



City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: Staff Member/Dept:

Agenda Item:

Recommended Motion:

Motion One: “I move to conduct the second and third reading of Ordinance 1277 by title only”
Motion Two: “I move to approve Ordinance 1277”

Background:

- During the 2026 session, the Idaho legislature made significant changes to Idaho Code §67-6539 which governs how cities and counties may regulate short-term rentals (STRs). Despite extraordinary efforts (third year in a row) by the Resort Cities Coalition’s lobby team, HB 583 passed eliminating the ability for cities to regulate STRs via an enforceable permit.
- At the May 28th meeting, the Council directed staff to not proceed with a full repeal of Title 5.09 but instead rewrite the ordinance to outline the desired public safety standards for an STR and offer a voluntary inspection/certification process.
- City and Fire District staff had recommend maintaining an (voluntary) effort to educate STR owners and provide inspection services if requested BUT was not proposing those standards to be contained within city code and enforcement is no longer possible with the new state legislation.

Sustainability Impact:

Financial Impact:

None OR Adequate funds exist in account:	City will be able to reduce the contract with Deckard software from licensing to monitoring so that the city is able to follow up on complaints or LOT compliance.
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Attachments:

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| 1. Ordinance 1277 |
| 2. Chapter 5.09 strikethrough |
| 3. HB583 |

**CITY OF KETCHUM
ORDINANCE 1277**

AN ORDINANCE OF THE CITY OF KETCHUM, BLAINE COUNTY, IDAHO, AMENDING KETCHUM CITY CODE CHAPTER 5.09 – SHORT-TERM RENTAL PERMITS; REPEALING SECTIONS PERTAINING TO PERMITTING; REPLACING PERMIT REQUIREMENTS WITH RECOMMENDED VOLUNTARY STANDARDS; AND PROVIDING AN EFFECTIVE DATE.

Recitals:

- A. In the 2026 Legislative Session, the Idaho Legislature adopted significant revisions to Idaho Code §67-6539 further restricting the ability of cities to regulate short-term rentals.
- B. The City finds that in order to comply with these State restrictions on local control it is necessary to repeal certain portions of Chapter 5.09 and the City’s current permit regulations on short-term rentals.
- C. For public health and safety purposes, the City still desires to specify certain voluntary standards as recommended for short-term rentals operating within the City.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Ketchum, Blaine County, Idaho:

SECTION 1: That Chapter 5.09 – Short-Term Rental Permits of the Ketchum City Code is amended as indicated in Exhibit A hereto.

SECTION 2: EFFECTIVE DATE. This ordinance shall be in full force and effect after its passage, approval and publication, according to law.

PASSED BY THE CITY COUNCIL of Ketchum, Idaho this ____ day of _____ 2026.

APPROVED BY THE MAYOR of Ketchum, Idaho this ____ day of _____ 2026.

Pete Prekeges, Mayor

ATTEST:

Trent Donat, City Clerk

CHAPTER 5.09 SHORT-TERM RENTAL STANDARDS

5.09.010 Purpose.

Short-term rentals provide additional tourism opportunities and economic impacts, but also increased impacts on guests, neighbors, and the public. The purpose of this chapter is to provide the community with reasonable regulatory procedures to protect the health, safety and welfare of short-term rental guests, neighboring residents, and the public. These regulations are further intended to protect the integrity of neighborhoods in which short-term rentals operate.

(Ord. No. 1230, § 1, 1-18-2022, eff. 4-1-2022)

5.09.020 Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Local representative: An area property manager, owner, resident, or agent who is readily available to respond to guest and neighborhood or City questions or concerns.

Resident: The person or entity that holds legal and/or equitable title (owner) or lease rights (renter) to the private property.

Resident-occupied: Where the resident of a dwelling unit resides on the parcel for a minimum of six months out of a calendar year. Homeowner-occupied tax-exempt status may be considered to be proof of resident-occupied status for the purposes of this chapter. A lease with a minimum term of six months, or affidavit of such lease, signed by owner and renter is considered proof of resident-occupied status with a renter under this definition.

Short-term rental (STR): Any individually or collectively owned single-family house or dwelling unit or any unit or group of units in a condominium, cooperative or timeshare, or resident-occupied residential home that is offered for a fee and for 30 days or less.

(Ord. No. 1230, § 1, 1-18-2022, eff. 4-1-2022)

State law reference(s)—Idaho Code section 63-1803(4).

5.09.040 STR standards.

- A. *Declaration of compliance.* The STR owner may submit an affidavit affirming compliance with City standards along with completing a City provided self-inspection checklist.
- B. *Inspection.* The City or Fire District will offer voluntary inspection services to verify compliance with standards.
- C. *Minimum standards.* The following minimum standards are desired for all short-term rental units. These standards are intended to protect that the use of a dwelling unit as a STR does not generally have greater impacts than would be created by long term occupancy of the dwelling unit.
 1. *Windows.* Bedroom windows shall be operable to allow for emergency egress in accordance with the most recent building and fire codes as adopted and amended by the City.

