

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SANDPOINT, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, REPEALING AND REPLACING SANDPOINT CITY CODE TITLE 3, CHAPTER 12; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, the City of Sandpoint has historically regulated short-term rentals in order to protect the integrity and livability of residential neighborhoods, safeguard public health and safety, preserve housing opportunities for local residents, and balance private property rights with community impacts.

WHEREAS, Title 3, Chapter 12 of the Sandpoint City Code governing short-term rentals was originally adopted in 2018 and amended in 2020, prior to recent judicial decisions interpreting the scope of local authority to regulate short-term rental activity in the State of Idaho.

WHEREAS, subsequent to adoption of the City's existing short-term rental regulations, The Idaho Supreme Court issued its decisions in *Idaho Association of Realtors, Inc. v. City of Lava Hot Springs*, 569 P.3d 496 (2025), which clarified limitations on local regulation of short-term rentals, including distinctions between land-use regulation and business licensing, and the treatment of owner-occupied versus non-owner-occupied rentals.

WHEREAS, this decision created legal uncertainty regarding certain provisions of the City's existing short-term rental ordinance, necessitating a comprehensive review and restructuring of the City's regulatory approach to ensure consistency with Idaho law and applicable judicial precedent.

WHEREAS, the Mayor directed staff to undertake a repeal and replacement of Title 3, Chapter 12 in order to align the City's short-term rental regulations with current legal standards, reduce litigation risk, improve clarity and enforceability, and preserve the City's ability to address demonstrable neighborhood impacts associated with short-term rental activity.

WHEREAS, City staff prepared proposed amendments repealing and replacing Title 3, Chapter 12, focusing on objective operational standards, health and safety requirements, local contact provisions, and enforcement mechanisms that are legally defensible and narrowly tailored to mitigate impacts rather than prohibit lawful use.

WHEREAS, the Sandpoint Planning and Zoning Commission conducted public workshops and discussions on the proposed short-term rental amendments, and held duly noticed public hearings on November 18, 2025, and December 16, 2025, at which time testimony was received from property owners, neighborhood residents, short-term rental operators, and other interested parties.

WHEREAS, during these public hearings and deliberations, the Planning and Zoning Commission considered testimony regarding neighborhood character, housing

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availability, enforcement challenges, tourism impacts, property rights, and consistency with Idaho law, and recommended modifications to the proposed ordinance to improve clarity, proportionality, and administrative feasibility.

WHEREAS, following conclusion of the public hearings, the Planning and Zoning Commission voted to recommend approval of the repeal and replacement of Title 3, Chapter 12, as revised, to the City Council.

WHEREAS, the City Council conducted a duly noticed public hearing on January 21, 2026, to consider the proposed repeal and replacement of Title 3, Chapter 12, at which time additional public testimony was received and the Council deliberated on the legal, policy, and community implications of the proposed ordinance.

WHEREAS, the City Council finds that the repeal and replacement of Title 3, Chapter 12 is necessary and appropriate to protect the public health, safety, and general welfare, to provide a clear and enforceable regulatory framework for short-term rentals, and to ensure the City's regulations are consistent with Idaho law and applicable court decisions.

WHEREAS, the City Council further acknowledges that legislation currently pending before the Idaho Legislature during the 2026 legislative session may further affect the scope of local authority to regulate short-term rentals, and that future amendments to this chapter may be required to maintain compliance with state law.

WHEREAS, the City Council finds that adoption of this ordinance represents a reasoned, good-faith effort to balance neighborhood livability, housing availability, tourism, and private property rights within the constraints imposed by state law.

NOW THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Sandpoint that:

ORDINANCE SECTION 1 – REPEAL AND REPLACE SANDPOINT CITY CODE TITLE 3, CHAPTER 12

Sandpoint City Code Title 3, Chapter 12, is hereby repealed in its entirety and replaced with the following:

3-12-1: Purpose:

The purpose of this chapter is to:

- (a) establish reasonable regulations for the operation of short-term rentals, consistent with the Idaho Short-term Rental and Vacation Rental Act currently set forth in Idaho Code § 63-1801, *et. seq.*, and § 67-6539, in order to safeguard the public health, safety, and general welfare;
- (b) protect the integrity of Sandpoint's neighborhoods by ensuring that short-term rentals (e.g. short-term occupancy) have no greater impacts (such as noise,

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parking congestion, traffic, and changes to neighborhood character) than typical long-term occupancy; and

- (c) support private property rights and preserve housing opportunities for the community.

