



**City of Crosslake  
ORDINANCE 2024  
SHORT-TERM RENTAL LICENSING**

**AN ORDINANCE OF THE CITY OF CROSSLAKE, CROW WING COUNTY, MINNESOTA, ADDING A NEW CHAPTER 2024 OF CROSSLAKE CODE ENTITLED SHORT-TERM HOME RENTAL LICENSING; PROVIDING A PURPOSE; DEFINING KEY TERMS; ESTABLISHING LICENSE REQUIREMENTS TO OPERATE A SHORT-TERM HOME RENTAL; CREATING STANDARDS TO OBTAIN A SHORT-TERM HOME RENTAL LICENSE; PROVIDING FOR VIOLATIONS, AND ENFORCEMENT; PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**Recitals:**

- A. The City of Crosslake is authorized to exercise its powers to “maintain the peace, good environment and welfare.”
- B. The City is authorized to “implement such reasonable regulations as it deems necessary to safeguard the public health life safety and general welfare in order to protect the integrity of residential neighborhoods in which short-term home rentals or vacation rentals operate.”
- C. The significant growth of short-term home rentals within the City has created a need for reasonable regulations so as to protect the health, life safety, and welfare of short-term home rental guests, as well as neighboring property and the public.
- D. A licensing system provides a reasonable regulatory approach to seek to balance the operation of short-term home rentals with the health, life safety, and welfare impacts upon guests, neighbors, and the public.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Crosslake, Crow Wing County, Minnesota;

**Section 1.** That a new Chapter 2024 of Title \_\_\_\_\_ of the Crosslake City Code is created to read as follows:

**Chapter 2024  
SHORT TERM RENTALS**

**2024.1010: PURPOSE**

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

## 2024.1020: DEFINITIONS

For the purposes of this Chapter, the following terms shall have the following meanings:

**LEASE:** Any agreement, whether verbal or written, by which an owner gives to a tenant, for valuable consideration, possession and use of property or a portion thereof for a definite term, at the end of which term the owner has absolute right to retake control and use of the property.

**OWNER:** The property owner of record of the real estate located in Crow Wing County and the City of Crosslake.

**OWNERS AUTHORIZED AGENT (Property Manager):** An area property manager, owner, resident, or agent who is readily available to respond to guest, neighborhood or City questions or concerns.

**PRIMARY RESIDENT:** Means a person living on a property where the property is the person's primary residence.

**SALE TRANSFER:** Any change of Resident, whether for consideration or not, during the term of the permit.

**SHORT-TERM RENTAL (STR):** Any home, cabin, condominium, townhome or similar building that is advertised as, or held out to be, a place where sleeping quarters are furnished to the public on a nightly, weekly, or for less than a 30-day time period and is not a bed and breakfast, resort, hotel or motel.

**BEDROOM:** An area that is (A) – a room designed or used for sleeping with egress; or (B) – a room or area of a dwelling that has a minimum floor area of seventy (70) square feet with access gained from the living area or living hallway with egress.

**TRAILER, TRAVEL:** A recreational vehicle built on a single chassis with a rigid walled shelter, mounted on wheels and has a gross trailer area not exceeding four hundred (400) square feet. For the purposes of this ordinance, the term Travel Trailer is synonymous with the term Recreational Vehicle.

## 2024.1030: LICENSE REQUIRED

- A. No Short-Term Rental may be operated without a valid Short-Term Rental License issued pursuant to this ordinance.
- B. License Application. Any property owner desiring to undertake Short-Term Rentals must apply to the City of Crosslake for a Short-Term Rental license. A license must be approved prior to operating within the City of Crosslake.
  1. License Fee. The license application form must be accompanied by payment in full of the required license application fee. **This fee shall be non-refundable.** The license application fee will be determined by the city council in the city fee schedule.
  2. All Short-Term Rental licenses are an annual license and must be renewed each year. License renewal applications for rental operations in the following year must be submitted prior to any rental activity. Licenses are valid from January 1 – December 31 each year.

