

Lander Short-Term Rental: Analysis and Recommendations

Executive Summary

This report provides a comprehensive analysis of the short-term rental (STR) market in Lander, Wyoming, and offers a framework for potential regulation. Lander's tourism-based economy, driven by its proximity to the Wind River Mountains and numerous national parks, has fueled significant STR growth. Data indicates there are approximately 50-55 active STRs in the city, representing about 1.6% of Lander's total residential housing stock of 3,454 units. While STRs provide revenue to local hosts and boost the visitor economy, they also present potential negative impacts, such as reduced long-term housing availability and neighborhood disruption. Drawing on best practices and examples from other mountain towns in Wyoming, Colorado, and Utah, this document outlines various regulatory methods, including licensing, zoning, and taxation, to help the City of Lander achieve a balance that preserves community character while supporting the visitor economy.

Introduction

Lander, Wyoming, is a community defined by its proximity to the Wind River Mountains and its status as a gateway to some of the country's most spectacular natural landscapes. The city's reliance on tourism and outdoor recreation has led to a significant increase in the use of short-term rentals (STRs) as a popular lodging option for visitors. This analysis examines the current state of STRs in Lander, their economic and social impacts, and a range of potential regulatory approaches. The goal is to provide a foundation for informed decision-making that addresses community concerns while fostering a sustainable and vibrant local economy.

Description of Lander, WY

Lander, Wyoming, is situated in the central-western part of the state at the foothills of the Wind River Range. Known as the "gateway to the Wind River Range," it offers a quiet, remote mountain town atmosphere with a robust outdoor recreation scene.

Lander's Tourism Offerings:

- **Sinks Canyon State Park:** A primary attraction featuring unique geological formations, rock climbing, hiking trails, and a trout hatchery.
- **Wind River Range:** The vast mountain range offers world-class rock climbing, backpacking, hiking, and fishing. Lander is particularly famous for its annual International Climber's Festival.

- **Local Culture:** The town's historic Main Street is home to numerous art galleries, unique shops, local restaurants, and craft breweries, creating an inviting and walkable downtown experience.
- **Proximity to National Lands:** Lander is surrounded by the Shoshone National Forest and Bureau of Land Management (BLM) lands, providing extensive opportunities for outdoor activities.

Location as a Place to Stay: Lander's strategic location makes it a logical stopover for travelers en route to major national parks. It is approximately a four-and-a-half-hour drive from Yellowstone National Park and offers a scenic route through Grand Teton National Park, making it an ideal basecamp for multi-day road trips. This positioning significantly enhances its appeal for short-term visitors seeking alternatives to traditional hotel lodging.

Short-term Rentals Description

The general definition of a short-term rental is the rental of a residential property for a period of less than 30 consecutive days. In Lander, this definition has been proposed in changes to the city's zoning code, and STRs are classified as a "conditional use" in some zones, which requires a permit.

Taxation in Lander: STRs in Lander are subject to a combined lodging and sales tax rate of 12% (4% statewide sales tax, 1% Fremont County sales tax, 5% statewide lodging tax, and 2% Fremont County lodging tax). A portion of this revenue is dedicated to tourism promotion and can be used to mitigate visitor impacts on local infrastructure.

Comparison to Other Jurisdictions: While Lander's definition is standard, other towns have added layers of regulation to manage STR impacts. For example, **Teton County, Wyoming**, strictly prohibits STRs (defined as rentals under 31 days) in most residential areas unless the property is within a specific resort zone. **Jackson, Wyoming** adds a crucial limit on residential STRs, capping them at 60 rental nights and 3 stays per year.

Why Regulation of Short-term Rentals Occurs

Regulation of STRs typically occurs to address a variety of community concerns and goals. Academic studies consistently show that a high concentration of STRs contributes to increased housing prices and rents. A primary reason for regulation is to manage the impact of commercial activity on residential neighborhoods, preserving their quiet and safe character. Other key reasons include:

- **Housing Affordability:** To prevent residential units from being converted from long-term housing stock to transient, short-term accommodations, which can drive up housing costs for permanent residents. Research by the NBER and others has

shown that the "financialization" and "conversion" of housing stock directly correlate with a rise in home prices and rents.

