

SHORT TERM RENTALS RESEARCH

BED AND BREAKFAST, SHORT TERM RENTAL, AND LODGING SERVICES

The City of Dickinson Zoning Code defines a Bed and breakfast as “...a lodging service that provides overnight or short-term accommodations to guests or visitors, usually including provision of breakfast. Bed and breakfasts are usually located in large residential structures that have been adapted for this use. For the purposes of this chapter, bed and breakfasts are always owned and operated by the resident owner of the structure, include no more than ten units, and accommodate each guest or visitor for no more than seven consecutive days during any one-month period.” This definition, or a slight variation of it, is found in many zoning codes nationally.

According to Section 62-133, bed and breakfast is classified as a commercial use type. The City of Dickinson permits the bed and breakfast use in the AG, R3, LC, CC, DC and GC zoning districts, and they are allowed as a special use in the RR and R2 zoning districts.

The North Dakota Century Code defines a bed and breakfast facility as “...a private home that is used to provide accommodations for a charge to the public, with not more than seven lodging units, in which no more than two family-style meals per day are provided.” The State of North Dakota Department of Health and Human Services (NDDHHS) licenses bed and breakfast establishments.

Short term rental describes the practice of renting a house, apartment or a condominium for stays of less than 30 consecutive days. Access to cooking facilities may or may not be provided.

Short term rental does not refer to hotel or motel rooms, extended stay hotels, bed and breakfast facilities, board or lodging facilities, or farm dwelling units. Transient guests have an established primary residence elsewhere. Short-term rentals are typically advertised on platforms like Airbnb and are seen as alternatives to traditional hotels and similar lodging uses.

Short term rentals can be described as either Hosted or Un-hosted.

- **Hosted:** A short-term rental in which the dwelling unit or another dwelling unit on the property is a primary residence, and the primary resident continues to occupy the property while the short-term rental is being rented to guests.
- **Un-Hosted:** A short-term rental in which a primary resident does not occupy the property.

Although the short-term rental use is not listed in the City’s Zoning Ordinance, Section 62-133: Commercial use type does include the following description of lodging:

Lodging services involving the provision of room and/or board, but not meeting the classification criteria of bed and breakfasts. Typical uses include hotels, apartment hotels, and motels.

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Lodging services are permitted in the CC, DC, and GC zoning districts, and lodging services are allowed as a special use in LI zoning district.

The North Dakota Century Code defines a lodging establishment as “...*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 State of North Dakota Department of Health and Human Services (NDDHHS) licenses lodging establishments.

Although the description of short-term rentals is not mentioned as a typical lodging service, of the use types listed in Chapter 62 Article III, a short-term rental appears to most closely resemble a lodging service. However, there are multiple discernable differences between short-term rental and traditional lodging uses, so it would be worthwhile to create a separate definition for a short-term rental use.

COMMERCIAL USES IN RESIDENTIAL ZONING DISTRICTS

RR-bed and breakfast (SUP); Kennels (SUP); Liquor Sales (SUP); Pet Day Care (SUP); Veterinary Services (SUP)

R1-Pet Day Care (SUP)

R2- Bed and Breakfast (SUP); Pet Day Care (SUP)

R3-Bed and Breakfast (Permitted); Convenience Storage (SUP); Funeral Service (SUP); Columbarium (SUP); Personal Improvement (SUP); Personal Services (SUP); Pet Day Care (SUP)

POTENTIAL IMPACTS OF SHORT-TERM RENTALS

Benefits

- Brings additional income to local residents and tax revenues.
- Boosts local tourism by attracting visitors through a unique lodging experience.

Impacts

- Conversion of residential units to short-term rentals reduces available housing;
- Can result in rent increases;
- Can induce speculative investments in housing;
- Can take rental units off the market;
- Can disrupt neighborhoods with noise, trash and fire safety issues;
- Can result in parking conflicts;

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- Can result in more complaints about “party houses”;
- As once quiet close-knit residential neighborhood gets more short-term renters, residents may have issues with the changing character of the neighborhood;
- Homeowners and commercial operators have incentives to list housing units on short-term rental websites instead of long-term rentals as profits for short-term rentals tend to be higher;
- Short-term rentals may operate essentially as hotels, but because they are not subject to various regulations that govern hotels, they can negatively impact the lodging industry.
 - In North Dakota licenses are required for lodging facilities and bed and breakfasts.
 - This license does not include the following:
 - 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).

RESPONSES FROM LOCAL GOVERNMENTS

BISMARCK PROPOSED SHORT TERM RENTAL ZONING CODE AMENDMENT (Respondents Lauren Oster and Daniel Nairn)

Definition

Short-Term Rental: A residential dwelling unit or any portion thereof which is rented by or on behalf of the owner to the public for compensation for temporary occupancy for a period of less than thirty (30) consecutive days. Short-term rentals do not constitute a long-term residence for a guest(s).

Proposed Development Standards

Short-Term Rental. A short-term rental is permitted as an accessory use on any residential property in any district, subject to the following provisions:

- a. Residential units utilized for a short-term rental shall not be altered in a way that changes their general residential appearance.
- b. A short-term rental may be allowed in an accessory dwelling unit.
- c. A recreational vehicle or other vehicle or structure not classified as a permanent residential dwelling unit may not be used as a short-term rental.
- d. Short-term rentals are subject to parking requirements in accordance with Section 14-03-10 (Off-Street Parking and Loading) of the City Code of Ordinances.
- e. No noise, odor, vibration, or electrical interference associated with the short-term rental beyond what is typically permitted for residential uses is restricted in accordance with Chapter 8-10 (Noises) of the City Code of Ordinances.
- f. Requirements of the International Building Code (IBC) would be met, as applicable.

