

Review of Proposed Short-Term Rental Ordinance

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Questions to Answer:

- Why is City staff looking into this topic?
- What does the City of Dickinson currently allow regarding Lodging and Short-term Rental uses?
- What does the proposed ordinance do, and why were these rules and regulations proposed?
- What are the next steps for a short-term rental ordinance?

Background:

- City Staff has received numerous calls from residents looking to set up short-term rental uses in their homes.
 - A total of four phone calls were received, with one resident meeting with City staff for a pre-application meeting.
 - Dickinson resident Danielle Yon spoke at the August P&Z Commission meeting regarding allowing for short-term rentals within the R-1 zoning district.
- After the presentation, P&Z Commissioners requested City staff look into how other communities have handled short-term rental uses in residential areas.

Process:

- After the August 13th Planning & Zoning Commission meeting, City staff had numerous internal discussions during development meetings to discuss potential concerns and issues with the short-term rental use (including EMS response, fire safety, building design, and enforcement)
- City staff presented the short-term rental topic as a workshop item at both the October & December P&Z Commission meetings, then presented the proposed short-term rental ordinance at the January & February P&Z meeting for public hearings
- City staff met with a representative from AirB&B on October 20th, 2025 to discuss the proposed ordinance. The representative's feedback was incorporated into the ordinance

What does our code allow now?

- The short-term rental use (a home that is residential in nature and is rented out by the owner for short periods of time, and which the owner does not continue to live on the property) is not currently defined in our Municipal Code.
- **Section 62-7. – Prohibited land uses.** *“Any land use not described in this chapter shall be prohibited, unless expressly permitted or allowed as a special use. A land use that is similar to described uses may be allowed by a special use permit.”*
- Similar defined use: Lodging. Lodging is only allowed in the CC, DC, GC, or LI zoning districts.
- Anyone currently operating a short-term rental **is in violation** of the Dickinson Municipal Code.

Proposed Code Changes:

Section 62-133. Commercial use types.

Table 62-162-2. Permitted Uses by Zoning Districts

- “(35) Short-term rental. A residential unit where sleeping accommodations are furnished to transient guests for a charge. This definition only applies to single structures with five or fewer guest rooms, ten or fewer total occupants, and where guests stay for fewer than 28 days.”

	AG	RR	R-1	R-2	R-3	MH	LC	CC	DC	GC	LI	GI	P	Add'l Reg.
Commercial Uses														
Short-term Rentals		P	P	P	P	P			P					62- 469(8)
Lodging								P	P	P	S			

The purpose of this change

- The proposed short-term rental definition is based off how Lodging is defined in the North Dakota Century Code: “...every building or structure, or any part thereof, which is kept, used, maintained, or held out to the public as a place where sleeping accommodations are furnished to transient guests for a charge. The term does not include single structures with five or fewer guest rooms and ten or fewer total occupants, a series or group of buildings or structures containing five or fewer guest rooms and ten or fewer total occupants operated as one entity under a single ownership on the same property or physical location.” The North Dakota Department of Health and Human Services (NDDHHS) licenses lodging establishments.
- Short-term rentals are currently unlicensed and unregulated by the State of North Dakota. Our proposed definition addresses any lodging-type use that is not regulated by the State, and **does not** cover lodging uses that are regulated by the State. **There is no overlap.** No impact to rentals or leases with a duration of 28 days or greater.
- Short-term rentals would be permitted through an administrative license in all residential zoning districts. No public hearings in front of P&Z or City Commission, pre-application meeting, or development meeting are required. License turnaround time: ~2 weeks.

Code Change: Section 62-469. - Commercial uses.

“(8) *Short-term rental.* When permitted in the RR, R-1, R-2, R-3, MH, and DC zoning districts, short-term rentals shall be subject to the following additional requirements:

- a. Short-term rentals must obtain a license through the Community Development Department. In order to obtain a short-term rental license, the applicant shall provide the following information:
 1. A list of house rules that all guests must abide by while staying on the property. These house rules shall include a maximum number of guests not to exceed maximum occupancy rates as determined by City building and fire codes;
 2. A copy of the property deed, in which the applicant shall be listed as the deed holder;
 3. The information for a primary contact, who shall be available 24/7 if any issues arise with the rental property;
 4. A list of any other short-term rental uses and licenses the applicant has any financial stake in;
 5. A list of any other residents or entities that have direct financial stake in the proposed short-term rental, as well as the names of the primary stakeholders for any businesses or corporations with financial stake in the property;
 6. An emergency plan that demonstrates to guests how to respond to emergencies such as a fire, as well as a signed statement that there are adequate smoke and carbon monoxide detectors installed in the structure; and
7. Any additional documentation deemed necessary by Community Development staff.

