

VILLAGE OF WINNEBAGO MEMORANDUM

| Prepared By: | Joseph Dienberg, Village Administrator |
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| То: | Committee of the Whole |
| Date: | July 2, 2025 |
| Subject: | Short-Term Rental Discussion |

Background

Short-term rentals (STRs) are residential dwelling units rented for temporary lodging, typically for periods of less than 30 consecutive days. These rentals are often arranged through online platforms such as Airbnb and VRBO (Vacation Rentals by Owner). While STRs can contribute to local tourism and generate supplemental income for property owners, they may also lead to challenges for municipalities, particularly with respect to noise complaints, parking congestion, and general disruption to neighborhood character.

At the most recent Village Board meeting on June 18th, the issue was raised under New Business following a police response to a noise complaint at a local short-term rental. In that specific police call, there was a noise complaint, and when officers responded, there were multiple individuals in the residence, but none were the ones listed on the Airbnb, and only 2 individuals were supposed to be staying there.

Sample Ordinance

The City of Rockford, a fellow non-home rule municipality, has implemented a comprehensive STR ordinance that may serve as a useful baseline as the Village considers its own approach.

Under Rockford's ordinance, property owners must obtain a permit and renew it annually through the City's online system. All STRs are subject to inspection by building, fire, and property maintenance officials. Units must also be registered with the City's rental registry, and owners are required to keep a digital or written guest log with the names and dates of stay for all adult guests. Prior to the first rental each year, written notice must be delivered to neighboring properties with key contact information and the rental registration number.

Occupancy is limited to two people per bedroom, with a maximum of ten total occupants including guests. Parking must be provided on-site, with allowances for limited street parking only if no on-site spaces are available. A maximum of four vehicles may be parked at the property. STRs may not be used for weddings, parties, conferences, or similar events, and no hourly or sub-daily rates may be advertised. Signage on the premises is also prohibited.

The ordinance requires a local contact person, either the owner or a designated agent, who must be available 24/7 and capable of being on-site within 60 minutes to respond to complaints or issues. STRs are subject to hotel/motel taxes and must comply with all applicable building, fire, zoning, and nuisance regulations. The City reserves the right to revoke or suspend a permit in response to violations or unresolved issues.

Next Steps

Staff is requesting feedback from the Committee of the Whole on what types of regulations the Board is interested in pursuing. The Rockford ordinance provides a strong example for discussion, particularly given their similar non-home rule status. Staff is also continuing to review other municipal ordinances and will present additional comparisons at a future meeting. Input from the Committee will help guide the development of a draft ordinance tailored to the Village of Winnebago.