

1           AN ACT relating to short-term rentals.

2    *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3           ➔ SECTION 1. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO  
4    READ AS FOLLOWS:

5    (1) As used in this section, unless the context otherwise requires:

6      (a) "Local government" means a city, county, urban-county government,  
7           charter county government, unified local government, consolidated local  
8           government, or planning unit that is engaged in planning and zoning under  
9           this chapter;

10     (b) "Owner" means a person that has an interest in title or a present possessory  
11           interest in property that is offered to the public as a short-term rental, and  
12           includes a tenant that has received permission from his or her landlord to  
13           offer the rented property as a short-term rental; and

14     (c) "Short-term rental" means the rental of a dwelling unit or part of a  
15           dwelling unit, other living or sleeping space, an accessory dwelling unit, or  
16           any other space made available for rent for terms of less than thirty (30)  
17           consecutive days at a time.

18    (2) A local government shall not adopt or enforce any ordinance or regulation that:

19      (a) Requires a conditional use permit or other similar permit to be obtained to  
20           use a property as a short-term rental;

21      (b) Imposes density-based restrictions on short-term rentals, including any  
22           requirement that short-term rentals:

23       1. Be spaced any distance apart from other short-term rentals; or  
24       2. May not exceed a specified percentage or number of housing units in  
25           a given building, zoning district, or other geographical boundary;

26      (c) Prohibits the operation of a short-term rental in a residential zone;

27      (d) Regulates the time, including the duration, frequency, or time of year, that a

1                   property is used as a short-term rental;

2                   (e) Limits the number of properties used as short-term rentals by any person or  
3                   entity;

4                   (f) Imposes a residency requirement of any kind to operate a short-term rental,  
5                   including a requirement that:

6                   1. A person be present when a property is used as a short-term rental;  
7                   2. The property serves as a primary residence of the short-term rental  
8                   operator; or

9                   3. The operator of the short-term rental be present or reside in the  
10                   primary residence on the property if an accessory dwelling unit is used  
11                   as a short-term rental;

12                   (g) Restricts or imposes requirements on any short-term rental platform or the  
13                   use of a short-term rental platform for the listing of short-term rentals; or

14                   (h) Prohibits or restricts a tenant from offering a leased property as a short-  
15                   term rental, so long as the tenant has received permission to do so from his  
16                   or her landlord.

17                   (3) (a) Subject to the preemptions set out in subsection (2) of this section, a local  
18                   government may require an owner to obtain a permit for each property used  
19                   as a short-term rental by adopting an ordinance containing the  
20                   requirements set out in this subsection.

21                   (b) A local government that requires permits shall require only one (1) permit  
22                   for each single family home, two (2) family or multifamily dwelling,  
23                   condominium, cooperative, or timeshare that an owner uses as a short-term  
24                   rental. A permit shall cover all dwelling units and detached accessory  
25                   structures located on the permitted property.

26                   (c) An owner shall submit a permit application for each property for which a  
27                   permit is sought. The permit application shall require the owner to provide

1                   only the following information for each property:

2        1.    a.    If the owner is an individual, the owner's name, mailing address,  
3                   email address, and telephone number;

4        b.    If the owner is a corporation or partnership:

5                   i.    The owner's state of incorporation or organization; and

6                   ii.    Names, business addresses, and telephone numbers of the  
7                   owner's principal officers or partners; and

8        c.    If a property manager is used, in addition to the information in  
9                   subdivisions a. and b. of this subparagraph, the property  
10                  manager's name, mailing address, email address, and telephone  
11                  number; and

12       2.    A short description of how each of the owner's short-term rentals on  
13                  the property are marketed or advertised, including the following:

14                  a.    The advertised occupancy limits of each short-term rental; and

15                  b.    Whether the short-term rental is a:

16                   i.    Single family home;

17                   ii.    Dwelling unit in a single family home;

18                   iii.    Dwelling unit in a two (2) family or multifamily dwelling;

19                   or

20                   iv.    Dwelling unit in a condominium, cooperative, or  
21                   timeshare.

22        (d)    A permit application shall be made by an owner. If the owner is a  
23                  corporation, partnership, or other legal entity, the permit application shall  
24                  be made by an officer or agent of the owner.

25        (e)    If an owner submits a permit application under this subsection that meets  
26                  the requirements set forth in the ordinance adopted by the local  
27                  government, the unit shall issue a permit to the owner within thirty (30)

1                   days of receipt of the application.

2                   (f) If any information provided by an owner to a local government in the  
3                   permit application changes, the owner shall provide the updated  
4                   information to the local government in writing within thirty (30) business  
5                   days of the change.

6                   (g) Permits issued under this subsection shall be valid for one (1) year from the  
7                   date of issuance.

8                   (h) A local government unit may charge a permit fee, not to exceed one  
9                   hundred fifty dollars (\$150), for:

10                   1. An initial permit issued to an owner for the permitted property; and  
11                   2. A subsequent permit to an owner for the permitted property after the  
12                   owner's previous permit was revoked pursuant to paragraph (j) of this  
13                   subsection.

14                   (i) A local government shall not charge a permit fee for the renewal of a  
15                   permit, including the renewal of a permit that has expired.

16                   (j) If three (3) or more citations for ordinance violations are issued to an owner  
17                   for a permitted property within a calendar year, the local government may  
18                   revoke the permit for that permitted property for a period of not more than  
19                   one (1) year after the date the permit is revoked. The local government shall  
20                   provide notice and a hearing for revocation in accordance with the  
21                   procedures for revocation of other permits issued by the local government.

22                   (k) An application for a permit shall not be approved following a revocation  
23                   until any outstanding fines are paid for the ordinance violation citations  
24                   issued to the owner.

25                   (l) If an owner sells all or part of a permitted property, the permit shall not be  
26                   transferred to the new owner. The new owner may apply for a new permit  
27                   pursuant to this subsection.

1        (4) This section shall not be construed to prohibit a local government from adopting  
2        or enforcing ordinances or regulations that are applicable to all dwellings and  
3        are necessary for public health or safety, provided that those ordinances or  
4        regulations do not treat short-term rentals differently from other residential uses  
5        of property.

6        (5) This section shall supersede and render void and unenforceable any local  
7        ordinance or regulation to the contrary. The permitting system set out in  
8        subsection (3) of this section shall be the exclusive means by which a local  
9        government may issue permits in relation to the use of property as a short-term  
10        rental. If a local government is found by a court to have violated any provision of  
11        this section, the court may award attorney's fees and costs to a party aggrieved by  
12        the action of the local government.

13        (6) This section shall not be construed to affect, prohibit, preempt, or render  
14        unenforceable any property or use restrictions contained in the properly enacted  
15        rules or regulations of a homeowners association, condominium association, or  
16        other similar property owner association or cooperative.