

VILLAGE OF HONOR
Benzie County
State of Michigan

Ordinance Number: _____

Adopted: _____

Effective: _____

VILLAGE OF HONOR SHORT-TERM RENTAL ORDINANCE

THE VILLAGE OF HONOR HEREBY ORDAINS:

Section 1. Recitals.

The Village of Honor Council finds and determines the following:

- A. Short-term rentals (those lasting less than 30 days) of single and multifamily structures in the Village are becoming increasingly popular and widespread following the rise of online short-term rental platforms and marketplaces.
- B. Available housing units and residential structures in the Village may be increasingly purchased by investors solely for short-term rental purposes, and not for occupancy by a local owner, which may artificially inflate the value of such properties.
- C. Commercial and recreational activities associated with short-term rentals are frequently incompatible with residential uses and often constitute a public nuisance.
- D. It is in the best interests of the Village and its residents to preserve and retain the residential community character of the Village.
- E. It is the intent of this Village of Honor Short-Term Rental (STR) Ordinance to make the STR activity licensed by this ordinance resemble the existing and traditional residential uses made by resident owners and lessees.
- F. STR's can provide a community benefit by providing lodging facilities that support commerce in our community.
- G. This ordinance is designed to minimize complaints involving excessive noise: disorderly conduct, overcrowding, traffic, congestion, and parking at STR properties.

- H. The ordinance is further designed to minimize the burdens posed by STR's upon Village and County services, and the impacts on residential neighborhoods.
- I. This ordinance is intended to protect the health, safety and welfare of residents, tenants, guests, and business owners by providing guidance to STR owners and renters, a clear set of regulations to facilitate compliance, and enforcement mechanisms when needed.

Section 2. Definitions

The following definitions shall apply unless the context clearly indicates or requires a different meaning:

“Agent” means a person, firm, or agency representing the Owner of the Property (or portion thereof) used for an STR; or a person, firm or agency owning the property (or portion thereof) used for an STR.

“Dwelling Unit” means any building or structure or part thereof which has sleeping, living, cooking and sanitary facilities and can accommodate one or more persons. In no case shall travel trailers, truck or truck campers, buses, motor homes, tents or other such portable structures be considered a dwelling unit. This definition does not include lawfully operating hotels, motels, bed and breakfasts, boarding houses, resorts, or campgrounds.

“Good Neighbor Guide” refers to a specific document containing guidelines developed by the Village to be provided to and made available for occupants of STR's to help ensure they are familiar with local requirements and expectations. The “Good Neighbor Guide” is to be posted in the STR and a copy given to the renter.

“Habitable space” means space in a structure for living, sleeping, eating, or cooking. Bathrooms, toilet rooms, closets, halls, storage or utility spaces and similar areas are not considered habitable space.

“License” means a short-term rental license issued by the Village to the owner, operator, or agent for a parcel used as a short-term rental.

“Local Contact Person” means a local Owner, Agent, or Operator who is available to be onsite or respond within two (2) hours, to tenant and neighborhood questions or concerns, and be authorized by the owner to take remedial action and respond to any violation of this ordinance.

"Occupant" means any individual living or sleeping in a dwelling unit or having possession of a space within a dwelling unit. "Occupant" does not include guests visiting a dwelling unit between the hours of 8:00 a.m. and 11:00 p.m.

“Operator” means the person who is the proprietor of a property (or portion thereof) used for an STR whether in the capacity of owner, lessee, mortgagee in possession, licensee, or any other capacity.

“Owner” means the person who holds legal or equitable title to the parcel (or portion thereof) used as an STR and resides in the parcel for at least 14 days in the calendar year.

"Parcel" means a continuous area or acreage of land under common ownership. "Parcel" includes either a single condominium unit or a combination of condominium units making up an area of land under common ownership.

“Person” means a human individual, a group of individuals, or an association, firm, partnership, corporation, or other entity, public or private.

“Premises” means real property, and all fixtures and improvements, including the dwelling, located upon it.

“Short-term rental” or “STR” or “STR unit” means the rental or subletting of any dwelling unit for a period of less than 30 days.

Section 3. Short-term Rental License.