3. An affidavit, signed by the owner or the Owner's Authorized Agent (Property Manager), under penalty of perjury, certifying that the STR is in habitable condition and complies with health and safety standards set forth in this Chapter.
- C. Owners Authorized Agent (Property Manager). Each application shall include the appointment of a natural person who shall remain within a sixty (60) minute distance of the STR and is available twenty-four (24) hours per day, seven (7) days per week, to serve as the Owners Authorized Agent (Property Manager) for the STR. At least five (5) days prior to any change to such appointment, the STR owner or Owners Authorized Agent (Property Manager) shall notify the City of Crosslake of such a change, including new contact information.
- E. Floor Plan of STR, Parking location(s) must be submitted with initial License application.
- F. All Owners or Owners Authorized Agent (Property Manager) must inform all properties within three hundred (300) feet of the STR. When a property owner applies for a new license or a license renewal, they will need to provide an affidavit with the application indicating that they have notified the neighbors. The notice required shall be in writing and include the following information: the vacation rental license number, the physical address of the STR, and the name, address, and twenty-four (24) hour telephone number of the emergency point of contact.
- G. Expiration; Renewal. Each STR license shall expire on December 31 of each calendar year, or when title of the STR transfers to a new owner, whichever occurs first; each change in ownership of a STR shall require a new license.
- H. Timing. An initial license application shall be filed at least thirty (30) days prior to any advertising of an STR. A renewal application shall be filed by November 30 of the year in which the license expires.
- I. Revocation. In addition to any other penalties allowed by this Chapter, the City of Crosslake may revoke any STR license if the City of Crosslake finds and determines that any violation of this Chapter exists at the STR; provided that the City of Crosslake provides the licensee with at least fourteen (14) days' prior written notice and an opportunity to be heard prior to revocation. The notice shall include a description of the violation and the date and time when the STR owner may appear and be heard, and the notice shall be either personally served on the STR owner or mailed by First-Class United States Mail to the last-known address of the STR owner or Owners Authorized Agent (Property Manager).

**2024.1040: INSURANCE**

Every Short-Term Home Rental shall be continuously insured, with minimum limits of \$1,000,000. Insurance may be in any of the following forms: property liability insurance, commercial liability insurance; or an endorsement to a homeowner's policy for coverage of STR activities. Insurance provided by online STR platforms does not qualify as valid insurance under this subsection.

**2024.1050: HEALTH AND SAFETY STANDARDS; INSPECTIONS**

- A. Standards: Each STR shall comply with all of the following standards, at a minimum, at all times while STR is occupied:
1. Buildings, structures, or rooms shall not be used for purposes other than those for which they were designed or intended.

2. The overnight occupancy of a STR shall be limited to no more than three (3) people per bedroom plus one (1) additional person per unit.
3. Roofs, floors, walls, foundations, ceilings, stairs, handrails, guardrails, doors, porches, decks, all other structural components and all appurtenances thereto shall be capable of resisting any and all forces and loads to which they may be normally subjected and shall be kept in sound condition and in good repair.
4. An operable toilet, sink, and either a bathtub or shower shall be located within the same building, and every room containing a toilet or bathtub/shower shall be completely enclosed by walls, doors, or windows that will afford sufficient privacy.
5. Electrical Panels shall be clearly labeled
6. Parking; All vehicles shall be parked in designated parking areas, and parking is prohibited in any landscaped area. Improved surface areas on the site shall be sufficient to enable a car for every three (3) Occupants to park.
7. 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 10:00PM to 7:00AM the following day.
8. A sign, in a form approved by the City of Crosslake, shall be conspicuously posted inside each STR with the STR license number, the Owners Authorized Agent (Property Manager) current contact information, and the physical address of the STR, including unit number if applicable.
9. A second sign, in a form approved by the City of Crosslake, shall be posted in a location so as to be visible from the exterior of the STR by passersby, stating that the property contains a STR and providing the Owners Authorized Agent (Property Manager) current contact information and the **City of Crosslake phone number for complaints**.
10. If the STR is located on a waterfront property a third sign, in a form approved by the City of Crosslake, shall be posted in a location so as to be visible from the lake or waterfront of the STR by passersby, stating that the property contains a STR and providing the Owners Authorized Agent (Property Manager) current contact information and the **City of Crosslake phone number for complaints**.