These regulations are adopted pursuant to the city's authority under Idaho Code § 67-6539 to protect the public health, safety, and welfare.

3-12-2: Applicability:

- A. Permit Required: No person shall occupy, use, operate or manage, nor offer or negotiate to use, lease or rent a dwelling unit for short-term rental occupancy within the city without first obtaining a short-term rental permit as provided in this chapter. Commencing on the effective date hereof, any person who is permitted to engage in the rental of a dwelling for short-term occupancy shall have obtained one of the following short-term rental permits, depending on the type of operation:
 - 1. Standard STR permit: for a short-term rental that accommodates fewer than twelve (12) overnight guests.
 - 2. High-occupancy STR permit: for a short-term rental advertising occupancy for eleven (11) or more overnight guests. High Occupancy STRs are subject to additional review and shall be required to obtain a High-occupancy (HSTR) permit from the Planning & Zoning Commission when located within residential zoning districts. High-occupancy STRs located within Commercial zoning districts are not subject to the HSTR permit requirements set forth in this chapter.
- B. Compliance with Chapter: Permits for short-term rentals are allowed, subject to all provisions of this chapter.
- C. Occupancy Tax: Compliance with the requirements of chapter 10, "Hotel-Motel Occupancy Tax", of this title is required.
- D. Residential Zones: Within residential zones, short-term rentals shall have a minimum two (2) nights' stay. All STRs in residential zones shall be limited to one (1) per parcel.

3-12-3: Definitions:

HIGH-OCCUPANCY STR: A short-term rental permitted for occupancy for eleven (11) or more overnight guests. High Occupancy STRs are subject to additional review and shall be required to obtain a High-Occupancy STR permit, in accordance with the provisions of this chapter, when located within residential zoning districts.

LOCAL REPRESENTATIVE: An area property manager, owner, or agent of the owner, who is readily available to respond to tenant and neighborhood or city questions or concerns, and who resides within twenty (20) miles of Sandpoint city limits.

NEIGHBORHOOD INTEGRITY: The condition in which residential areas function in a manner consistent with their intended character and density, such that short-term rental

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activities do not generate impacts such as noise, traffic, parking congestion, or public nuisance, beyond those normally associated with lawful long-term residential use.

OWNER: The person or entity that holds legal and/or equitable title to the private property. The owner may act through an agent or property manager, but the owner shall remain responsible for compliance with these provisions.

SHORT-TERM RENTAL (STR): The use of a dwelling unit, or a portion thereof which is rented for the purpose of overnight lodging for a period of thirty (30) days or less per occurrence. Short-term rentals are also commonly referred to as vacation homes, tourist homes, bed and breakfast establishments or vacation rentals. Short-term rental does not include traditional bed and breakfast establishments licensed separately under city code (as defined in § 9-1-3).

STANDARD STR: A short-term rental that accommodates no more than two (2) persons per bedroom plus two (2) additional persons, up to a maximum of 10 persons. For the purposes of this definition a studio is considered to be a one (1) bedroom dwelling unit.

3-12-4: Permit Administration

- A. Issuance: Application for a short-term rental permit shall be made upon suitable forms furnished by the city. Each permit is valid for one calendar year, beginning January 1 and expiring December 31. Mid-year applications will be pro-rated. The issuance of a short-term rental permit shall be subject to the following requirements:
 - 1. Inspection: At the time of application for a new short-term rental permit, the dwelling unit shall be subject to inspection by the building official or their designee. Prior to the issuance of the short-term rental permit, the owner of the dwelling unit shall make all necessary alterations to the dwelling required by the building official pursuant to the requirements of this chapter.
 - 2. For renewals, applicants shall be required to submit a statement affirming compliance with the standards set forth in this chapter by completing a city provided self-inspection checklist.
 - 3. Any inspections required under this chapter may be conducted by a private inspector certified by the International Code Council at the owner's expense.
- B. Renewal: To remain active, permits must be renewed prior to expiration. Renewal requires submission of a complete permit renewal application and payment of the reduced renewal fee established by resolution of the City Council. If a permit is not renewed before expiration, it shall be deemed lapsed, and a new permit application with the full fee shall be required to continue operation.
- C. Transferability: Permits are non-transferable and shall lapse upon any change of ownership, except where the property is transferred into an entity wholly owned by the permit holder for estate or liability purposes.