A. License Required. It will be unlawful for any person to offer any premises or dwelling unit as a short-term rental or conduct or operate a short-term rental on any premises or in any dwelling unit within the Village without a short-term rental license issued by the Village.

B. License Limitations.

1. The Village Council reserves the right to limit the number of short-term rental licenses issued by the Council in any year. The number of licenses granted will not exceed 10.
2. Applications are due by November 15th each year. During the first year, if more than 10 short term rental license applications are received by November 15th, a lottery will be held during the next Planning Commission meeting to determine licensees. In subsequent years, all licensed short term rental licensees must submit their applications by November 15th. If there are still available licenses, they will be awarded by the same lottery process. All applicants not selected will have the application fee refunded.
3. The number of STR units operated by a single Owner will be limited to one (1) beginning in 2025. Any Owner operating three (3) or fewer STR units prior to that date may continue to maintain and operate such units, which shall be considered “grandfathered” under this ordinance and may remain operational as STR units of the Owner unless and until the ownership of the underlying property changes hands.
4. A separate license is required for each STR dwelling unit. STR licenses shall not run with the land; each STR license is unique to the owner, operator, or agent to whom it is issued and may only be utilized at the property or dwelling unit specified in the application for the license.
5. A short-term rental license may not be transferred from one dwelling unit to another dwelling unit.

C. License Application.

1. Applicants for a short-term rental license must file an application to conduct a short-term rental operation within the Village on a form provided by the Village for that purpose. The application form must include:
 - a. The name, mailing address, and phone number of the owner(s) of the premises to be licensed.
 - b. The name, mailing address, and phone number of the applicant, if different than the owner.
 - c. The name and phone number of a local contact person that will be available by phone twenty-four (24) hours a day, seven (7) days a week whenever the unit is utilized as an STR.
 - d. A description of the premises proposed to be used for short term rentals, including but not limited to:
 - i. A sketch or site plan showing the building layout of the STR premises.
 - ii. Number of bedrooms.
 - iii. Number of bathrooms.
 - iv. Maximum occupancy.
 - v. Tax Parcel ID Number.
 - vi. A list of any rental agents or listing services, including online sites, with or through whom the unit is being actively advertised for rental.
2. The application will include a required certification:
 - a. That all information in the application is true, and if the applicant is not the owner, a notarized affidavit that the applicant is authorized by the owner to submit the application and operate the STR, if the license is granted.
 - b. That the premises owner does not have an ownership interest in any other premises for which a short-term rental license has been issued or is being sought in the Village of Honor.
 - c. Whether the applicant has ever been cited for a violation of this Ordinance or had a short-term rental license revoked.

D. License Fee and Additional Information.

1. An applicant may be required to provide other information deemed reasonably necessary by Village staff to determine whether the short-term rental standards and regulations have been met.
2. All applicants selected to receive a license must also file with the Village prior to issuance of the license, the following:
 - a. A license fee in an amount set from time to time by the Village Council. The fee for licenses issued for less than a full calendar year will not be pro-rated.

- b. A certificate of general liability insurance coverage issued by an insurance company licensed to do business in the State of Michigan covering the premises and insuring the licensee against risks arising from commercial rental activities on the premises. The owner must provide proof of current insurance for the duration of the license.
3. To allow future flexibility the license fee is not set in the ordinance but is set by resolution of the Village Council.

E. Inspection of STR

A duly designated representative of the Village Council must inspect any short-term rental unit prior to the granting of a short-term rental license. Such inspections may also occur at any time there is reasonable belief that a safety hazard exists.

F. License Application Acceptance and Issuance

1. A short-term rental license application will not be considered accepted until Village staff determines it is complete. If Village staff determines that all required information was not supplied and/or the applicant fails to pay the required fee, then the applicant will be notified of the deficiencies. If the applicant fails to provide all the information required by this ordinance and/or fails to pay the required fee within a reasonable time after being notified of the deficiencies, then the application will be deemed incomplete and will be denied.
2. Once deemed to be complete, if an application complies with all the standards and regulations of this ordinance, the Village will issue the short-term rental license within forty-five (45) days.

