

BLUE LAKE TOWNSHIP
Short- term Rental Licensing
Ordinance No. 07052023-2

AN ORDINANCE PURSUANT TO ACT 246 OF THE PUBLIC ACTS OF 1945, AS AMENDED, TO PROVIDE FOR THE PUBLIC PEACE AND HEALTH AND FOR THE SAFETY OF PERSONS AND PROPERTY IN BLUE LAKE TOWNSHIP BY THE LICENSING AND REGULATION OF SHORT-TERM RENTALS, TO PROVIDE PROCEDURES FOR THE SUSPENSION AND REVOCATION OF SHORT-TERM RENTAL LICENSES, AND TO PROVIDE PENALTIES FOR VIOLATIONS OF THE ORDINANCE

BLUE LAKE TOWNSHIP HEREBY ORDAINS:

Section 1. Purpose.

This Ordinance is intended to protect and promote the health, safety and welfare of all the citizens of Blue Lake Township, as well as those visiting the area, by requiring the licensing of short-term rentals within the Township. It is also the intent of this Ordinance to allow for the purchase and continued ownership, rental, and maintenance of properties where renting the dwelling unit for short periods of time will allow the owner(s) to keep the property for their future use and enjoyment, while protecting the integrity of those residential neighborhoods which were developed with the intent of single-family occupancy.

Section 2. Applicability.

This Ordinance applies to residential dwelling units located in Blue Lake Township and to all persons owning or exercising control over such buildings or premises which in total or in part, are rented for less than 30 days at a time, during the calendar year.

Section 3. Definitions.

As used in this Ordinance, "Bedroom" means a separate room with a door and window that is used or intended to be used specifically for sleeping purposes. A bedroom must be a habitable space, not be less than 70 square feet, not less than seven (7) feet in one horizontal dimension, not located in the attic or basement without egress which meets standards in the applicable building code administered within the Township, shall have two (2) legal means of egress to the exterior from the short-term rental (e.g., a legal door or stair access to the lower level in the case of a loft and another means to escape to the exterior, such as a legal egress window, second door, etc.), meets residential and fire codes, and not a room by design intended to serve another purpose, such as a kitchen, dining area, den, family room, or living room.

"Dwelling Unit" means a building or portion of a building, either site-built or pre-manufactured which has sleeping, living, cooking and sanitary facilities and can accommodate one family. In the case of buildings which are occupied in part, the portion occupied shall be considered a dwelling unit, provided it is in conformance with the criteria for dwellings. In no case shall a travel trailer, truck, bus, motor home, tent or other such portable structures be considered a dwelling unit.

"Immediate Neighbor" means an owner of property within 300 feet of all lot lines of the property being used as a short-term rental.

"License holder" means the person who applies for and receives a short-term rental license from Blue Lake Township. A license holder must be the owner of the dwelling unit where the short-term rental is located.

"Local agent" means the individual designated by the license holder to oversee the short-term rental of a dwelling unit in accordance with this Ordinance. The local agent shall be available twenty-four (24) hours a day while the short-term rental property is occupied and respond within sixty (60) minutes to any issues that may arise. A property owner who meets these criteria may be the local agent.

"Maximum occupancy" means the maximum number of allowable occupants and the guests of those occupants for a short-term rental, as established in Section 9(a) of this Ordinance.

"Occupant" means an individual living in, sleeping in, or otherwise having possession of a short-term rental.

"Owner" means any person holding legal or equitable title to a property or to real improvements upon a property solely, jointly, by the entireties, in common, or as a land contract vendee.

"Person" means an individual, firm, corporation, association, partnership, limited liability company, or other legal entity.

"Premises" means the land and the improvements on it.

"Preschool-aged children" means children five (5) years of age and under.

"Property" means land, firmly attached structures, and integrated equipment (such as light fixtures or a well pump), and anything growing on the land.

"Short-term rental" means a dwelling unit, or portions thereof, that is available for use or is used for accommodations or lodging of guests, paying a fee or other compensation, for a period of less than 30 days at a time when the owner of the dwelling does not reside at the dwelling during the rental period.