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2. *Smoke alarms.* Single or multiple-station smoke alarms shall be installed and maintained in accordance with manufacturers specification and an approved fire safety plan.
 3. *Carbon monoxide detectors.* A CO detector is required on each floor if there is a garage, solid fuel appliance, or gas appliance, and as otherwise required in an approved fire safety plan.
 4. *Fire extinguishers.* One 2 A:10BC type fire extinguisher shall be equipped per floor, and as otherwise required in an approved fire safety plan. Fire extinguisher(s) shall be mounted in visible locations with the tops of the fire extinguishers mounted between three feet and five feet above the floor, and to be accessible to occupants at all times.
 5. *Fire safety plan.* An applicant may submit a fire safety plan, which will be reviewed and approved by the Fire District and recommended to be posted on the property.
 6. *Parking.* Improved surface areas on the site shall be the minimum necessary to provide adequate parking for the occupancy.
 7. *Access.* The access and ingress to the site shall maintain safe conditions for pedestrians and vehicles and shall be adequately sized and designed so that access to other properties is not impacted or unsafe conditions on public streets created.
 8. *Noise.* Loud music, outdoor activities or any other source of noise that can be heard beyond the perimeter of the STR premises shall not be generated during the hours of 10:00 p.m. to 8:00 a.m. the following day.
 9. *Exterior changes.* No exterior changes shall be made to the structures or site conditions that would eliminate its appearance or use as a dwelling unit for long term residency.
 10. *Contact.* The name of the local representative and a telephone number where the representative may be reached should be displayed in the unit.
 11. *Location.* As with all general residential, STRs are not permitted in Light Industrial (LI) zones. STRs are limited and restricted in the same manner as any other rental in the Avalanche Zone District per section 17.92.010.

(Ord. No. 1230, § 1, 1-18-2022, eff. 4-1-2022)

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~~*Sale/transfer:* Any change of resident, whether for consideration or not, during the term of the permit.~~

Short-term rental (STR): Any individually or collectively owned single-family house or dwelling unit or any unit or group of units in a condominium, cooperative or timeshare, or resident-occupied residential home that is offered for a fee and for 30 days or less.

(Ord. No. 1230, § 1, 1-18-2022, eff. 4-1-2022)

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 11. *Location.* As with all general residential, STRs are not permitted in Light Industrial (LI) zones. STRs are limited and restricted in the same manner as any other rental in the Avalanche Zone District per section 17.92.010.
- D. ~~*Fire safety plan.* An applicant must submit a fire safety plan, which must be reviewed and approved by the Fire Department as part of the permit. The fire safety plan must be posted on site with the permit.~~

(Ord. No. 1230, § 1, 1-18-2022, eff. 4-1-2022)

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 583

BY BUSINESS COMMITTEE

AN ACT

RELATING TO SHORT-TERM RENTALS; AMENDING SECTION 67-6539, IDAHO CODE, TO REVISE PROVISIONS REGARDING LIMITATIONS ON REGULATION OF SHORT-TERM RENTALS; AMENDING SECTION 63-1804, IDAHO CODE, TO REVISE PROVISIONS REGARDING LIMITING TAX DUTIES OF SHORT-TERM RENTAL MARKETPLACES; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 67-6539, Idaho Code, be, and the same is hereby amended to read as follows:

67-6539. LIMITATIONS ON REGULATION OF SHORT-TERM RENTALS ~~AND VACATION RENTALS~~. (1) Neither a county nor a city ~~may shall~~ enact or enforce any ordinance that has the express or practical effect of prohibiting any type of short-term rentals or vacation rentals in the county or city. A county or city may ~~implement~~ enact or enforce such reasonable regulations as ~~it deems are necessary to safeguard the public health, safety and general welfare in order to protect the integrity of residential neighborhoods in which short-term rentals or vacation rentals operate~~ and safety as long as the reasonable regulations do not impose different restrictions or obligations on short-term rentals than are imposed on single-family dwellings or similar structures not used as short-term rentals, or unless the regulations are permitted by this section. A short-term rental ~~or vacation rental~~ shall be classified as a non-transient residential land use for zoning and building code purposes and be subject to all zoning requirements applicable thereto and only to building codes adopted by the Idaho building code board.

(2) (a) For purposes of this section, "different restrictions or obligations" means any requirement or regulation that would not be imposed but for a property's use as a short-term rental and specifically includes but is not limited to the following:

(i) Requiring owner occupation for any amount of time;

(ii) Requiring professional property management;

(iii) Requiring additional insurance;

(iv) Requiring reporting of use or other statistics;

(v) Requiring additional fire protection or fire sprinklers;

(vi) Requiring additional or improved means of ingress and egress;

(vii) Requiring additional parking;

(viii) Requiring modification to the physical structure of the property;

(ix) Requiring inspections;

(x) Requiring internal or external signage, notices, or diagrams;

(xi) Imposing a limit on the days a property can be rented;

1 (xii) Requiring notices to neighboring properties;
 2 (xiii) Requiring increased sewer or other utility capacity;
 3 (xiv) Requiring a conditional use permit in a residential zone;
 4 (xv) Limiting proximity to other short-term rentals;
 5 (xvi) Restricting the number of short-term rentals in a county or
 6 city; or
 7 (xvii) Requiring the property to be improved to meet current
 8 building codes unless the same would be required without regard to
 9 the short-term rental use.