FARGO (Respondent Donald Kress)

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Short-term rentals are not permitted in single-dwelling residential zones. The City's land development code contains the following:

- Lodging or tenancy of less than 30 days is not a use permitted in single-dwelling residential zones; and
- Lodging or tenancy of less than 30 days is not permitted as a home occupation.

GRAND FORKS (Respondent Andrea Edwardson)

- The zoning code does not address short term rentals.
- A single-family residence cannot be converted into two units with one as a rental unit.
- Grand Forks doesn't distinguish short term from traditional rental situations.

JAMESTOWN (Respondent Tom Blackmore)

The City of Jamestown currently does not have any licensing required for short term rentals. If someone approaches the City about starting one, the City would require a building inspection and a fire inspection. The City would want to ensure that the proper egress is provided for and at least 1 fire extinguisher on each level of the home and working smoke detectors.

WATFORD CITY PROPOSED SHORT TERM RENTAL ZONING CODE AMENDMENT (Respondents Jake Walters and Kaitlyn Swearson)

City staff anticipates approval of this amendment in January, 2026.

Short term rentals will be allowed in the following zoning districts subject to approval of a conditional use permit (CUP) by City Commission following a public hearing before the Planning and Zoning Commission:

- A-1;
- RR-1;
- R-1, R-2; R-2M (Manufactured homes), R-3, and R-4; and
- Central Business District.

Short term rentals would be excluded from manufactured home parks, trailer parks, and all commercial and industrial districts.

In addition to other application materials or entitlements that may be required to effectuate a Short-Term Rental, the following information must be provided:

1. The name, address, and contact information of the property owner;
2. The name, address, and contact information of a local contact person who is available by telephone 24 hours per day, seven days per week;
3. Proof of insurance for the Use of the property as a Short-Term Rental;
4. Proof that property owners have registered with the North Dakota Office of State Tax Commissioner to collect and remit applicable taxes.;

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5. A description of the following:

- a. Location and type of smoke detectors and carbon monoxide detectors;
- b. Egress doors and windows;
- c. Number of Bedrooms;
- d. Gross Area of each Bedroom; and
- e. Identification of all hosting platforms, websites, social media, and traditional media resources where the Short-Term Rental is listed or advertised.

Certificate of Occupancy. Short-Term Rentals require a certificate of occupancy and shall be developed and inspected in accordance with all applicable provisions of state and local health, safety, Building, and fire codes.

Conditional Use Permit. All Short-Term Rentals must obtain a Conditional Use Permit from the City. CUPs shall be valid for one year and subject to annual renewal. No portion of an application fee is refundable if a CUP is denied, or operation of the Short-Term Rental is discontinued for any reason.

Maximum Occupancy. The maximum overnight occupancy of a Short-Term Rental shall be limited to no more than three people per Bedroom. The maximum overnight occupancy may be reduced based on available parking spaces and will be determined at the time of CUP approval. All Short-Term Rentals with six or more Bedrooms and 11 or more occupants must be licensed by the North Dakota Department of Health and Human Services Division of Food and Lodging.

Parking. A minimum of one off-street parking space per Bedroom shall be provided on-site. Parking areas shall not obstruct Access by emergency service vehicles.

Appearance. The Use of a Dwelling Unit as a Short-Term Rental shall not change the appearance of the property for Residential purposes nor shall the use generate excess noise, vibration, glare, odors, traffic, parking congestion, or loud or unruly gatherings that interfere with any person's enjoyment of their residence. Signage advertising the property as a Short-Term Rental is prohibited.

Septic Systems. If the Short-Term Rental utilizes a septic system, the system must be sized according to maximum occupancy of the Short-Term Rental.

Garbage. Garbage and refuse shall be stored completely enclosed within designated containers.

Tax Classification. The host shall maintain for a period of four years records in such form as the tax authorities may require to determine the amount of taxes owed to a taxing authority. Taxing authorities shall have the right to inspect such records at all reasonable times. Such records shall be maintained at the host's premises or shall be available for delivery to the taxing authority within one business day after request.

Length of Stay. Guests shall not be permitted to stay in the home for more than 30 consecutive days.

Use. A Short-Term Rental shall only be used for overnight lodging. Events and large gatherings of people who cannot occupy the short-term include, but not limited to, weddings,

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banquets, and personal or corporate events. Such uses are prohibited as part of the short-term rental use.

WILLISTON (Respondent Kent Jarcik)

Short-term rentals operate as small hotels. This is not within the intent of the residential districts. Anything less than 30 days in the City code references requirements for any State and local, sales tax, lodging tax furthering qualifying it as a hotel or motel under City code and zoning code definitions. This use is not permitted in the residential zones. It is permitted in commercial zones as a hotel/motel. The City is aware of one in the past operate on the second floor above a business in the downtown on Main Street in a commercial zone.

The City's ordinance review committee has discussed short term rentals. Some concerns include occupancy rate of hotels, the intent of residential districts, VRBO and Airbnb can have a negative impact on affordable housing, with the City's housing shortage it could further compound neighborhood concerns about residences being used as worker housing. Residences being used for individual workers above the family definition and short-term transient employees occupying residences has created a significant code enforcement workload in the past. This is not to say there is not some occurrence of short-term rentals in Williston, however, the City has not adopted any enabling ordinance within the City code in residential zones for this specific use.