B. Inspections

1. When required:
  - a. Each STR shall obtain a fire and life safety inspection as a condition of license issuance and every three (3) years thereafter. Requests for inspections shall be made to the Crosslake Fire Department at least sixty (60) days prior to the date of the initial license application and at least sixty (60) days prior to the end of each subsequent three (3) year period.
  - b. Notwithstanding the foregoing, each STR that was validly registered in the City of Crosslake between the date this ordinance was signed in affect and May 31, 2024, is eligible for an STR license without initial inspection, provided that the STR is inspected prior to December 31, 2024 and every three (3) years thereafter. Requests for inspections shall be made to the Crosslake Fire Department on or before June 1, 2024, and requests for later inspections shall be made at least sixty (60) days prior to the end of each subsequent three (3) year period.

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2. Items Inspected: The following will be inspected by the Crosslake Fire Department for Life Safety Compliance.
  - a. Fire Extinguishers;
  - b. Adequacy of egress;
  - c. Posted egress plan;
  - d. Carbon monoxide detectors;
  - e. Smoke alarms;
  - f. Improvised electrical conditions and use of extension cords;
  - g. Use of portable heating appliances and outdoor heating appliances; and
  - h. Conspicuous posting of the physical address of the STR.
  - i. Re-Inspection: If an inspection reveals that the STR is not in compliance with this Chapter, a re-inspection shall be required. **An additional fee of \$50 per visit will be charged.** Re-Inspections must be scheduled in advance and may take up to thirty (30 days) to complete.

**2024.1060: SEPTIC/SOLID WASTE**

- A. The STR must be connected to an approved SSTS or served by the central sanitary sewer system.
- B. A valid Certificate of Compliance, which is a certificate that was issued on a new septic system installed within the past five (5) Years OR a copy of a compliance inspection form which was performed within the past three (3) years.
- C. Holding tanks may be allowed for rental units provided that the following requirements are met:
  1. A state licensed SSTS designer has determined that there is no suitable location on the parcel for a drain field.
  2. The holding tanks are sized by the number of bedrooms according to County Land Use Ordinance in Article 37 and Minnesota Rules 7080.
  3. An electronic alarm with light and buzzer shall be installed notifying occupants that the holding tanks are at capacity. Alarm shall have the capacity to send a notification to an App to the Owner or Owners Authorized Agent (Property Manager) when alarm is triggered. Information shall be posted in the rental unit with whom to contact should the alarm be triggered.
  4. Existing manual bobber alarms must also remain as a redundant alarm.
  5. A water meter must be installed prior to license being issued. Water meter readings shall be recorded monthly and from the previous year may be required to be submitted as part of the application for license renewal. Water meter readings shall not be required for the initial license application.
  6. A contract with a state licensed septic maintainer to pump out the holding tanks must be submitted each year for a license renewal including pumping records from the previous year. Pumping records shall not be required for the initial license application.
- D. At least once every three (3) years thereafter the Owner or Owners Authorized Agent (Property Manager) shall provide an updated certificate of septic testing showing that the system is compliant for the number of bedrooms indicated in the application.
- E. Disposal of solid waste must comply with Crow Wing County Solid Waste Ordinance, or its successor or replacement.
- F. Garbage, refuse, or recycling shall be stored completely enclosed within designated refuse containers. The Owner or Owners Authorized Agent (Property

Manager) of the STR shall provide sufficient trash storage containers and service to accommodate the demand of the occupants.

**2024.1070: ADVERTISING**

Advertising for an STR shall include the STR license number immediately following the description of the STR. Licensee shall not advertise the STR as available to more guests than the occupancy limit identified on the license.

**2024.1080: TAXES**

- A. Minnesota Sale Tax under Minnesota Statutes, Section 297A.61
  - 1. Short-Term Rental facilities must charge sales tax on lodging if the rental is less than 30 days.
  - 2. Short-Term Rentals that are rented for 30 days or more if there is no enforceable written agreement that requires the customer to give prior notice of their intention to terminate the lease.
- B. Whitefish Area Lodging Association Tax
  - 1. Properties in the City of Crosslake who rent Short-Term Home Rentals are required by law to collect one (1) percent lodging tax. This tax is collected at the time each guest pays the Short-Term Home Rental Owner or Owners Authorized Agent (Property Manager) and is due quarterly on the twenty fifth (25) of the month after the end of each quarter to the designated tax administrator, Ideal Township.

