

# Short-Term Rental Units

## What You Need to Know



### What is a Short-Term Rental Unit?

Technically speaking, a Short-Term Rental is a type of lodging wherein a dwelling unit, either in full or in part, is rented to a temporary occupant(s) for monetary consideration for fewer than thirty (30) consecutive days. A bed and breakfast is a type of Short-Term Rental. A Rooming/Boarding House where stays are fewer than 30 consecutive days is also a Short-Term Rental.

### What are some examples of Short-Term Rentals?

A Short-Term Rental can be a whole house that is rented to overnight guests or an individual room, and everything in between. If you are renting these units for stays of less than 30 days, your home/unit/room is a Short-Term Rental.

### Where within the City can I operate a Short-Term Rental?

#### Am I allowed to operate a Short-Term Rental in my zone district?

First, make sure your property is located within the City of Grand Junction. Short-Term Rentals are allowed throughout the City including areas zoned for residential, commercial or mixed use but exclude properties zoned for industrial uses.

#### How do I find out which zone district my property is in?

To find out which zone district your unit is in, use the City’s Development Map at <https://bit.ly/3xPGXNf> at or contact the Community Development Department.

Zone districts that allow STRs	Zone districts where STRs are not allowed
R-R (Residential Rural)	CSR (Community Services and Recreation)
R-E (Residential Estate)	C-2 (General Commercial)
R-1 (Residential 1 dwelling unit/acre)	I-O (Industrial Office)
R-2 (Residential 2 dwelling units/acre)	I-1 (Light Industrial)
R-4 (Residential 4 dwelling units/acre)	I-2 (General Industrial)
R-5 (Residential 5 dwelling units/acre)	
R-8 (Residential 8 dwelling units/acre)	
R-12 (Residential 12 dwelling units/acre)	
R-16 (Residential 16 dwelling units/acre)	
R-24 (Residential 24 dwelling units/acre)	
R-O (Residential Office)	
B-1 (Neighborhood Business)	
B-2 (Downtown Business)	
C-1 (Light Commercial)	
M-U (Mixed Use)	
BP (Business Park)	

### **What about my HOA?**

Even if City zoning may allow for you to operate a Short-Term Rental, if you live within a covenant-controlled community, your covenants may not allow for you to do so. Check with your HOA and covenants first to make sure you are able to use your property as a Short-Term Rental.

### **Do I Need a Permit to Operate a Short-Term Rental?**

All Short-Term Rentals are required to apply for and receive a Short-Term Rental permit from the City. A separate permit is required for each Short-Term Rental Unit.

### **What is the process for submitting an application for a Short-Term Rental?**

1. Submit your application to the Community Development Department. Applications can be submitted online at <https://bit.ly/3gSALyv>
2. Upon satisfactory review, you will be contacted to set up an inspection for the unit. You must fill out an application form with the County and they will work with you to schedule an inspection. Their inspection fee is \$35 payable to Mesa County. The Unit will be inspected by staff from the Mesa County Building Department. All life-safety provisions must be in place at the time of inspection or you will be required to have the Unit re-inspected and be charged a re-inspection fee.
3. The Building Department will notify the City Community Development Department of the satisfactory completion of the inspection.
4. Occupancy will be informed by the unit inspection and set by the Community Development Director. The number of occupants at any given time in a Short-Term Rental Unit shall not exceed two (2) persons per bedroom plus two (2) additional renters, including the operator, except where the Director determines that the size, configuration and/or structural features of the Unit allow greater or lesser occupancy.
5. Upon compliance with City regulations, the Community Development Director will issue a Short-Term Rental Permit to the property owner and the City will simultaneously issue your sales and lodging tax license.