"Violation notice" means a written notice issued by the Zoning Administrator advising the license holder and/or the local agent of a violation of this Ordinance.

Section 4. License required.

An owner of any dwelling unit located within Blue Lake Township shall not rent, or allow to be rented, a dwelling unit to another person for less than 30 days at a time, unless the owner has obtained a short-term rental license for that dwelling unit in accordance with the requirements of this Ordinance.

Section 5. Limitation on Number of Short-term Rentals.

The total number of short-term rentals allowed within Blue Lake Township shall be no more than 35.

Section 6. Time for Filing Application.

Due to the limited number of short-term rentals permitted under this Ordinance, when a short-term rental license(s) becomes available and the Township desires to accept applications for the short-term rental license(s), the Zoning Administrator shall publish a notice in a newspaper of general circulation within the Township specifying a 45-day period during which the Township will accept applications for a short-term rental license(s) under this Ordinance.

Section 7. Application for short-term rental license.

- a. Responsibility. It shall be the responsibility of the owner of a short-term rental to apply for a license through the submission of a short-term rental license application. The application shall be on a form provided by the Zoning Administrator.
- b. Application form. A person seeking a license under this Ordinance shall submit a complete application, certified as being true, to the Zoning Administrator. The application shall include all of the information specified on the short-term rental application form and any other information deemed reasonably necessary by the Zoning Administrator to determine whether the short-term rental standards and regulations have been met.
- c. Application fee. The application shall be accompanied by an application fee as established and set forth in the Township fee schedule. This fee schedule shall also establish an "after the fact" fee that must be paid when an otherwise lawful short-term rental is operated but without first complying with the procedural requirements of this Ordinance. This "after the fact" fee is not intended to be a penalty but, shall consist of the normal application fee plus an amount equal to the legal and administrative costs incurred by the Township as the result of the applicant's failure to initially comply with the requirements of this Ordinance.
- d. Complete application. The Zoning Administrator shall within ten (10) business days after an application is filed review the application and information submitted to determine if all required information was supplied and if the required fee has been paid (i.e., whether the application is administratively complete). The Zoning Administrator shall note the date and time each application is determined to be administratively complete. Each application that is administratively complete shall be valid for one (1) year from the date the Zoning Administrator determines it is administratively complete. If the Zoning Administrator determines that all required information was not supplied, he or she shall send written notification to the applicant specifying the deficiencies. If the deficiencies are not corrected within fourteen (14) days of the notice from the Zoning Administrator, then the application shall be deemed administratively incomplete and shall be deemed withdrawn and/or may be denied by the Zoning Administrator on that basis.
- e. License. Once deemed to be complete, if an application complies with all the standards and regulations of this Ordinance, the Zoning Administrator shall approve the short-term rental license within seven (7) business days. All short-term rental licenses issued under this Ordinance shall be sequentially numbered. Licenses are valid from the date of issuance through December 31 of that calendar year. Licenses shall be renewed annually subject to the Zoning Administrator's confirmations of compliance by the license holder with this Ordinance.

Section 8. Excess of Administratively Complete Applications; Procedures; Waiting List.

- a. If the Zoning Administrator determines that there administratively complete applications in excess of the maximum number of short-term rentals permitted under Section 5 of this Ordinance, then the Zoning Administrator shall prioritize the applications based on the following (in the order of priority):
1. Whether the principal owner of the short-term rental at the time the application was filed has a principal residence exemption on property within Blue Lake Township, as determined by the Blue Lake Township tax roll.
 2. Whether the applicant; any officer, director, and managerial employee of the applicant; and any person who holds any direct or indirect ownership interest in the applicant has ever been delinquent in township or other municipal property taxes. Non-Delinquencies are to be prioritized over delinquencies.
 3. The chronological order of when the Zoning Administrator determines that a filed application was administratively complete.
- b. After being prioritized as provided in subsection (a) above, those applications remaining that are in excess of the maximum number of short-term rentals permitted under Section 5 of this Ordinance shall be placed on a waiting list in the same order as their priority status. If at the time an applicant on the waiting list is eligible to proceed with consideration of his, her, or its application and chooses not to proceed, then that application shall be removed from the waiting list.
- c. The Zoning Administrator shall send a copy of his or her written decision to each excess applicant. Any excess applicant aggrieved by a decision of the Zoning Administrator under this section may appeal that decision to the Township Board as provided in Section 13 of this Ordinance.
- d. Any applicant selected under this section shall then have his, her, or its applicant considered pursuant to the remaining requirements of this Ordinance.

