

CITY OF LAKEVILLE
DAKOTA COUNTY, MINNESOTA

ORDINANCE NO. 1170

AN ORDINANCE AMENDING THE LAKEVILLE CITY CODE REGULATING SHORT-TERM RENTALS

THE CITY COUNCIL OF THE CITY OF LAKEVILLE ORDAINS:

Section 1. Section Title 9 of the City Code (Building Regulations) is hereby amended to include the following chapter:

CHAPTER 10
SHORT-TERM RENTALS

- 9-10-1: Purpose
- 9-10-2: Definitions
- 9-10-3: Application
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9-10-1: PURPOSE: The City of Lakeville is committed to maintaining the quality of life of its residents and has a compelling interest in protecting the character of its residential neighborhoods. The rental of homes for temporary residential occupancy is a commercial activity, and when not properly managed, short-term rentals have the capacity to generate noise, traffic, and trash beyond what is typically present in a residential neighborhood creating a public nuisance. The purpose of this chapter is to ensure that the short-term rental of a permitted dwelling unit is conducted, operated, and maintained so as not to become a nuisance to the surrounding neighborhood, an influence that fosters blight and deterioration, or creates a disincentive to reinvest in the community.

9-10-2: DEFINITIONS: For the purpose of this chapter, the following words and terms are defined as follows:

BEDROOM: A habitable room within a dwelling unit which is used, or intended to be used, primarily for the purpose of sleeping, but shall not include any kitchen, dining room, or living room.

DWELLING UNIT: A residential building or portion thereof intended for occupancy by one or more persons with facilities for living, sleeping, cooking and eating, but not including hotels, motels, nursing homes, tents, seasonal cabins, boarding or rooming houses, motor homes, or travel trailers.

OFF-STREET PARKING SPACE: An area within the permitted short-term rental property or within a building on the short-term rental property intended for the parking of a passenger vehicle.

OWNER: The fee owner of the building containing a short-term rental unit, as listed on the records of the Dakota County Property and Taxation Services.

PRIMARY RESIDENCE: A dwelling unit occupied by the same person or persons for more than six (6) months per calendar year.

REMUNERATION: Compensation, money, or other considerations given in return for occupancy, possession, or use of real property.

RENT OR RESERVATION FEE: The remuneration charged for the temporary occupancy of a home rental unit.

RENTAL MANAGEMENT: A person, enterprise, or agency representing the owner of the short-term rental dwelling or unit to serve as the primary contact for the city.

RESIDENTIAL RENTAL: Any building, or one (1) or more portions thereof, occupied or intended to be occupied for residential purposes.

SHORT-TERM RENTAL (ACCESSORY USE): A dwelling unit which is the primary residence of a household, in which temporary lodging in all or part of the dwelling unit is offered for remuneration.

SHORT-TERM RENTAL (PRINCIPAL USE): A dwelling unit which is not the primary residence of a household, in which temporary lodging in all or part of the dwelling unit is offered for remuneration.

TRANSIENT: Any person who, at their own expense or at the expense of another, exercises, or is entitled to, temporary occupancy or temporary possession, by reason of any rental agreement, concession, permit, right of access, or any other type of agreement.

ZONING ADMINSTRATOR: The person designated by the City Administrator to be the Zoning Administrator for the City of Lakeville.

9-10-3: APPLICATION:

- A. This chapter applies to any dwelling unit or portion of a dwelling unit proposed to be used as a residential rental for a period of thirty-one (31) consecutive calendar days or less herein defined as a short-term rental.
- B. All other residential rental dwelling units other than those defined by section 9-10-3.A of this title shall be subject to the provisions of title 9, chapter 9 of this code.

9-10-4: PERMIT REQUIRED:

- A. The short-term rental of any dwelling unit, or advertisement of a dwelling unit for short-term rental, shall be prohibited unless a permit authorizing short-term rental has been approved in accordance with this Chapter.

- B. Rental of all or a portion of a dwelling unit as a short-term rental by a homeowner to any transient is allowed as provided by this section following issuance of a short-term rental permit.

9-10-5: PROCEDURE:

- A. Form. Application for a short-term rental permit shall be filed by the property owner or local management with the Zoning Administrator on forms to be provided by the city and shall include the following information:
 - 1. The name, address, telephone number, and email of the short-term rental property owner and rental management;
 - 2. The name, address, telephone number, and email of the person completing the registration form;
 - 3. The address of the short-term rental property.
 - 4. For short-term rental as an accessory use, the name, address, telephone number, and email of the person using the property as a primary residence, along with proof of occupancy (such as but not limited to proof of homestead tax status or a lease agreement).
- B. Fee. The application shall be accompanied by a fee as established by city council resolution. The annual fee is non-refundable.
- C. Zoning Administrator. The Zoning Administrator or their designee shall review the application and related materials and shall determine whether the proposal is in compliance with all applicable evaluation criteria, codes, ordinances, and applicable performance standards set forth in this title and the city code.
- D. Incomplete Application. In cases where the application is judged to be incomplete, the Zoning Administrator or their designee shall notify the applicant, in writing, of what information must be provided for the application to be deemed complete within fifteen (15) business days of the date of submission.
- E. Term. Issuance of a short-term rental permit shall authorize use of the property as a short-term rental in accordance with the following schedules:
 - 1. A short-term rental permit issued between January 1 and October 31 of any given calendar year shall expire at midnight on December 31 of that same calendar year.
 - 2. A short-term rental permit issued between November 1 and December 31 of any given calendar year shall authorize use of the property as a short-term rental through December 31 of the following calendar year.

- F. **Renewal.** The renewal of a short-term rental permit shall be processed in the same manner as the initial application, unless said permit has been suspended or revoked in accordance with section 9-10-8 of this title.
- G. **Number of Permits Limited.** No property owner shall be issued more than two (2) short-term rental permits within the city, no more than one (1) of which may be for short-term rental (principal use).
- H. **Permit Transfer.** A short-term rental permit is non-transferable and may not be assigned to another person or premises, including, but not limited to, any successor in title to ownership of the short-term rental or upon lease of the short-term rental to a person or persons for a period longer than thirty-one (31) consecutive days.

9-10-6: GENERAL PROVISIONS:

- A. **Property Owner Consent:**
 - 1. All property owners as identified on Dakota county property records shall agree to operate the property as a short-term rental and must sign the short-term rental permit application.
 - 2. The Zoning Administrator shall be notified of any changes in ownership during the term of a short-term rental permit.
- B. **Certification of Taxes:**
 - 1. Prior to approving an application for a short-term rental permit, the property owner shall provide certification to the city that there are no delinquent property taxes, special assessments, interest, or city utility fees due upon the parcel of land to which the interim use permit application relates.
 - 2. The property owner shall pay all federal, state and local taxes, including local lodging tax as required by title 3, chapter 17 of this code during the short-term rental permit term.
- C. **Compliance.** The short-term rental property shall be in compliance with all city, county, and state codes, laws, and regulations in order to be eligible for a short-term rental permit including, but not limited to, exterior maintenance of the structure, yard, access, and off-street parking areas.
- D. **Rental Management:**
 - 1. Each short-term rental property owner shall appoint rental management upon whom the city may lawfully serve notices pertaining to the administration of this or any other chapter of the city code or state or federal law, service of which shall be as effective as if made upon such residential rental property owner.
 - 2. The short-term property owner may serve as the rental management, provided they reside or maintain a business office within Minnesota.

3. The designated rental management shall be able to respond to matters regarding the condition, operation, or conduct of the short-term rental or needs or behavior of transient guests of a short-term rental at the property.
- E. Inspection. Property owner and rental management shall agree that the Zoning Administrator or their designee have permission to access exterior areas of the property when responding to a reported violation of the standards in this section, in order to ascertain if a violation has occurred.

9-10-7: PERFORMANCE STANDARDS: The following performance standards shall apply to all short-term rentals:

- A. Advertising. Listings advertising a property's availability for rent or reservation fee shall state the assigned city permit number, maximum occupancy permitted, and the maximum number of vehicles that may be legally parked within off-street parking spaces on the property.
- B. Occupancy:
1. A minimum of one (1) transient of a short-term rental must be an adult eighteen (18) years of age or older.
 2. The maximum number of overnight occupants, including permanent occupants of the property if they are present, is limited to two (2) adults per bedroom, plus their dependent children.
- C. Dwelling Requirements:
1. There shall be a minimum of one (1) bedroom within the short-term rental dwelling unit and all bedrooms must be located within the principal building.
 2. There shall be no change in the exterior appearance of principal or accessory buildings, or premises, or any other visible evidence of the conduct of a short-term rental, except that additional off-street parking as required by this chapter may be provided and appropriate signage designating such.
- D. Off-Street Parking:
1. Use of off-street parking spaces by transient vehicles within the short-term rental property shall be limited to passenger vehicles in accordance with Section 11-19-7.F.3 of this code.
 2. All transient vehicles shall be parked within the garage or upon a driveway surface(s) that complies with the design requirements of section 11-19-7.I of this code within the short-term rental property.

3. Transient vehicle parking accessory to the short-term rental use shall not be parked upon public streets between the hours of 2:00 a.m. to 6:00 a.m and shall not obstruct traffic within the public street, visibility at intersections, or access to fire hydrants, mailboxes, or neighboring properties at any time.
- E. Waste:
1. The property owner shall maintain a contract for waste collection services as required by section 4-2-2 of this code.
 2. An appropriate number of waste containers shall be provided to accommodate the amount of trash and recycling generated by the short-term rental, but not less than one (1) container for mixed municipal solid waste and one (1) container for recyclable waste;
 3. Waste shall not be stored outside of approved containers and all waste containers shall be stored within the garage, except on the day of collection.
- F. Outdoor Use. No special events, loud parties, camping, fireworks, or discharge of firearms is allowed.
- G. Noise. Noise shall not carry beyond property lines and shall be subject to section 4-1-4 of this code, including reduced noise levels between 10:00 p.m. and 7:00 a.m.
- I. Disclosures. The following information shall be posted in a conspicuous location near the home's front entrance:
1. Phone number(s) contact info for the short-term rental property owner or rental management at which they will be accessible twenty-four (24) hours each day.
 2. The Good Neighbor Brochure provided by the city.

9-10-8: SUSPENSION AND REVOCATION: Any short-term rental found to be out of compliance with the general provisions and performance standards of this chapter or any other provision of this code violations shall be subject to permit suspension or revocation.

- A First Offense. Upon determining a short-term rental property is out of compliance with any provision of this chapter or any city code violations, the permittee shall be ordered by Zoning Administrator to correct the violation and take any/all appropriate actions necessary to prevent further violations.
- B. Second Offense. Upon determining that a second offense has occurred within three hundred sixty-five (365) days of an initial offense, the permittee shall be ordered by the Zoning Administrator to correct the violation and take any/all appropriate actions necessary to prevent further violations.

- C. **Third Offense.** Upon determining that a third offense has occurred within one hundred eighty (180) days of the second offense, the permit shall be immediately suspended and directed to the Zoning Administrator or their designee for reinstatement, amendment, or revocation.
- D. **Revocation.** The Zoning Administrator may, after a third offense, upon making a finding that the short-term rental property is and continues to be in violation of this title or other provisions of this code, revoke a short-term rental license.
- E. **Reapplication.** Revocation of a short-term home rental permit by the city will prohibit the property owner's ability to reapply for a permit until after three hundred sixty-five (365) calendar days have passed from the date of revocation.
- F. **Appeals:**
 - 1. An appeal from an administrative order or suspension by the Zoning Administrator related to a first, second, or third violation offense or a revocation of a rental permit shall be filed by the property owner or local management agreement with the Zoning Administrator within ten (10) days after the making of the order or suspension.
 - 2. The Zoning Administrator shall prepare technical reports when appropriate and shall provide general assistance in preparing a recommendation on the appeal to the city council.
 - 3. **City Council Action:**
 - a. An appeal of an administrative order or suspension related to a first, second, or third violation or suspension shall be heard by the City Council at its next regular meeting.
 - b. **Revocation Appeals:**
 - (1) Upon receipt of an appeal application for a revocation, the Zoning Administrator shall notify the short-term rental permit holder, in writing, of the violations triggering the revocation, and the date upon which a public hearing will be held by the city council to consider the appeal.
 - (2) Notice of said hearing shall consist of description of request and property location published in the official newspaper and written notification of said hearing mailed to the short-term rental property owner and all owners of land within five hundred feet (500') of the boundary of the property in question at least ten (10) days prior to the hearing.
 - (3) Failure of a property owner to receive said notice shall not invalidate any such proceedings as set forth within this section.

- (4) The short-term rental property owner or local management shall appear before the city council in order to answer questions concerning the appeal request.
 - (5) Upon receiving the report of the Zoning Administrator and conducting the public hearing, the city council shall make recorded findings of fact and may reinstate the permit, impose any condition it considers necessary to protect the public health, safety and welfare or revoke the permit.
4. An appeal stays all proceedings and the furtherance of the action being appealed unless it is certified to the city council, after the notice of appeal is filed, that by reason of facts stated in the certificate a stay would cause imminent peril to life and property.
5. The Zoning Administrator shall serve a copy of the final order of the city council upon the short-term rental property owner by mail.
6. All decisions made by the city regarding an appeal shall be final, except that any aggrieved person shall have the right to appeal within thirty (30) days after delivery of the decision to the appellant, to the District Court in Dakota County. Any person seeking judicial review under this chapter must serve the city and all necessary parties, including any landowners, within the thirty (30) day period defined above.

9-10-9: ENFORCEMENT:

- A. An owner, operator, tenant, or occupant of any building or property in violation of the provisions of this chapter or any city code violations may be charged and found guilty of a misdemeanor and may be held responsible for the cost of enforcement in addition to penalties.
- B. The City may exercise any and all remedies at law or in equity to ensure compliance. All unpaid costs, charges, and penalties may be certified to the property for collection with the property taxes.

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Section 2. This Ordinance shall be effective immediately upon its passage and publication according to law.


ADOPTED by the Lakeville City Council this 17th day of February, 2026.

CITY OF LAKEVILLE

BY: 

Luke M. Hellier, Mayor

ATTEST

BY: 

Taylor Snider, Deputy City Clerk