G. License Duration and Renewal

1. A short-term rental license will be valid for the calendar year (January 1 through December 31) specified on the license.
2. A short-term rental license application must be renewed on an annual basis. Renewal applications must be received by the Village office by November 15th of each year for the following calendar year. Renewal applications for properly licensed STR's, in good standing, will be given priority in processing and issuance if the renewal application is received by November 15th.

Section 4. Short-term Rental Requirements

A. General Requirements

1. All short-term rental operations must, at all times, comply with the requirements of this Ordinance.
2. All lodging is to be exclusively within a dwelling unit and no person shall camp or allow any person to camp on the parcel on which a short-term rental is located. This prohibition includes the occupation of tents, bivy sacks, campers, trailer coaches, camper trailers, vehicles, recreational vehicles, travel trailers, camping units, boats, or any other temporary shelters.
3. Only one dwelling unit may be used as a short-term rental on any parcel, except that when a parcel lawfully contains more than one dwelling unit, each separate dwelling unit may be used as short-term rental provided that each such dwelling unit is separately licensed under this Ordinance.

B. Local Contact Person

1. The owner of an STR must designate a Local Contact Person who has access and authority to assume management of the unit and take remedial measures if necessary.
2. The Local Contact Person must be available twenty-four (24) hours a day during the rental period and capable of responding to notice of a complaint within one-hundred-twenty (120) minutes.
3. The Owner will provide the phone number of the Local Contact Person to all immediately adjacent neighbors along the subject property's boundaries. An Owner meeting the requirements of subsections (B)(1) – (B)(2) above may designate themselves as the Local Contact Person.

C. Occupancy and Use

1. The maximum overnight occupancy of an STR will be limited to two people per the number of legal bedrooms (as defined by the State of Michigan/Benzie County Building Codes), plus two additional individuals. The maximum occupancy of an STR, regardless of the number of bedrooms may not exceed 12 people. Children and infants are included as occupants subject to this limit. Guests of the occupant(s) of an STR may be present during the hours of 8:00 AM to 11:00 PM.
2. The owner, the operator, any responsible agent, and the occupants of the STR are responsible for assuring the maximum occupancy of the STR is not exceeded.
3. An STR must not be sublet by any tenant of the licensee.

4. All short-term rentals will be for use as a temporary dwelling only (less than 30 days). STRs must not be used for any commercial activities, including yard sales, festivals, retreats, class reunions, or home occupations.
5. Special events, outdoor events, lawn parties or weddings, showers, bachelor or bachelorette parties, family reunions, or other similar parties, gatherings or activities are not allowed on site for more than the number of permitted occupants at the short-term rental.

D. Parking

Each STR will have at least two off-street parking spaces for the first 6 allowed occupants, and one additional off-street parking space for each 3 additional allowed occupants. All off-street parking shall be located on the same parcel as the dwelling unit. STR occupants and guests must not park on or block the paved portion (including paved shoulders) of any public right-of-way.

E. Safety

Owners of STRs will comply with all State of Michigan and Benzie County safety standards related to smoke detectors, carbon monoxide detectors, fire extinguishers, access and building capacity. At a minimum, the following requirements apply to all STRs:

1. Smoke Alarms. Smoke detectors/alarms must be installed in each rental unit. All smoke detectors/alarms must be UL (Underwriters Laboratories, Inc.) approved, and must be installed in accordance with the provisions of the Michigan Residential Code and the household fire warning equipment provisions of the National Fire Protection Association (NFPA) standards Section 72.A. Smoke detectors/alarms will be installed in the following locations:
 - a. In each bedroom.
 - b. One in each hallway.
 - c. On each additional story of the rental unit, including basements and cellars but not including crawl spaces and uninhabitable attics. In rental units with split levels and without an intervening door between the adjacent levels, a smoke detector/alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level.
2. Carbon Monoxide Alarms. At least one carbon monoxide alarm must be installed on every habitable level or story of the rental unit.
3. Fire Extinguishers. An operable fire extinguisher must be mounted at an exit door located on every floor level including the basement.
4. Each bedroom or any room which shall be used for overnight sleeping shall have at least two means of egress (i.e. entrance doors and windows) in conformance with the

Michigan Construction Code, the Michigan Residential Code and any applicable fire codes. All bedrooms must have a window of sufficient size for egress in conformance with the Michigan Construction Code, the Michigan Residential Code and any applicable fire codes. No attic or basement shall be used for overnight sleeping unless the space used for sleeping has window and door egress compliant with the requirements of this subsection 4.