- **Public Safety:** To ensure properties meet health and safety standards, such as having working smoke and carbon monoxide detectors, fire extinguishers, and clear emergency exits that are suitable for a large number of transient guests. This includes ensuring properties with a higher number of occupants adhere to the requirements of the **International Building Code (IBC) for a Group R-1 occupancy**, which is the classification for transient lodging.
- **Revenue Generation:** To ensure that STR operators contribute their fair share of taxes (lodging, sales, etc.) to the local economy, helping to fund city services and infrastructure.
- **Community Accountability:** To create a system that holds property owners accountable for the actions of their guests, such as noise complaints or parking issues, through a local contact person.

Impact of Short-Term Rentals on Local Communities

Short-term rentals have a multi-faceted impact on the City of Lander, with both positive and negative consequences.

Positive Impacts:

- **Economic Diversification:** STRs provide supplemental income for local property owners. This money supports local services, cleaning, and maintenance.
- **Increased Tourism Revenue:** By expanding the number of available lodging options, STRs attract more visitors, who in turn spend money at local restaurants, shops, and attractions, boosting the city's tax base.
- **Flexible Accommodations:** STRs offer a more varied lodging experience than traditional hotels, appealing to families, large groups, and visitors seeking a more "local" feel.

Negative Impacts:

- **Housing Availability:** The conversion of long-term rental properties into STRs can tighten the local housing market. With approximately 50-55 STRs in the city noted per site like AirDNA.co and Rabbu.com, this represents about **1.6% of the city's total residential dwelling units** (3,454). This percentage, especially when concentrated in specific neighborhoods, is significant enough to contribute to rising housing costs for residents.

- **Neighborhood Character:** Unregulated STRs can disrupt the peace and quiet of residential neighborhoods through noise, increased vehicle traffic, and a constant rotation of unfamiliar faces.

Potential for Growth of Short-Term Rentals in Lander, WY

Based on current data, the STR market in Lander shows strong growth potential driven by its status as a tourist destination. Occupancy rates are highest during the peak summer months (June-August), and the majority of listings are for one- and two-bedroom properties, catering to couples and small groups. The ability to earn significantly more from a short-term rental compared to a traditional long-term lease provides a strong financial incentive for property owners. This market dynamic suggests that without appropriate regulation, the number of STRs will likely continue to increase, potentially exacerbating the negative impacts on the local housing market and community character.

Goals and Methods to Regulate Short-Term Rentals

The primary goals of regulating STRs should be to:

- Preserve long-term housing stock for residents.
- Ensure public health and safety in all rental units.
- Maintain neighborhood character and quality of life.
- Create regulatory clarity in granting and revoking licenses.
- Generate a stable revenue stream for the city through taxes and fees.

Several methods can be used to regulate STRs. A city can choose one or a combination of the following approaches:

- **Permitting/Licensing:** Requiring all STR operators to obtain an annual permit or license. This process can include a fee, a safety inspection, and a review of the property's compliance with local zoning and health codes. To implement a primary residency requirement, the city could require applicants to provide proof using a list of documents such as a driver's license, voter registration, or tax returns.
- **Zoning Restrictions:** Limiting STRs to specific commercial or mixed-use zones, or allowing them only in certain residential districts with strict conditions (e.g., owner-occupied rentals).
- **Occupancy Limits:** Setting a maximum number of guests per rental, either based on the number of bedrooms or a fixed number, to prevent overcrowding and excessive noise.

- **Taxation:** Work with state legislators to create legislation allowing tax proceeds to fund affordable, attainable, and additional housing.
- **Enforcement:** Establishing clear and transparent procedures for reporting and investigating complaints, with penalties for non-compliance.

