

Lake Township  
Benzie County  
State of Michigan

Lake Township Ordinance Number: 2023-001

Adopted: September 7, 2023

Effective: October 30, 2023

## **LAKE TOWNSHIP SHORT-TERM RENTAL ORDINANCE**

THE TOWNSHIP OF LAKE HEREBY ORDAINS:

### **Section 1. Recitals.**

The Board of Trustees for Lake Township finds and determines the following:

- A. Short-term rentals (those generally lasting less than 30 days) of single- and multifamily structures in the Township 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 Township 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 Township and its residents to preserve and retain the residential community character of the Township.
- E. It is the intent of this Lake Township 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. STRs 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 STRs upon Township 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 or Operator of 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 Township to be provided to and made available for occupants of STRs 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 Township 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 one hour, 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 or entity that holds legal or equitable title to the parcel (or portion thereof) used as an STR.

"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 a dwelling unit that is available to rent or sublet for periods of less than 30 days.

### **Section 3. Short-term Rental License.**

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

B. License Limitations.

1. Number of Licenses Available.

- a. For calendar year 2024, any STR for which a complete license application is received prior to December 31, 2023, or 45 days after the effective date of this ordinance, whichever is later, shall be granted an STR license if the STR and the application comply with all standards and regulations of this ordinance. Any STR for which a complete license application is received after December 31, 2023, or after 45 days following the effective date of this ordinance, may be granted a license if the STR and the application comply with all standards and regulations of this ordinance, but only if less than a total of 150 STR licenses have been issued in the Township for 2024. Licenses will be granted in order of the date on which a complete application is received until the limit for the total number of licenses is reached.
- b. For calendar years after 2024, the number of STR licenses granted in any single calendar year shall not exceed the number of licenses granted in 2024 or 150, whichever number is higher. The Township Board reserves the right, by majority resolution, to raise or lower that annual limit, so receipt of a license in any year does not guarantee receipt of a license in future years. If the Township Board exercises its option to lower the number of licensed STRs, the Township Board shall, by majority resolution, propose criteria to determine which applications will be granted and which denied, notify STR license holders of the proposed criteria, and take input on the criteria before final adoption of such criteria.

2. No more than two STR licenses shall be granted for premises in Lake Township owned by the same Owner. In addition, no more than two STR licenses shall be granted for premises in Lake Township in which the same individual or entity holds an ownership or financial interest. If, prior to January 1, 2024, more than two STRs under common ownership were legally registered and operated, such STRs shall be considered “grandfathered” under this ordinance and may remain operational as STRs unless and until the ownership of the underlying property changes .
3. 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.
4. A short-term rental license may not be transferred from one dwelling unit to another dwelling unit.
5. A new license application will be required if the property is sold or conveyed to a new Owner. If the new Owner applies for a license within 30 days of the transfer of ownership, and all other requirements are met, the license may be transferred to the new Owner.
6. The Owner or Operator may not apply for an STR license if there is no present intention to use the unit as an STR. After a license is granted for an STR, failure to utilize the subject dwelling unit as an STR is grounds for denying a renewal application for the following year.

C. License Application.

1. Applicants for a short-term rental license shall file an application to conduct a short-term rental operation within the Township on a form provided by the Township for that purpose. The application form shall 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, mailing address, and phone number of a local contact person who will be available by phone twenty-four (24) hours a day, seven (7) days a week at all times while 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 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 shall include a required certification:
  - a. That all information in the application is true, and if the applicant is not the Owner, a certification that the applicant is authorized by the Owner to submit the application and operate the STR if the license is granted.
  - b. That the Owner of the premises does not have an ownership or financial interest in more than one other premises for which a short-term rental license has been issued or is being sought in Lake Township. In the event the Owner owned or had an ownership or financial interest in more than two short-term rentals in the Township prior to January 1, 2024, the application must include documentation of said ownership.
  - c. Whether the applicant has ever been cited for a violation of this Ordinance or had a short-term rental license revoked.
3. An applicant may be required to provide other information deemed reasonably necessary by Township staff to determine whether the short-term rental standards and regulations have been met.