5. The owners of the STR must consent in writing that the Village may inspect the short term-rental for compliance with this ordinance.

F. Waste/Recycling Disposal

Occupants must 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 collection or disposal. The owner or operator of an STR will assure that there are sufficient waste receptacles on the premises to contain all waste generated at the STR. No commercial dumpsters will be allowed on the property containing the short-term rental; the maximum allowed size for any waste or recycling containers is 100 gallons.

G. Sanitary Waste – Sewage Disposal

1. The owner or operator of an STR must ensure that the sanitary waste and sewage handling system at the STR is: (a) in proper working order; (b) of sufficient capacity to safely and properly handle the amount of waste typically generated by the number of occupants allowed at the STR; and (c) in compliance with all Health Department requirements.
2. By obtaining an STR license, the owner agrees to allow an inspection of the sanitary waste handling system by the Health Department if requested by a designated representative of the Village. If an inspection by the Health Department finds there are leaks or other problems that are causing: (a) an imminent threat to the safety of any drinking water wells in the vicinity or (b) a serious immediate degradation of the water quality in any lake, stream or other body of water, all rental activity will cease immediately until the facilities are repaired and operating properly.

H. Advertising

All advertising for the short-term rental must list the permit number and the maximum occupancy permitted by the license for the unit. STRs must not be marketed or advertised as an event venue, so any advertising material may not state or imply the unit is appropriate for weddings, showers, bachelor or bachelorette parties, family reunions, or other similar parties or gatherings.

I. Dwelling Appearance

The exterior appearance of the dwelling unit containing a short-term rental must not conflict with the residential character of the neighborhood. All structures shall be properly maintained and in good repair.

J. Information in STR for Occupants

1. The following information must be provided to the occupants of the STR unit, and must be displayed prominently within the STR.
 - a. A copy of the “Good Neighbor Guide” approved by the Village Council.
 - b. A copy of the license issued by the Village, which prominently shows the occupancy limit of the unit.
 - c. The name of the local contact person with up-to-date contact information.

K. Prevention of Nuisance

1. The Owner must familiarize themselves with the Village of Honor Short-term Rental Ordinance. A copy will be provided to each applicant. This will ensure that these standards are met by the Owner’s renters as part of all rentals.
2. An STR must not result in the creation of conditions that constitute a nuisance to neighboring property owners or to the Village in general nor create vibration, radiation, odor, glare, smoke, steam, electrical interference or create other conditions not typically associated with the use of the STR parcel for residential purposes. Daytime use of lawn equipment is not restricted by this section.
3. Quiet hours for short-term rentals must be observed every night from 10 p.m. to 8 a.m. Noise during quiet hours must be limited to that which does not disturb the quiet, comfort or repose of a reasonable person of normal sensitivities.
4. Outside of the Quiet Hours, any machinery, mechanical devices, sound systems, or equipment used in an STR or on an STR parcel must not generate noise at a volume greater than 60 decibels, as measured from the lot line of the short-term rental property. Subsection 3 above with respect to Quiet Hours is intended to be more restrictive than this Subsection 4.

Section 5. Violations and Penalties

A. Violations. Any of the following conduct is a violation of this ordinance:

1. The Owner or license holder fails to comply with any of the provisions of this Ordinance.

2. Any advertising of an STR without first having obtained an STR license, or any advertising or listing which contains any information that is contrary to this ordinance or contrary to the license for the unit (for example, the occupancy limit).
3. Any false or misleading information supplied in the application process.
4. Failure of an owner or designated local contact person to be available 24/7 to respond to a complaint within 120 minutes.

