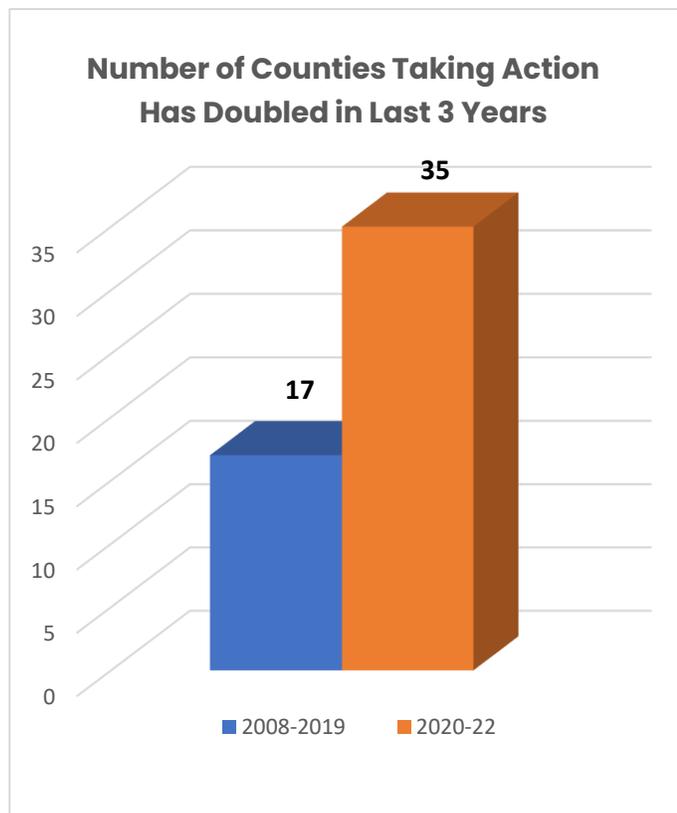


History of our Advocacy. AirBnb was created in 2008. Later that same year, Stearns County became the first county in Minnesota to pass an ordinance regulating short-term vacation rentals (STVR) in the county. Also in 2008, the Minnesota Legislature convened a Vacation Rental Task Force. Although the Task Force produced a [report](#) in 2009, the state ultimately did *not* act on its recommendations. Over the next 10 years, 16 additional counties followed suit and passed their own regulations in the absence of further state action.

Recent Success. In the last three years, Hospitality Minnesota has enhanced our engagement in regional advocacy, encouraging counties to create fair regulations for short-term vacation rentals (see Hospitality Minnesota [Issue Brief](#) and [Model Policy Checklist](#)). During this time, 18 additional counties have added ordinances, *more than doubling* the total. We have been engaged in many of these efforts. In addition, in 2022, Stearns, Mille Lacs, and Cook Counties are *updating* their ordinances and we and our members have weighed in with officials in all three counties. We are also currently advocating in Itasca County, where officials indicate they are on pace to craft and introduce new regulations by December or early on in 2023. Finally, for those counties who have not yet taken action, we have reached out to provide our Issue Brief and Model Policy Checklist and have offered to act as a resource and/or to meet with county officials and staff.



The Case for Regulatory Balance. As outlined in our [Issue Brief](#), national research indicates there are over 8,000 STVR in Minnesota. These properties compete directly with hotels, resorts, campgrounds and bed and breakfasts and should be required to play on a level playing field when it comes to lodging, health, fire, tax and other regulations. In fact, the case

for a level playing field has never been stronger. According to the most recent data posted by [Explore Minnesota Tourism](#), short-term vacation rentals have been outperforming traditional hotels by every metric in 2022 (occupancy, ADR, RevPar). The economic success of these properties in this model only enhances the argument that these businesses should be competing on a fair and level playing field with other overnight accommodation businesses.

Current Action. As noted above, the counties of Stearns, Mille Lacs, Cook and Itasca are currently engaged in action to either update or develop their ordinances. The following is a breakdown of current activity around the state:

Stearns. In October, Stearns County (which was the first county to regulate in Minnesota) voted to update its ordinance. Updates include:

- Increased fees for use permits and other required permitting;
- Enhanced enforcement and revocation procedures;
- Occupancy and noise restrictions and “quiet hours” requirements;
- Septic and environmental requirements of certification;
- 30-minute response time on complaints 24 hours per day;
- Notice to neighbors of intent to obtain STVR permit;
- Health/property inspections and inspection fees imposed by county;
- Completion of a [“Consultation Form”](#) with additional transparency;
- Disclosure of tax ID number; and
- Declaration that the owner will follow all applicable state and county laws (we read this to include following the fire code, health laws, and paying the sales and lodging tax where applicable, even though these are not explicitly spelled out in the ordinance).

Mille Lacs. On October 11, Mille Lacs County became the most recent county to update their regulations, passing an ordinance that includes:

- A \$300 fee for STVR (\$150 renewal);
- Documentation that the STVR has obtained a license from MDH;
- 1-hour response time on complaints 24 hours per day;
- Transparency regarding the property records and responsible party(owner);
- Establishment of “quiet hours”;
- Occupancy limits;
- Septic and environmental requirements of certification;
- Waste and garbage policy compliance;

Cook. The Cook County Vacation Rental Advisory Committee provided a report to the Board in October recommending improvements to the current ordinance, including:

- Enhanced enforcement efforts and increased fees to support these efforts;
- Ensure all rental operators have MDH license as required by ordinance;
- Enhanced lodging tax collection compliance;

- Speed up the complaint response time and improve transparency around the designated agent/responsible party for each property;
- Improved environmental regulations including:
 - Septic compliance; and
 - Addressing surface water systems;
- Work to address unique issues between cabin/home rentals and those within resort communities (we understand additional conversations are ongoing in this regard);
- Establish a threshold of STVR volume within the county that triggers additional analysis of housing, economic and other factors within the county.

Itasca. Itasca County officials have been contemplating a county ordinance to address vacation rentals for several years. County staff now indicate they anticipate a draft ordinance by the New Year.

To review the status of county regulations in Minnesota, see our STVR Tracker document (attached).

As noted, above, based upon the work of the Hospitality Minnesota STVR Work Group, we have developed a statewide Model Policy Checklist, which we have now sent to every county in the state that does not yet regulate short-term vacation rentals. If you are interested in advocating in your county, please contact liz@hospitalitymn.com

Other Developments. We are currently monitoring an interesting “accreditation”/standards program in the northern Minnesota developed by Ely Tourism. The program aims to simultaneously educate vacation rental operators and invite them to voluntarily participate in a best practices program that operators can then leverage for marketing and guest relation purposes. Operators opting into the standards program agree to meet the best practices standards (including licensure, payment of the lodging tax, etc.) Operators accepted in the program then post their accreditation on property. Ely Tourism does an excellent job promoting hospitality and tourism and its standards program, if successful, has the potential to be exported to other jurisdictions.