

**TOWN OF RICO  
ORDINANCE NO. 2023-06**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO AMENDING  
THE SHORT-TERM RENTAL RESTRICTIONS AND LICENSING  
REQUIREMENTS IN THE RICO LAND USE CODE .**

**WHEREAS**, the Town of Rico, Colorado (the “Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Rico Home Rule Charter (the “Charter”); and

**WHEREAS**, by Ordinance No. 2022-05, the Town amended the Rico Land Use Code to impose a license requirement for short-term rentals and remove short-term rentals from special use permit review; and

**WHEREAS**, on November 8, 2023, the Rico Planning & Zoning Commission considered the amendments to the RLUC contained in this Ordinance at a duly noticed public hearing, and recommended the Board adopt the amendments; and

**WHEREAS**, the Town desires to preserve small town character while maintaining livability in accordance with the Rico Regional Master Plan by minimizing the adverse effects of short-term rentals on residential neighborhoods and the Town’s housing supply; and

**WHEREAS**, the Board desires to amend the RLUC §§ 456 and 457 to allow for submission of applications at any time, creation and maintenance of a waitlist, shortening the permit duration to one year, amending the fee schedule and increasing fine amounts; and

**WHEREAS**, the Board finds and declares that the amendments to the RLUC regarding short-term rentals set forth herein are proper in light of the needs and desires of the Town and in the promotion of the public health, safety, and welfare of the Town’s residents.

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO THAT:**

**Section 1.** The recitals above are hereby adopted as findings and incorporated herein.

**Section 2.** The Rico Land Use Code shall be and is hereby amended as set forth in **Exhibit A** to this Ordinance, incorporated by reference hereto.

**Section 3.** This Ordinance shall take effect immediately on final adoption.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY ON JANUARY 17, 2024.

TOWN OF RICO, COLORADO



\_\_\_\_\_  
Nicole Pieterse, Mayor

ATTEST:

  
\_\_\_\_\_  
Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY ON FEBRUARY 28, 2024.

TOWN OF RICO, COLORADO

ATTEST:

  
\_\_\_\_\_  
Anna Wolf, Town Clerk

  
\_\_\_\_\_  
Nicole Pieterse, Mayor

Effective Date:      February 28, 2024

## EXHIBIT A

### AMENDMENTS TO THE RICO LAND USE CODE

Additions shown in double underline; deletions shown in ~~strikethrough~~.

#### 456. LICENSE PROCEDURES

456.1 Application Requirements. The owner shall submit the application on the form provided by the Town and shall pay the application fee. The ~~nonrefundable~~ application fee shall be ~~\$2500~~100 for an initial application and ~~\$1500~~75 for an annual renewal application ~~(including renewals pursuant to the lottery system)~~. Prior to issuance or renewal of a short-term rental license, the applicant shall pay the licensing fee. The licensing fee for a new short-term rental license shall be \$2500 and \$750 for renewal of an existing short-term rental license. Applications for renewal of a short-term rental license ~~starting on January 1~~ shall be submitted to the Town no later than August 1 of the year ~~preceeding calendar year~~ the renewal term.

456.2 Available Licenses, Waitlist. In the event that there are no short-term rental licenses available within the quadrant, as established by Section 454.3(a) above, in which the applicant's proposed short-term rental property is located, the applicant shall be added to a short-term rental license wait list. The Town shall create and maintain a wait list for this purpose for each quadrant.

(a) Priority for issuing a short-term rental license, when available in the applicable quadrant, shall be based on application date such that the applicant that has been on the wait list the longest shall be entitled to receive the next available license upon payment of the licensing fee.

(b) An applicant shall remain on the wait list until a license is issued to the applicant, or the applicant is otherwise removed from the wait list, whichever occurs first. An applicant shall be removed from the wait list for violation of the Short-Term Rental Regulations, or upon transfer of the applicant's proposed short-term rental property to a new owner.