B. Civil Infraction / Separate Violations

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 revoked as provided in this ordinance, shall be responsible for a municipal civil infraction as defined in the Revised Judicature Act (“RJA”) Public Act 236 of 1961 of the Michigan Compiled Laws, and shall be subject to the penalties or sanctions set forth below. In addition, the Village may pursue an injunctive remedy and/or compliance order under the RJA in the District Court. Such an action in District Court may include a request for the costs and expenses involved in the enforcement action as allowed by the RJA, including attorney fees. Each day this ordinance is violated shall be considered as a separate violation.

C. Penalties

The penalties for violations of this Ordinance are as follows:

1. For a first violation within any calendar year, the penalty is a written notice of violation and a fine of one hundred dollars (\$100).
2. After notice and opportunity to correct the first violation, a second violation within the same calendar year will be subject to a fine of two hundred fifty dollars (\$250). All Owners, regardless of their interest in the property, may be held jointly and severally responsible for any fines or penalties.
3. After notice and opportunity to correct the second violation, a third violation within the same calendar year at a single STR unit will be subject to a fine of five hundred dollars (\$500), and the license for that STR unit may be revoked, as provided in Section 6.

D. Nuisance

A violation of this Ordinance is hereby declared to be a public nuisance and a nuisance per se and is declared to be offensive to the public health, safety, and welfare. In addition to enforcing this ordinance with a municipal civil infraction proceeding, the Village may initiate proceedings in the Circuit Court to abate or eliminate the nuisance per se or any other violation of this ordinance.

E. False Complaints

Any person who knowingly files a deliberate, fraudulent, false, or fictitious complaint about a short-term rental will be deemed to be in violation of this Ordinance and may be found responsible for a municipal infraction and penalties.

Section 6. License Revocation

A. Notice

Upon a determination by the Village Zoning Administrator or other properly designated Village official that a third violation within the same calendar year at a single STR unit has occurred and following the issuance of fines for such violations, a written notice will be issued to the Owner, operator, or agent for the STR stating that the Village intends to revoke the STR permit within fourteen (14) days. The written notice will:

1. Be delivered personally or sent by certified mail, return receipt requested to the address listed on the license.
2. Specify the factual basis for the violations.
3. Inform the owner, operator, or agent of a right to an appeal hearing to show cause as to why the STR permit should not be revoked.

B. Appeal

1. An owner, operator, or agent may avail themselves of the right to an appeal hearing before the Village Council by filing with the Village a written "Notice of Appeal" within fourteen (14) days of service of the written notice by the Village described above.
2. If no Notice of Appeal is filed, the STR license will be revoked and all STR activities at the applicable unit must cease immediately.
3. If a Notice of Appeal is filed, it must specify the basis on which a hearing is requested. If a hearing is timely requested, the Village office will notify the owner, operator, or agent of the time and place of the hearing, which must take place at a regularly scheduled Village Council meeting.
4. At the hearing, the operator or designated representative may present evidence why the decision to revoke the license should be reversed.
5. After such hearing, the Village Council will either uphold the revocation of the license if the revocation was based on competent, material, and substantial evidence or reverse the revocation. The final decision will be by a majority vote.

C. Duration of Revocation

No license shall be issued to an operator or designated representative for a period of 24 months following the revocation of a license pursuant to Section 6.

Section 7. Enforcement Officials

The Village Zoning Administrator and any other designee appointed by the Village Council by Resolution, including the Benzie County Sheriff, are hereby designated as the authorized officials to administer and enforce this ordinance, including the authority to issue and serve municipal civil infractions directing alleged violators of this ordinance to appear in court.

Section 8. Severability

- A. If any section, clause, or provision of this Ordinance is declared unconstitutional or otherwise invalid by a court of competent jurisdiction, said declaration will not affect the remainder of the Ordinance, which will be given effect without the invalid portion or application.
- B. All requirements, regulations and standards imposed by this Ordinance are intended to apply in addition to any other applicable requirements, regulations and standards imposed elsewhere in other ordinances of the Village of Honor, Homestead Township, and Benzie County. Further, this Ordinance does not affect additional requirements placed on use of property (or a portion thereof) imposed by deeds, associations, or rental agreements.

Section 9. Effective Dates

This Ordinance will take effect twenty (20) days after its passage and following its publication.