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- D. High-Occupancy STR (HSTR) Permit Procedures: HSTR permits may be granted only upon findings by the Planning & Zoning Commission that the proposal meets all of the following requirements
1. Application form: The owner or authorized agent shall submit an HSTR permit application on forms provided by the City.
 2. Required materials: A complete application shall include:
 - i. Site plan showing building footprint(s), driveways, parking layout, trash/recycling storage, and adjacent properties.
 - ii. Floor plan identifying all sleeping areas and proposed maximum overnight occupancy.
 - iii. A narrative describing:
 1. Maximum advertised occupancy;
 2. Parking management plan;
 3. Noise management and quiet-hours plan;
 4. Local representative contact information;
 5. Procedures for compliance with the City's STR standards.
 - iv. Proof of property ownership.
 - v. Application fee established by resolution of the City Council.
 - vi. Any additional information reasonably required by the City to evaluate the application.
 3. Completeness review: An application shall not be scheduled for public hearing until the Planning and Community Development Director determines that it is complete.
 4. Noticing requirements:
 - i. Mailed notice: At least 15 days prior to the hearing, written notice shall be mailed to all property owners within 300 feet of the subject parcel.
 - ii. Published notice: Notice of the public hearing shall be published in the official newspaper of the City not less than 14 days prior to the hearing date.
 - iii. On-site posting: A public notice sign shall be posted on the property in a conspicuous location visible from the public right-of-way at least 10 days prior to the hearing.
 5. Review procedures: The Community Planning and Development Department shall prepare a staff report evaluating the application's consistency with this Chapter and impacts on surrounding properties.
 6. Public hearing:

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- i. The Planning & Zoning Commission shall conduct a public hearing in accordance with the procedures of Idaho Code §67-6512 and Title 9, Chapter 9-5 of the Sandpoint City Code.
 1. The Commission shall have final decision-making authority to approve, approve with conditions, or deny an HSTR permit.
- ii. Findings of fact for approval of HSTR permit: Prior to approval of a HSTR permit, the Planning & Zoning Commission shall make all of the following findings, based on substantial evidence in the record.
 1. The proposed maximum occupancy is supported by the physical capacity of the structure, parking availability, and access;
 2. The HSTR complies with building, fire, health, and life-safety requirements;
 3. The HSTR has demonstrated adequate management measures (local representative, guest behavior expectations, parking management, quiet hours, garbage) to protect residential quality of life;
 4. The HSTR will maintain the integrity of the surrounding residential neighborhood and will not generate noise, traffic, parking demand, occupancy-related impacts, or other off-site effects that exceed those typical of long-term residential use, with adequate measures in place to prevent or mitigate such impacts;
 5. The proposal meets the intent of this Chapter and applicable standards of Title 9.
- iii. Conditions of approval: The Planning & Zoning Commission may impose reasonable conditions necessary to:
 1. Mitigate adverse noise, lighting, and parking impacts;
 2. Ensure compliance with neighborhood compatibility standards;
 3. Protect public health, safety, and welfare.
 4. Reduce occupancy, impose parking limits or restrictions, impose noise mitigation, or other operational standards in order to reduce such impacts.
- iv. The Planning & Zoning Commission shall approve, deny, or continue consideration of the application until such time as any necessary information sought has been provided to the Planning & Zoning Commission. The Planning & Zoning Commission may issue a tentative decision at the close of the public hearing. The final decision shall be a written decision approved by the Planning and Zoning Commission, and shall take effect twenty (20) days following the written decision, unless an appeal has been timely submitted pursuant to subsection 7, below.