Section 9. Short-term rental standards and regulations.

In recognition of the unique difficulties presented by short-term rentals, the following standards and regulations shall apply to all short-term rentals in Blue Lake Township. These standards and regulations, however, shall not supersede deed restrictions on any property (including subdivision developments) and shall not supersede any provisions of the master deed and/or bylaws of a condominium development.

- a. Occupancy. The maximum occupancy for a short-term rental shall be two (2) persons per bedroom, not including pre-school aged children. In no case may the

number of persons occupying a short-term rental, including all guests of the occupants, exceed ten (10) regardless of the number of bedrooms.

b. Designation of a local agent. If the license holder does not qualify as a local agent, then that license holder shall designate a local agent and shall authorize in writing the local agent to act as the license holder's agent for any acts required of the license holder under this Ordinance. The designated agent must be available to accept telephone calls on a 24-hour basis at all times that the short-term rental is occupied by short-term renters, shall have a key to the rental unit, and be able to address complaints/issues within 60 minutes. The address of the property and contact information for the local agent must be posted in a prominent first floor door or window of the rental and copies of the contact information must be given to the immediate neighbors.

c. Information. All notification information shall be kept current and up-to-date.

d. Parking. Motor vehicles, boats, campers, and trailers shall be parked on the short-term rental premises and not parked along any public or private roadway.

e. Waste/recycling disposal. Occupants shall not leave, or allow others to leave, trash, rubbish, refuse, or garbage within public view, except in proper waste or recycling containers for the purpose of waste or recycling collection.

f. Rules and regulations to be provided to occupants. The license holder or local agent shall provide all occupants of a short-term rental with the following information prior to occupancy and shall post such information in a conspicuous place within each short-term rental:

1. The name of the license holder or local agent responsible to perform obligations related to the short-term rental under this Ordinance, that individual's telephone number(s), and an email address at which that individual may be reached on a 24-hour basis.
2. Notification of the maximum number of overnight occupants permitted in the short-term rental.
3. Copies of this Ordinance and the Township Noise Ordinance, as they may be amended from time to time.
4. Copies of all Special Watercraft Regulations issued by the Michigan Department of Natural Resources applicable on the lake on which the short-term rental is located.
5. Notification that an occupant and/or a guest of an occupant may be cited for a violation of this Ordinance, the Township Noise Ordinance, and/or any Special Watercraft Regulations issued by the Michigan Department of Natural Resources in addition to any other remedies available to the Township.
6. The property boundaries of the short-term rental.

- g. Violation of township noise ordinances. Occupants of a short-term rental and the guests of those occupants shall not violate the Township Noise Ordinance.
- h. Pets. Pets, if allowed by the license holder, shall be the responsibility of pet owner and shall comply with all applicable Michigan leash laws.
- i. Ownership Limitation. A person applying for a short-term rental license under this Ordinance shall not hold any form of ownership or leasehold interest in more than one (1) short-term rental within the township. In addition, a person applying for a short-term rental license under this Ordinance, including an individual and any entity included in the definition of a person, shall not hold any form of ownership interest in any other firm, corporation, association, partnership, limited liability company, or other legal entity when that other firm, corporation, association, partnership, limited liability company, or other legal entity already owns any form of ownership or leasehold interest in a short-term rental within the township.
- j. No delinquent taxes. The applicant shall be current in all property taxes and municipal taxes.
- k. Unauthorized advertisements. No person shall advertise a short-term rental for which a short-term rental license has not been issued under this Ordinance.

Section 10. Duration of License; Renewal.