10 (b) The terms defined in section 63-1803, Idaho Code, shall apply to
 11 this section.

12 (3) A county or city may, by ordinance, require an owner of a short-term
 13 rental to implement the following requirements only:

14 (a) That all sleeping areas in a short-term rental, including when ap-
 15 licable, basements, living rooms, and family rooms, be equipped with
 16 functioning smoke alarms;

17 (b) That the short-term rental be equipped with a functioning fire ex-
 18 tinguisher and a functioning carbon monoxide detector on each floor;

19 (c) That removable escape ladders be available in all sleeping areas
 20 with a window that are located above the ground floor;

21 (d) That maximum occupancy limits for short-term rentals do not exceed
 22 those non-transient residential limits as contained in the interna-
 23 tional building codes as adopted by the Idaho building code board; and

24 (e) That an easily accessible informational handout be available to
 25 tenants describing the location of exits, the location of fire ex-
 26 tinguishers, the location of any supplied first aid kits, and a phone
 27 number to contact the owner or manager of the short-term rental in the
 28 case of an emergency.

29 (4) No county or city shall enact or enforce any covenant, condition,
 30 restriction, or contract that regulates a short-term rental except as al-
 31 lowed in this section.

32 (5) No county or city shall require a license, fee, permit, certifica-
 33 tion, or registration to operate a short-term rental.

34 (6) All short-term rental properties along with their owners and ten-
 35 ants shall be subject to all other county and city ordinances and penalties
 36 that apply to other non-short-term rental residential uses, including but
 37 not limited to noise, parking, nuisance, curfew, and traffic regulations.

38 ~~(2)~~ (7) Neither a county nor a city can shall regulate the operation of
 39 a short-term rental marketplace in accordance with the provisions of chapter
 40 18, title 63, Idaho Code.

41 SECTION 2. That Section 63-1804, Idaho Code, be, and the same is hereby
 42 amended to read as follows:

43 63-1804. LIMITING TAX DUTIES OF SHORT-TERM RENTAL MARKETPLACES AND
 44 OWNERS -- COLLECTION OF TAX. (1) A local government may not levy a sales,
 45 use, franchise, receipts, or other similar tax or fee on the business of
 46 operating a short-term rental marketplace.

47 (2) A short-term rental marketplace shall register with the state
 48 tax commission for collection, reporting, and payment of sales and use and
 49 travel and convention taxes levied by this state and any applicable local

1 government taxes administered by the state tax commission on short-term
2 rentals and vacation rentals due from a lodging operator on any lodging
3 transaction facilitated by the short-term rental marketplace.

4 (3) A short-term rental marketplace shall collect, report, and pay
5 taxes imposed on the lodging operator or occupant of a short-term rental or
6 vacation rental by any local government.

7 (4) Any local government that has levied a tax pursuant to statutory au-
8 thorization, may contract with the state tax commission for the collection
9 and administration of such taxes in like manner and under definitions and
10 rules of the state tax commission for the collection and administration of
11 the state sales or use tax under chapter 36, title 63, Idaho Code. Alterna-
12 tively, such local government shall have authority to administer and collect
13 such tax. All revenues collected on behalf of the local governments by the
14 state tax commission pursuant to this chapter shall be distributed as fol-
15 lows: An amount of money shall be distributed to the state refund fund suffi-
16 cient to pay current refund claims. All refunds authorized by the commission
17 to be paid shall be paid through the state refund fund and those moneys are
18 continuously appropriated. The state tax commission may retain an amount
19 of money equal to such fee as may be agreed upon between the state tax com-
20 mission and such local government for the actual cost of the collection and
21 administration of the tax. The amount retained by the commission shall not
22 exceed the amount authorized to be expended by appropriation by the legis-
23 lature. Any unencumbered balance in excess of the actual cost at the end of
24 each fiscal year shall be distributed as provided in this section. All re-
25 maining moneys received pursuant to this chapter shall be placed in a fund
26 designated by the state controller and remitted monthly to the local govern-
27 ment levying such tax.

28 (5) If an owner of a short-term rental offers a short-term rental or va-
29 cation rental directly to an occupant without the use of a short-term rental
30 marketplace, such owner shall comply with all the requirements provided in
31 this section applicable to a short-term rental marketplace.

32 ~~(5)~~ (6) A short-term rental marketplace that has not facilitated a
33 lodging transaction in Idaho shall have forty-five (45) days to comply with
34 this section upon completion of their first lodging transaction in Idaho.

35 SECTION 3. An emergency existing therefor, which emergency is hereby
36 declared to exist, this act shall be in full force and effect on and after
37 July 1, 2026.