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7. Appeals
 - i. Appeal authority: Decisions of the Planning & Zoning Commission on HSTR permits may be appealed to the City Council.
 - ii. Filing and appeal: Appeals must be submitted in writing to the City Clerk within 20 days of the Planning & Zoning Commission written decision. The appeal shall state the specific grounds for appeal and be accompanied by the applicable fee.
 - iii. Hearing on appeal: The City Council shall conduct a noticed public hearing consistent with Idaho Code §67-6512 on the appeal. The Council may uphold, modify, or overturn the Commission's decision.
8. Revocation: An HSTR permit may be revoked following a public hearing before the Planning & Zoning Commission if any of the following occur. Revocation decisions may be appealed to City Council consistent with subsection 7:
 - i. Three violations under §3-12-6 occur within a twelve-month period, or
 - ii. The owner fails to comply with any conditions of approval, or
 - iii. Operational impacts are found to be substantially detrimental to nearby properties. And
 - iv. The property owner has been notified by mail of the violations and the revocation public hearing.

3-12-5: Standards:

- A. A short-term rental shall comply with the following standards:
 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 State of Idaho.
 2. Smoke Alarms: Single or multiple-station smoke alarms shall be installed and maintained in accordance with manufacturers' specification:
 - (a) On the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms.
 - (b) In each room used for sleeping purposes.
 - (c) In each story within a dwelling unit, including basements but not including crawl spaces and uninhabitable attics. In dwellings or dwelling units with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level.
 3. CO Detectors: A CO detector is required on each floor if: there is a garage, solid fuel appliance or gas appliance.
 4. Fire Extinguishers: The short-term rental shall be equipped with one 2A:10BC type extinguisher per floor. Fire extinguisher(s) shall be mounted in visible

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locations with the tops of the fire extinguishers mounted between three feet (3') and five feet (5') above the floor, and shall be accessible to occupants at all times.

5. Occupancy:
 - (a) No recreational vehicle, travel trailer, tent or other temporary shelter shall be used as a short-term rental;
 - (b) Standard Short-Term Rentals shall contain no more than two (2) persons per bedroom, plus two additional persons. Total maximum occupancy of the Short-Term Rental shall not exceed ten (10) persons without the issuance of a High Occupancy STR Permit (HSTR).

6. Local Representative:
 - (a) Each short-term rental shall list a local representative who permanently resides within twenty (20) vehicular miles of Sandpoint City limits.
 - (b) If the Police Department is not able to contact the local representative in a timely manner more than twice during the term of the annual permit, this shall be considered a violation pursuant to section 3-12-5 of this chapter.
 - (c) The designated local representative may be changed by the permit holder from time to time throughout the term of the permit. However, to change the local representative, the permit holder must file a revised permit application that includes the name, address and telephone number of the new local representative. Failure to notify the city of a change in the local representative constitutes a violation pursuant to section 3-12-6 of this chapter.
 - (d) For short-term rentals within the residential zones, property owners and/or residents within two hundred feet (200') of the dwelling shall be provided with the name and telephone number of the owner or the local representative. The permit holder shall provide documentation to the city of this notification and list of the owners and/or residents contacted as part of the permit application process.

7. Permit Posting: The short-term rental permit shall be posted within the dwelling adjacent to the front door. At a minimum, the permit will contain the following information:
 - (a) The name of the local representative and a telephone number where the representative may be reached;
 - (b) The name and a telephone number where the property owner can be reached;
 - (c) The telephone number and website address of the City of Sandpoint and the Sandpoint Police Department;
 - (d) The maximum number of occupants permitted to stay in the dwelling;
 - (e) The solid waste and recycling collection day; and
 - (f) The Sandpoint snowplowing regulations.

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8. Parking: Short-term rentals shall provide and maintain adequate off-street parking as follows:
 - (1) One (1) off-street parking space is required for standard STRs advertising accommodation for five (5) or fewer guests.
 - (2) Two off-street parking spaces are required for standard STRs advertising accommodation for six (6) or more guests.
 - (3) Parking requirements for High-Occupancy STRs shall be established by the Planning & Zoning Commission as a condition of approval for the HSTR Permit and shall not be fewer than two (2) off-street spaces.
 - (4) Any existing off-street parking in excess of the required parking for the residential use, including tandem spaces in driveways, or covered spaces in carports or garages, may count toward the requirement if they do not obstruct sidewalks, pedestrian routes, or emergency access.
 - (5) On-street parking shall not count toward the minimum requirement.