- a. A license issued under this ordinance shall remain in effect from the date of issuance through December 31 of that calendar year.
- b. The license holder or local agent may request the renewal of a license upon submitting an application for such renewal to the Zoning Administrator and the payment of the renewal fee, as determined from time to time by the Township Board in the Township fee schedule. Renewal Applications and fee are due by December 1st of that calendar year.
- c. All information submitted with the prior application(s) shall be deemed submitted with the application for renewal. The license holder or local agent shall only be required to submit new information with the application for renewal when that application information has changed since the last application was filed.
- d. A renewal license for a short-term rental shall be issued when all of the standards and regulations then in effect in Section 9 of this Ordinance are met and the Zoning Administrator has determined that there has not been a pattern of substantial violations of the standards and regulations of Section 9 of this Ordinance related to the short-term rental for which a renewed license is sought within the past one (1) year license period.
- e. A current licensee aggrieved by a decision of the Zoning Administrator under this section may appeal that decision to the Township Board as provided in Section 13 of this Ordinance.

Section 11. Duty to remedy violations.

The license holder and/or local agent shall have the duty to remedy any violation of this Ordinance and the Township Noise Ordinance by the occupants of a short-term rental and/or guests of such occupants.

- a. Any license holder and/or local agent who receives a complaint concerning a violation of this Ordinance shall report the complaint to the Zoning Administrator during his or her next available regular business hours.
- b. The Zoning Administrator shall then investigate the complaint to determine whether a violation occurred, and if so, the severity of that violation.
- c. For any violation of the above ordinances, the Township may (in addition to other remedies) notify the license holder and/or local agent for the short-term rental of such violation by telephone or email.
- d. The license holder and/or local agent shall be deemed to have received notice of the violation upon receiving the telephone call or when a return receipt email message is received by the Township, whichever is soonest.
- e. The notice provided by telephone or email to a license holder and/or local agent shall ensure that the violation is remedied within 60 minutes of receipt of such notice.
- f. Failure to remedy the violation within 60 minutes after receiving notice of the violations, without good cause, shall constitute a violation of this Ordinance and may subject the license issued under this Ordinance to suspension or revocation pursuant to Section 12 of this Ordinance and/or may subject the license holder to court enforcement proceedings and the penalties under Section 14 of this Ordinance.
- g. Any person may report a violation of this Ordinance to the Zoning Administrator, but only during regular business hours.

Section 12. Suspension and Revocation of License.

- a. Violation notice. If the Zoning Administrator has reason to believe the application material on which a license was issued contained false, incorrect, or misleading information and/or statements; that the short-term rental no longer complies with the standards for approval of a new license; and/or the short-term rental is in violation of the regulations in this Ordinance, the Zoning Administrator may, but is not required to, prepare or cause to be prepared a written notice specifying the false, incorrect, or misleading information and/or statements in the application material or specifying the approval standards or regulations that are allegedly being violated and the factual basis for this belief.
- b. Service of notice. The written notice, along with the time, date, and place of the hearing before the Township Board, shall be served on the license holder either personally or by certified mail, restricted delivery and return receipt requested, no less than twenty-one (21) days before the hearing.
- c. Violation hearing. If such a violation notice is prepared and served, the Township Board shall hold a hearing at which time the license holder shall be given an opportunity to show cause why the short-term rental license issued under this

Ordinance should not be suspended or revoked. At the hearing before the Township Board the license holder shall be given an opportunity to confront adverse witnesses and present evidence and legal arguments. The license holder may also be represented by an attorney. The Township Board's decision shall be in writing and shall specify the factual evidence upon which it is based. A copy of the Township Board's written decision shall then be provided to the license holder.

d. Subsequent violations. After a short-term rental license has been suspended, any additional violation(s) committed by the license holder and/or local agent within two (2) years of the expiration of the last suspension shall be grounds for a second suspension. If it has been more than two (2) years since the expiration of an initial suspension of a short-term rental license, a subsequent violation shall be deemed to be a first suspension. Upon a determination that the short-term rental license holder has committed a total of three (3) or more violations of this Ordinance within five (5) years, the Township Board may permanently revoke the short-term rental license.