## What Do I need to Submit to Apply for a Short-Term Rental Permit?

The following is a checklist of what will need to be submitted and/or completed to apply for a permit:

- \_\_\_\_\_ Permit application completed online
- \_\_\_\_\_ Permit Fee \$160, paid online or via check made payable to “City of Grand Junction.”
- \_\_\_\_\_ **Provide with the application a sketch or drawing of the Unit that depicts all rooms, doors and windows, including dimensions, and shows on-site areas available for guest parking.**
- \_\_\_\_\_ If the Short-Term Rental Unit is accessed by a shared driveway, provide the City with a copy of a written instrument authorizing use of the driveway for short-term rental purposes.
- \_\_\_\_\_ Provide contact information for a Designated Local Responsible Party (address within 20 miles of the unit and must be authorized to allow for inspections of the property). Contact information should include name, address and phone number of the responsible party. Contact information should be updated with the City whenever it changes.
- \_\_\_\_\_ Demonstrate (through inspection) all units contain the following:
  1. a smoke detector in good working order
  2. a carbon monoxide detector in good working order
  3. adequate and functional building egress from each sleeping room in the Unit
- \_\_\_\_\_ Certify that all units contain a fire extinguisher in good working order
- \_\_\_\_\_ Certify that all units will contain a posted notice providing in detail the following information in a highly visible location and readily accessible form:
  1. location of building exits and fire extinguishers
  2. 24-hour emergency contact information
  3. parking areas and parking restrictions, including a notice that parking on lawns is not allowed
  4. noise restrictions and quiet hours
  5. trash disposal instructions including trash pickup location and schedule
  6. maximum occupancy restrictions
  7. City permit number
- \_\_\_\_\_ If food will be prepared and served to guests/lodgers on the premises, the operator/owner shall comply with Mesa County Health Department regulations.
- \_\_\_\_\_ Remit all applicable local (sales and lodging), state and federal taxes.

## **What do I need to know about Sales and Lodging Taxes?**

### **How do I apply for a sales tax license?**

The short-term rental permit includes the sales tax license. All short-term rental permit applications are reviewed by the City of Grand Junction Sales Tax Division. Registrants are required to remit timely payments on a quarterly basis. Information about sales (and lodging) tax can be found on the City's website at [www.gjcity.org/SalesTax](http://www.gjcity.org/SalesTax). Questions can be directed to [gjsalestax@gjcity.org](mailto:gjsalestax@gjcity.org) or 970-244-1521.

### **What is the sales tax rate and how do I collect it?**

The sales tax rate for the State of Colorado is 2.9%, the Mesa County sales tax is 2.37% and the City of Grand Junction's sales tax is 3.25% for a combined sales tax rate of 8.52%. All short-term rentals must pay sales tax. For example, a nightly stay of \$75 would need to collect and remit \$6.39 of sales tax of which \$2.44 is remitted directly to the City. Generally, this is paid by the lodger as part of the fees. Sites like VRBO/HomeAway have you input the tax rates which get added to the total cost of a guest's lodging expenses. VRBO/HomeAway then sends the taxes directly to the City for you. However, other sites such as Airbnb currently do not program in City taxes so the operator must factor this into the cost of each night of lodging and send the City taxes directly to the City.

### **What is lodging tax and how is it used?**

Any operator of a Short-Term Rental must also collect lodging tax in the amount of 6%. This is in addition to sales tax for a total tax rate of 14.52%. Similar to sales tax, this is generally paid by the lodger (see above). This tax is used to fund Visit Grand Junction (Visit GJ), a Department of the City of Grand Junction. Visit GJ is the destination marketing organization who markets and promotes the Grand Junction area to attract year-round tourism, thereby providing for a sustainable and consistent economy and enhanced quality of life for residents. Collection and remittance of lodging taxes enables your property to be a part the City's destination marketing and promotion efforts at no cost. To receive your free lodging listing on [VisitGrandJunction.com](http://VisitGrandJunction.com), please contact Mason Barrows at [masonb@gjcity.org](mailto:masonb@gjcity.org) or 970-256-4151.

## **Additional Information**

**A permitted Short-Term Rental must register annually with the City** certifying that the permit terms and requirements are still being met and updating any material changes to the unit or property. So long as your contact information with the City is kept up to date, expect correspondence from the City to the permit holder requesting annual registration information.

For further questions about Short-Term Rentals, contact the City's Community Development Department:

**Hours:** M-F; 8 a.m. to 5 p.m.

**Phone:** (970) 244-1430

**Fax:** (970) 256-4031

**Email:** [ComDev@gjcity.org](mailto:ComDev@gjcity.org)