3-12-6: Violation; Infraction; Penalty:

- A. The following conduct shall constitute a violation for which the penalties and sanctions specified in this section may be imposed:
 1. Violations:
 - a. The tenants of the dwelling have created noise, disturbances, or nuisances, in violation of this code, or violations of State law pertaining to the consumption of alcohol, or the use of illegal drugs.
 - b. The owner has failed to comply with the standards of section 3-12-4 and 3-12-5 of this chapter.
 2. Penalties:
 - a. For the first two (2) violations within a twelve (12) month period, the sanction shall be a warning notice.
 - b. For the third violation within a twelve (12) month period, the sanction shall be a revocation of the permit.
 3. Written Notice: The city shall provide the permit holder with a written notice of any violation of this section that has occurred. If applicable, a copy of the warning notice shall be sent to the local representative.
 4. Appeal of Suspension or Revocation: Pursuant to this section, the city shall provide the permit holder with a written notice of the permit suspension or revocation and the reasons therefor. The permit holder may appeal the suspension or revocation to the city council by filing a letter of appeal to the city clerk within twenty (20) days after the date of the mailing of the Planning Director's order to suspend or revoke the permit. The Planning Director's suspension or revocation shall be stayed until the appeal has been determined by the city council. The city council shall conduct a hearing on the appeal within sixty (60) days of the date of the filing of the letter of appeal. At the appeal, the permit holder may present such evidence as may be relevant. At the conclusion

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of the hearing, based on the evidence it has received, the council may uphold, modify, or overturn the decision of the Planning Director to suspend or revoke the permit based on the evidence received.

5. Application for Permit After Revocation: A person who has had a short-term rental permit revoked shall not be permitted to apply for a subsequent short-term rental permit for a period of two (2) years from the date of revocation.
6. Infraction: Unless otherwise provided, any person who shall commence or continue to operate a short-term rental for which a permit is required by any provision of this title without first obtaining such permit shall be deemed guilty of an infraction and, upon conviction thereof, shall be fined an amount established in the City's adopted fee schedule, as set by resolution of the City Council. An infraction is a civil public offense, not constituting a crime, for which no period of incarceration is imposed. A separate offense shall be deemed committed on each day during or on which a violation occurs or continues.
7. Advertisement of Short-Term Rental: An advertisement promoting the availability of short-term rental property in violation of this code is prima facie evidence of a violation and may be grounds for denial, suspension or revocation of a license.

Advertising that offers a property as a residential short-term rental shall constitute prima facie evidence of the operation of a residential short-term rental and the burden of proof shall be on the owner, operator, or lessee of record to establish that the subject property is being used as a legal residential short-term rental or is not in operation.

Any communication by a property owner, manager, operator, or lessee to any person where the owner, manager, operator, or lessee offers their home for rent as a residential short-term rental shall constitute prima facie evidence of the operation of a residential short-term rental and the burden of proof shall be on the owner, operator, or lessee of record to establish that the subject property is being used as a legal residential short-term rental or is not in operation.

Other evidence of the operation of a residential short-term rental without a valid permit number may include, but is not limited to: guest testimony, rental agreements, advertisements, and receipts or bank statements showing payments to the owner by a guest.

ORDINANCE SECTION 2 – REPEAL AND SEVERABILITY:

- A. Any provision of the *Sandpoint City Code* found to be inconsistent with this Ordinance is hereby repealed.
- B. Should any provision of this Ordinance be deemed unlawful or unconstitutional, such finding shall not affect the remaining provisions of this Ordinance.

ORDINANCE SECTION 3 – PUBLICATION AND EFFECTIVE DATE:

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This Ordinance shall be in full force and effect following its passage, approval, and publication according to law.

PASSED AND ADOPTED AS AN ORDINANCE OF THE CITY OF SANDPOINT, IDAHO, AT A REGULAR SESSION OF THE SANDPOINT CITY COUNCIL ON _____, 2026.

Jeremy Grimm, Mayor

Attest: _____