e. Length and timing of suspensions and/or revocations. Suspensions and revocations shall generally be effective immediately. Provided, however, if any portion of the suspension time falls outside the primary tourist season (May through September), then the balance of the suspension time shall carry over to the next primary tourist season. Suspensions/revocations shall be for the following periods:

1. First suspension – three (3) months.
2. Second suspension – six (6) months.
3. Revocation – permanent.

f. No new license available during any suspension and within six months after any revocation. During any period of a suspension and within six (6) months of any revocation under this Ordinance, no new license shall be issued for the same property location, regardless of the identity of the license holder.

g. Existing contracts. Existing short-term rental contracts up to 60 days beyond the beginning date of any suspension/revocation may be honored by the license holder with approval by the Township Board. Those existing contracts beyond 60 days shall be canceled. The time period approved to honor existing contracts shall be added to the end of any suspension period.

h. Fraudulent complaints. Any person who knowingly files a fraudulent, false, or fictitious complaint about a short-term rental shall be deemed to be in violation of this Ordinance and may be subject to court enforcement proceedings and the penalties under Section 14 of this Ordinance.

Section 13. Appeal.

Any person aggrieved by a decision of the Zoning Administrator under Section 8 or Section 10 of this Ordinance may appeal that decision to the Township Board following the procedures of the Blue Lake Township Zoning Ordinance, as amended, for appeals to the Zoning Board of Appeals. Any such appeal shall be filed within thirty (30) days from the date of the decision from which the appeal is taken. During the appeal, the Township Board shall conduct a *de*

novo hearing of the matter and to that end shall have all the powers of the Zoning Administrator. In rendering its decision, the Township Board shall receive and consider evidence and data relevant to the case and shall issue its decision in writing within a reasonable period of time after receiving all evidence and data in the case. The decision of the Township Board shall then be sent promptly to the applicant, to the person who filed the appeal (if different than the applicant), and to the Zoning Administrator.

Section 14. Violations and penalties.

- a. Any person who violates any provision of this Ordinance, including the continued operation of a short-term rental after the license for that short-term rental has been suspended or revoked as provided in this Ordinance, shall be responsible for a municipal civil infraction as defined in Public Act 12 of 1994, amending Public Act 236 of 1961, being Sections 600.101-600.9939 of Michigan Compiled Laws, and shall be subject to a fine of not more than Five Hundred and 00/100 (\$500.00) Dollars. Each day this Ordinance is violated shall be considered as a separate violation.
- b. The Zoning Administrator and other persons appointed by the Township Board are hereby designated as the authorized township officials to issue municipal civil infraction citations directing alleged violators of this Ordinance to appear in court.
- c. A violation of this Ordinance is hereby declared to be a public nuisance or a nuisance per se and is declared to be offensive to the public health, safety and welfare.
- d. In addition to enforcing this Ordinance through the use of a municipal civil infraction proceeding, the Township may initiate proceedings in the Circuit Court to abate or eliminate the nuisance per se or any other violation of this Ordinance.

Section 15. New license required upon transfer of ownership.

A short-term rental license issued under this Ordinance shall become void upon the transfer of ownership of the dwelling unit, or upon the transfer of a controlling interest in a partnership, corporation, limited liability company, trust, or other legal entity that owns the dwelling unit. A new short-term rental license shall then be obtained from the Zoning Administrator pursuant to the requirements and regulations set forth in this Ordinance before short-term rentals may be resumed in the dwelling unit.

Section 16. Severability.

If any section, clause, or provision of this Ordinance be declared unconstitutional or otherwise invalid by a court of competent jurisdiction, said declaration shall not affect the remainder of the ordinance. The Township Board hereby declares that it would have passed this Ordinance and each part, section, subsection, phrase, sentence and clause irrespective of the fact that any one or more parts, sections, subsections, phrases, sentences or clauses be declared invalid.

Section 17. Effective date.

This Ordinance shall become thirty (30) days after its publication in a newspaper of general circulation within the Township.