Examples and Table of Other Mountain West Towns

City/Town	State	Primary Regulatory Method	Key Provisions
Lander	Wyoming	Conditional Use Permit	Short-term rentals are classified as a conditional use in R-Med, Agricultural, and Commercial zones. A permit is required for operation.
Jackson	Wyoming	Licensing and Use Permit	Requires both a business license and a Basic Use Permit (BUP). STRs outside the lodging overlay are limited to 60 rental days and 3 stays per year .
Teton County	Wyoming	Zoning and Permit System	Prohibits STRs (less than 31 days) in most residential areas unless the property is in a specific resort zone. Guest houses have a 90-day minimum rental period .
Sheridan	Wyoming	Licensing and Compliance	Requires a rental license and a completed compliance checklist for safety. Allows one residential rental license per property.
Laramie	Wyoming	Business Licensing and Zoning	Requires a business license and adherence to specific zoning and safety regulations. Hosts must collect and remit lodging taxes.
Park City	Utah	Licensing and Inspection	Requires a nightly rental license, a state sales tax ID, and a passed property inspection. The process generally takes 15-30 days to approve.
Steamboat Springs	Colorado	Licensing and Zoning	Requires a short-term rental license. Properties are divided into different zones (A, B, C) with varying degrees of STR eligibility. A 9% tax is dedicated to workforce housing.

Aspen	Colorado	Tiered Permit System	Three permit types: Owner-Occupied (STR-OO) limited to 120 nights, Classic (STR-C) with no night limit but capped numbers, and Lodging Exempt (STR-LE) for commercial properties. All require a business license and specific taxes.
Boise	Idaho	Licensing and Safety Checklist	Requires an annual short-term rental license for a fee. The application includes a safety checklist for smoke detectors, fire extinguishers, and liability insurance.

Options/Alternatives for Regulating Short-term Rentals

Given the current low level of regulation in Lander, several options are available, ranging from minimal intervention to more comprehensive controls:

- **Option 1: Status Quo with Zoning Amendments for Clarity:** Maintain the current system of issuing conditional use permits. Develop zoning amendments that clarify the specific qualifications a short-term rental must meet to be granted a permit.
- **Option 2: Tiered Licensing System:** Implement a licensing system with different tiers. For example, a "Tier 1" could be for owner-occupied rentals with minimal requirements, and a "Tier 2" for non-owner-occupied rentals with stricter safety inspections, higher fees, and a limit on the number of permits. This balances support for occasional hosts with greater oversight of commercial operators. This option directly addresses the problem of investor-owned properties and their impact on housing stock.
- **Option 3: Zoning-Based Approach:** Restrict new STRs in R1, R2, and R3 zones to be properties where the residential property is the owner's primary residence. STRs for properties that are not the owner's primary residence would be allowed by conditional use permit in R5 and R-Med districts. These larger-scale commercial STRs would be subject to more stringent requirements, including compliance with **International Building Code (IBC) Group R-1 occupancy** rules if they exceed the size or number of guests for a typical residential occupancy. This approach leverages the city's zoning to protect low-density residential neighborhoods while accommodating commercial STRs in higher-density areas better suited for them.
- **Option 4: Limit the frequency of short-term rentals:** Implement a cap on the number of unique stays and/or total rental days per year (i.e., 3 unique stays with a

total of 60 maximum days, similar to Jackson). This directly prevents homes from being converted into full-time, year-round hotels.

- **Option 5: Ban on Short-term Rentals:** Create a full or partial ban on short-term rentals within specific residential zoning districts. This is the most restrictive option and would have the largest impact on both the STR market and the local economy.

Conclusion

The growth of short-term rentals in Lander, Wyoming, presents both an opportunity to enhance the local economy and a challenge to maintaining community character and housing affordability. While the city's current regulatory framework is minimal, a proactive approach can help achieve a balance that benefits both visitors and residents. By carefully considering the methods and examples outlined in this report, Lander can develop a thoughtful regulatory strategy that supports its identity as a welcoming tourist destination while preserving the high quality of life cherished by its residents.