456.3 Application Review, Referral, and Appeal. The Town Manager, in consultation with the Town Planner, shall review applications for short-term rental licenses for compliance with these regulations. The Town shall review applications ~~during the month of August and shall issue license decisions no later than September 15.~~ if the application is in conformity with the Short-Term Rental Regulations, the Town Manager shall issue a short-term rental license, if available, or add the applicant to the waitlist pursuant to Section 456.2 above, within thirty (30) days of submission. The Town Manager may, in his or her sole discretion, refer an application to the Board of Trustees if the application raises issues

on which the Board's input is necessary or desirable. If the application is not approved and the license is not issued, the Town Manager shall state in writing the reason(s) for the denial of the license. The applicant may appeal the Town's denial to the Board of Trustees within thirty (30) calendar days of issuance of the written denial decision.

456.4 ~~Issuance and Term of License,~~ Initial Term and Renewal. All short-term rental units, except short-term rental dwelling units for which the Town has issued a special use permit as of the date of the ordinance adopting these regulations, shall require a license from the Town. Such license shall only be issued after the short-term rental application has been approved in accordance with the Municipal Code. The short-term rental license shall specify any terms and conditions of the license. All licenses shall be issued to the owner of the property. No natural person or business entity shall be issued more than one short-term rental license, nor shall the owner of an existing short-term rental dwelling unit as of the date of adoption of these regulations be issued a license for an additional short-term rental. Licenses shall not transfer with the transfer of property to a new owner: a change in ownership of the property shall necessitate a new application and issuance of a new license.

(a) Licenses shall be issued for an initial period of ~~two (2) years starting on January 1 commencing on the approval date~~ and shall automatically expire on December 31 of the ~~second~~ same year.

(b) The renewal period for each license shall be one (1) year starting on January 1 and shall automatically expire on December 31 of the same year.

~~456.4 Lottery System. If the number of new or renewal license applications submitted for an application cycle would lead to a total number of short term rental units in excess of the number allowed in Section 454.4 (including the total number allowed for any quadrant of the Town), the Town Manager shall issue licenses by random lottery. Such lottery shall not provide a preference to renewal applications over new applications. The Town shall refund the application fees, except for an administrative fee of \$50 which shall be retained by the Town, for applications not issued pursuant to a lottery.~~

456.5 Neighborhood Notification. Upon issuance of a short-term rental license, the property owner shall be responsible for mailing public notification of the license to owners of all real property within two hundred fifty (250) feet of any boundary or edge of the subject property or parcel. The property owner shall provide certification to the Town Manager that proper notice has been provided, including a signed affidavit.

456.6 Revocation of License. A short-term rental license may be revoked at any time by the Board following a hearing if the Town determines that the property is not being operated in compliance with this Short-Term Rental Regulations or any other Town ordinance. A short-term rental license shall be revoked automatically upon the property owner's third conviction in Rico Municipal Court of a violation of any provision in these

Short-Term Rental Regulations with respect to the short-term rental. An applicant whose short-term rental license has been revoked within the last two years shall not be allowed to apply for a new or renewal short-term rental license.

456.7 Tax Collection. A license holder who fails to collect any applicable taxes on a short-term rental, including but not limited to lodging tax, during the license period shall not be allowed to renew the license for the next two-year license cycle. Owners shall present documentation demonstrating the collection and remittance of taxes to the Town as part of the license renewal application.

#### 457. PENALTIES AND ENFORCEMENT

457.1 Penalties for Violations. Any violation of the Short-Term Rental Regulations shall be subject to a fine of two thousand two five hundred ~~five~~ dollars (\$2,500.00) for the first offense, three thousand five hundred ~~five~~ dollars (\$3,050.00) for the second offense, ~~seven~~ four thousand ~~hundred fifty~~ dollars (\$7504,000.00) for the third offense, and ~~one~~ Five thousand dollars (\$51,000.00) for the fourth offense and all subsequent offenses. Each day's continuing violation shall be a separate and distinct offense.