirements.
- e. Non-Transferability of Transitional Short-Term Rental Compliance Licenses: Transitional Short-Term Rental Compliance Licenses are not transferable to new owners, operators, or tenants. If the property is sold or ownership is transferred, the license immediately expires.

SECTION 2. Section 4-0402.2 of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota, is hereby amended and enacted by amending the definition of “Dwelling Unit” and creating the definition of “Short-Term Rental” to read as follows:

Dwelling Unit - One room, or rooms connected together, constituting a separate, independent housekeeping establishment for (i) owner occupancy, ~~or (ii) rental or lease on a weekly, monthly, or longer basis, and (iii) Short-Term Rental licensed in accordance with Chapter 10-16 of the City Ordinances~~ and physically separated from any other rooms or dwelling units which may be in the same structure, and containing independent cooking and sleeping facilities.

Short-Term Rental: The rental of a Dwelling Unit or any portion thereof for a period of twenty-nine (29) or fewer consecutive days, licensed in accordance with Chapter 10-16 of the City Ordinances.

SECTION 3. Chapter 4-200 of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota, is hereby amended and enacted by amending the definition of “Dwelling Unit” to read as follows:

Dwelling Unit - One room, or rooms connected together, constituting a separate, independent housekeeping establishment for (i) owner occupancy, ~~or (ii) rental or lease on a weekly, monthly, or longer basis, and (iii) Short-Term Rental licensed in accordance with Chapter 10-16 of the City Ordinances~~ and physically separated from any other rooms or dwelling units which may be in the same structure, and containing independent cooking and sleeping facilities.

SECTION 4. Effective Date. This ordinance shall be in full force and effect from and after September 1, 2025.

President of Board of City Commissioners
of the City of West Fargo, North Dakota

ATTEST:

City Auditor

Date of First Reading:

Date of Second Reading:

Date of Publication: