



TOWN OF TELLURIDE
Short Term Rental Restrictions
In the Residential Zone Districts

Understanding Short Term Rental Restrictions. Both the Telluride Municipal Code and the Land Use Code regulate short term rentals, including additional restrictions for homes located in Residential Zone Districts. All short term rentals are subject to sales tax, excise tax and business licensing requirements. In addition, Residential Zone rentals are restricted on the number of total occurrences and total number of days that a dwelling may be rented annually. These regulations apply in the following zone districts: Residential, Historic Residential, Hillside Transitional, Hillside Developing One, Hillside Developing Two, West Hillside and Medium Density Residential ("Residential Zone Districts"). A majority of the residential zone districts are north of Colorado Avenue. If you are unsure of whether you are in a residential zone, you may look on a zoning map on the Town's website: www.telluride-co.gov/doc/zoning.pdf. or call the Planning Department at 970-728-2175. Short term rental restrictions and regulations do not apply to the accommodations and commercial zone districts.

History. Short Term rental restrictions in the residential zone districts were first adopted in 1980. The number of available short-term accommodations was widely perceived as inadequate for peak needs. The intent of the original ordinance was to limit rental periods to times of peak tourist volume while maintaining the character of the residential neighborhoods. The short term rental restrictions, known as Article 3, Division 6 of the Land Use Code had remained substantively the same from 1987 until 2010.

Ordinance in Effect today. The total number of days that a property may be rented on a short term basis in the residential zone districts must be a cumulative of **29 days or fewer** in a calendar year **no more than three times** in a calendar year. For example, you may rent your property once for 15 days, once for 10 days and once for 4 days total in a calendar year.

Short-term rentals shall be authorized in residential zones if the following requirements are met:

- Short-term rental is a use permitted in the LUC in the underlying zone district;
- There is a clearly-defined trash and recycling storage area and an adequate number of bear proof trash and recycling containers provided;
- There is an owner representative on-call full time while the property is rented and whose contact information is listed on the pertinent business license on file with the Town Clerk;
- The owners or owner representatives properly inform tenants as to the applicable town ordinances including but not limited to parking, pets, trash, recycling, bears and noise;
- A business license is required upon advertising of the short term rental property and must appear on all advertising of the structure;
- Local sales and excise taxes must be paid for all short term stays; and,
- A yearly affidavit, (sample included herein,) is signed by the owner attesting to the duration and frequency of the prior year short term rental history.

Long term rentals are those rental periods of 30 consecutive days or more. You may rent your dwelling for periods of 30 days or more in the residential zone district for **no more than 3 times** in a calendar year. For example, you could rent your property one time for 60 days, one time for 30 days and one time for 180 days. During a calendar year, an owner may rent a property for both long term and short term periods. Long term rentals are not subject to the short term rental requirements listed in Article 3, Division 6 other than the limit of no more than three (3) long term rentals in a calendar year.

Business License. A business license is required if you choose to short term rent your property. A business license must be acquired prior to advertising the availability of the dwelling unit for rent. Advertising includes all advertising regardless of medium and must include a current business license number, a condominium name and unit number, and when advertising a rental house, its street address. To obtain a Town of Telluride business license contact the Town Clerks Department, Town Hall, 135 West Columbia Avenue, (970) 728-2158. You can also obtain Business License information on the Town of Telluride's web page at www.telluride-co.gov under the Clerks Department page. Business licenses are renewable each calendar year.

The business license fee for lodging in a residential rental home is \$166 + \$22 per sleeping room.

Where do my business license fee and taxes go?

Business License Fee. 74% paid directly to Telluride Marketing Inc. ("TMI"), whose sole purpose is marketing the Telluride Region.
20% goes to the Town of Telluride Open Space fund
6% Administration of the business license program.

Local sales and excise taxes. In 2007, the Town began self-collection of sales and excise taxes. Taxes must be collected and remitted for any overnight rental of 29 days or less. To obtain Town sales and excise tax information including forms, you may contact the Finance Department, 135 West Columbia Avenue, by phone (970) 728-2162, or Telluride's web page at www.telluride-co.gov under the Finance Department page.

Excise Tax

The local excise tax is 2%. The proceeds from the excise tax goes into the Airline Guarantee Fund. The Town retains 2% of these funds and the remainder is paid to the Telluride Montrose Air Organization to support the airline guarantee program.

Sales Tax

The sales tax total is 8.65% which has the following parts:
4.5% Town – collected by the Town. Can be collected monthly, quarterly or annually.
2.9% State – collected by State
1.0% County – collected by State and sent to the County
0.25% San Miguel Authority for Regional Transportation

Of the 4.5% sales tax rate collected by the Town, 0.5% of the 4.5% is dedicated to the Affordable Housing fund. 20% of the remaining sales tax that is unencumbered (sales tax pledged for debt obligations) is distributed to the Open Space Fund. The remainder of sales tax proceeds is split with 50% to General Fund and 50% to Capital Improvement Fund.

In 2016, voters approved a ballot initiative which created the regional transportation authority known as the San Miguel Authority for Regional Transportation (SMART). SMART is funded partly by a 0.25% sales tax on all purchases with the exception of residential utilities and food for home consumption. "The purpose of the Authority is to coordinate, plan, finance, construct, operate and maintain a regional multi-modal transportation system."

To obtain the form for submitting sales tax to the State you may contact the Department of Revenue at (303) 534-1208 or via their website at <http://www.colorado.gov/revenue>, then "sales tax file and pay." You may set up and file online, or go to the forms section of the website and download the "sales tax form."

County Lodging Tax

2% is collected by the State and sent to the County. The 2% county lodging tax that the owner collects and pays to the state goes to the county for support of MTI (the same place our Business licenses fees go to).

THE TOTAL TAXES COLLECTED ON SHORT TERM RENTALS ARE 12.65% THIS IS INCLUSIVE OF THE ABOVE REFERENCED EXCISE TAX, SALES TAX AND LODGING TAXES.

Town Ordinances. It is the responsibility of the owner and/or owner representative to make short term rental tenants aware of Town Ordinances including but not limited to pets, trash, recycling, bears, noise and parking. The complimentary flier for short term rental tenants included herein is available at Town Hall and Rebekah summarizing pertinent town ordinances.

Failure to comply with the provisions of the Telluride Land Use Code regarding short term rentals can have serious implications, Violations constitute a misdemeanor and upon conviction are punishable by a fine of up to one thousand dollars (\$1,000), or imprisonment for a period of up to ninety (90) days, or both such fine and imprisonment per offense. Each day that a violation occurs or continues to exist is considered a separate criminal offense. Besides the legal implications, short term rentals in residential neighborhoods can negatively impact other residents. The predominant way in which town officials learn of short term rental violations is through neighbor complaints.

We encourage voluntary compliance. Please contact the Town of Telluride Planning Department with any questions regarding the zone district locations, and what constitutes compliance and non-compliance with short-term rental restrictions. A member of the Planning staff can be reached at (970) 728-2150.



RESIDENTIAL RENTAL AFFIDAVIT

Please complete this form and have it notarized.

Residential Street Address: _____, Telluride, Colorado

Town of Telluride Business License Number:

Rental Status for Prior Calendar Year (please check all that apply):
Short Term The above property was rented short term (less than 30 consecutive days) on
occasions for a total of rental days during the calendar year.
Long Term The above property was rented for 30 consecutive days or more on
occasions in the calendar year.

I affirm that the above is a true and accurate statement.
Owner Name/Owner Agent/Owner Representative (print)
Contact Phone Contact Email
Owner Name/Owner Agent/Owner Representative (sign) (date)

State of)
County of) ss.
The foregoing instrument was sworn to before me this day of , 201,
by .
My commission expires on:
Witness my hand and official seal
Notary Public

RETURN TO: Telluride Town Clerk DUE: January, yearly
135 W Columbia Avenue, P.O. Box 397, Telluride, Co 81435