The purpose of these requirements

- House rules are requested to verify no building or fire codes are potentially violated, and to give the City the ability to take action against rowdy or nuisance guests that violate said rules. Additionally, this sets a standard that extends to independent short-term rentals
- Due to the history of impact leased properties being rented out has previously had on the Dickinson housing market, only a property owner may establish a short-term rental. The deed is how property ownership is verified in other development applications and can be obtained from the Stark County recorder's office.
- A primary contact must be available to address potential emergencies.
- Listing of individuals with financial stake is to prevent residents or companies from applying for additional licenses under new corporations or through spouses and other family members.
- A signed agreement stating adequate fire protection is installed means applicants do not need to schedule an inspection for the property.

Code Change: Section 62-469. (Part 2)

- b. All short-term rental licenses are subject to a calendar yearly renewal. A yearly license fee as determined by the City shall be paid at the time of application submittal.
- c. Any entity is allowed to apply for or have financial stake in a maximum of two short-term rental licenses.
- d. The short-term rental use is only permitted in residential homes owned by the license applicant. Duplexes, townhomes, and apartment complexes with four or fewer units must obtain a license for each individual unit being rented. This use is not permitted within apartment complexes with more than four units, accessory structures, or ADU's. Any residences utilized as a short-term rental shall be residential in appearance.
- e. The property must meet current zoning requirements, including proper setbacks, landscaping, and off-street parking requirements.

The purpose of these requirements

- As discussed heavily during the October work session presentation, short-term rentals often have negative impacts on the housing and rental markets in large cities. Dickinson's proximity to both the Theodore Roosevelt National Park & National Library, and the Bakken oil field, put it at a significantly higher risk of a short-term rental influx compared to Bismarck, Minot, or Grand Forks. A limit to two short-term rental licenses per individual or company protects the City from an influx of short-term rentals while still allowing them on a smaller scale.
 - Alternative: a total limit on short-term rentals within the City. Placing a limit to the number of short-term rental licenses a City will allow city-wide has been found to encourage developers to establish short-term rentals faster in an effort not to miss their chance. Additionally, this number would need to be updated as the City grows.
 - Alternative: a designated short-term rental district. Dickinson's small geographic size, as well as the more sporadic locations of both existing and proposed short-term rentals, mean limiting short-term rentals to one specific area or zoning district is not feasible.
- Short-term rentals can compromise the safety of long-term residents in larger apartment buildings due to making codes for common areas and shared spaces available to temporary guests. Accessory structures and ADU's may lack proper fire protection equipment and may lead to an increase in short-term rental density.

Code Change: Section 62-469. (Part 2)

- f. Penalty for Ordinance Violations: Any license issued pursuant to this Chapter may be suspended or revoked by the Board of City Commissioners for violating any of the provisions of this Chapter. Any licensee or agent or employee of a licensee who has violated any provisions of this Chapter shall be subject to the following penalties, in addition to possible license revocation:
 - 1. First Offense: \$250 administrative penalty.
 - 2. Second Offense: \$500 administrative penalty.
 - 3. Third Offense: \$750 administrative penalty and license revocation.
- g. The denial of a short-term rental license can be performed at the discretion of the Community Development Director or designees. If an applicant wishes to contest a denial or revocation, they shall submit a written request to the Community Development Director or designee to be brought forward for a public hearing in front of City Commission regarding overturning the denial or revocation. The City Commission may overturn a license denial or revocation with a simple majority vote and resolution.
- h. In the event that a license is revoked due to the applicant violating one of the rules outlined above, the applicant may not apply for a new license until at least six (6) months have passed. An applicant having had multiple license revocations in the past may serve as justification to deny a new license application.”

Purpose of Changes

- Allowing for the denial of licenses due to the revocation of previous licenses gives the City the ability to limit nuisances or properties with repeat offenses from continued operations.
- Fee amounts are based on standard administrative fee penalties in the City, factoring in the cost of the license.
- Proposed license fee: \$100 annually. Standard licensing fee

Potential next steps:

- City staff does not see value in establishing a short-term rental task force. Research into other comparable communities (Williston, Bismarck, Rapid City, etc.) has already been completed, all City departments have been involved in the drafting of the proposed ordinance, and feedback directly from AirB&B has already been considered.
 - The longer the City goes without a short-term rental ordinance, the longer new short-term rentals cannot be established, AND the longer we have residents out of compliance.
- Staff would support a public engagement meeting that directly includes short-term rental owners and hospitality industry stakeholders to discuss and clarify the ordinance before bringing it back in front of P&Z

Comments? Questions?