**2024.1090: INITIAL COMPLAINTS**

Initial complaints concerning a STR property shall be directed to the Owner's Authorized Agent (Property Manager). The Owner's Authorized Agent (Property Manager) shall resolve the issue that was the subject of the complaint within sixty (60) minutes including visiting the site if necessary.

**2024.1100 VIOLATION AND PENALTY**

- A. Violation: It is unlawful to violate any provisions of this Chapter. Each day of violation shall be deemed a separate offense.
- B. Violation: It is unlawful for any party to offer to rent a Short-Term Home Rental or to operate a Short-Term Home Rental without a City License.
- C. Liability: Each Short-Term Home Rental Owner shall be liable for any and all violations occurring at the STR. The Owner's Authorized Agent (Property Manager) shall be jointly and severally liable for any and all violations occurring at any of its professionally managed STR in the city of Crosslake.
- D. Civil Enforcement:
  - 1. If the City of Crosslake chooses civil enforcement, a citation may be served by posting on the front door of the STR, or by personal service on the STR Owner or the Owner's Authorized Agent (Property Manager), or by mailing certified first-class U.S. Mail to the last known address of the STR Owner or Owner's Authorized Agent (Property Manager).
  - 2. Civil violations shall be subject to the following fines and penalties, per STR:  
First Violation in any twelve (12) month period: \$1,500  
Second Violation in any twelve (12) month period: \$3,000  
Third Violation in any twelve (12) month period: \$ 5,000 and Three (3) year license suspension.
  - 3. All penalties shall be paid within fourteen (14) days of the date of citation. If the civil violation is paid, there shall be no opportunity to challenge or otherwise

appeal the violation. If the STR Owner disputes the violation, the STR Owner shall file a written protest with the City of Crosslake within fourteen (14) days of the citation.

4. If the STR protests the citation, the City of Crosslake shall cancel the citation and proceed to criminal enforcement.

5. If the penalty is not timely paid and no protest is timely filed, the City of Crosslake may summarily suspend the STR License until the penalty is fully paid. Written notice of such suspension shall be provided to the last-known address of the STR owner, or to the Owner's Authorized Agent (Property Manager).

- E. Suspension: Regardless of the type of enforcement, the third (3<sup>rd</sup>) violation in any twelve (12) month period for a single STR, regardless of ownership of the STR, shall result in a three (3) year suspension, commencing on the date of the last violation, during which no license shall be granted for such STR.
- F. Failure to License: Unless otherwise provided, any person who shall commence or continue to operate a STR for which a license is required without first procuring the license shall be deemed guilty of an infraction and subject to a fine of \$1,500 for the first offense, \$3,000 for the second offense and \$5,000 for the third or more offenses. A separate offense shall be deemed committed on each day during or on which a violation occurs or continues.
- G. Advertisement of STR: An advertisement or communication promoting the availability of a STR property in violation of this code is prima facie evidence of a violation and shall be fined as in Section F above.
- H. Intentional False Reporting of a Violation: The intentional false reporting of a STR Violation of this ordinance shall be considered a violation of this ordinance. The penalty for intentional false reporting of a violation will be \$250 for a first offense, \$500 for a second offense and \$1,000 for a third or subsequent offense.

**Section 2: Repealer.** All previous ordinances, resolutions, orders, or parts thereof, that are in conflict herewith are hereby repealed.

**Section 3: Savings and Severability.** It is hereby declared to be legislative intent that the provisions and parts of this ordinance shall be severable. If any paragraph, part, section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid for any reason by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

**Section 4: Effective Date.** This ordinance shall be in full force and effect as of Date \_\_\_\_\_ after its passage, approval, and publication according to law.

PASSED BY THE CITY COUNCIL of Crosslake, MN this \_\_\_ day of \_\_\_\_\_ 2023.

APPROVED BY THE MAYOR of Crosslake, MN this \_\_\_ day of \_\_\_\_\_ 2023.

\_\_\_\_\_  
Dave Nevin, Mayor

ATTEST:

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Char Nelson, City Clerk