D. License Fee and Additional Information.

All applicants selected to receive a license shall also file with the Township prior to issuance of the license, the following:

1. A license fee in an amount set from time to time by the Township Board by resolution. The fee for licenses issued for less than a full calendar year will not be pro-rated.
2. 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.

E. Inspection of STR.

A duly designated representative of the Township, which may be the Frankfort Fire Chief or his/her designee, is empowered to 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 shall not be considered accepted until Township staff determines it is complete. If Township staff determines that all required information was not supplied and/or the applicant fails to pay the required fee, then the applicant shall 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 shall be deemed incomplete and shall be denied.

2. Once deemed to be complete, if an application complies with all the standards and regulations of this ordinance, the Township shall issue the short-term rental license within forty-five (45) days, unless issuance of the license would exceed an applicable limit set by the Township Board pursuant to Section 3.B.1 of this Ordinance.

G. License Duration and Renewal

1. A short-term rental license shall be valid for the calendar year (January 1, until December 31) specified on the license.
2. A short-term rental license application must be renewed on an annual basis. Renewal applications received by the Township office by November 1st of each year for the following calendar year may not be denied because of a limit on total STRs set under Section 3.B.1. of this ordinance, provided the STR has not received a notice of violation within the last year and provided the renewal application meets the other requirements of this Section. Any renewal application received after November 1<sup>st</sup> will be treated as a new application, and if the limit in Section 3.B.1. is reached, the application is subject to denial based on criteria adopted pursuant to that Section.

**Section 4. Short-term Rental Requirements.**

A. General Requirements

1. All short-term rental operations shall, 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 any notice of a complaint within one hour.
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 shall 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 may not be sublet by any tenant of the licensee.
4. All short-term rentals shall be for use as a temporary dwelling only. STRs shall not be used for any commercial activities, including yard sales, festivals, retreats, or home occupations.

D. Parking

Each STR shall 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 shall not park on or block the paved portion (including paved shoulders) of any public right-of-way.

E. Safety

Owners of STRs must 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 shall be installed in each rental unit. All smoke detectors/alarms shall be UL (Underwriters Laboratories, Inc.) approved, and shall 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 shall be installed as follows:

- a. In each bedroom.
  - b. At least one detector, not in a bedroom, 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 shall be installed on every habitable level or story of the rental unit, and such carbon monoxide alarm(s) shall be installed outside of but within 15 feet of the entrance to each bedroom.
  3. Bedroom Emergency Window Access. Every bedroom shall contain a window meeting current fire code and/or building code standards for ingress and egress in an emergency. No bedroom shall be in a basement unless the basement contains a doorway open to the outside or contains a window meeting ingress and egress emergency standards.
  4. Fire Extinguishers. An operable fire extinguisher shall be mounted on every floor level including the basement. The extinguisher shall be mounted at an exit door, or if one of the floor levels or the basement does not have an egress door, it shall be mounted near stairway leading to an exit.

F. Waste/Recycling Disposal.

Occupants shall 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 shall ensure that there are sufficient waste receptacles on the premises to contain all waste generated at the STR. No commercial dumpsters shall 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 shall 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 County Health Department requirements.
2. By obtaining an STR license, the Owner agrees to allow an inspection of the sanitary waste handling system by the County Health Department if requested by a designated representative of the Township. If an inspection by the County 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 shall list the maximum occupancy permitted by the license for the unit.

I. Dwelling Appearance.

The exterior appearance of the dwelling unit containing a short-term rental shall 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 as part of the booking or leasing process prior to their arrival at the STR, and also must be displayed prominently within the STR.
  - a. A copy of the “Good Neighbor Guide” approved by the Township Board, which prominently shows the occupancy limit of the unit.
  - b. The name of the Local Contact Person with up-to-date contact information.
2. A short-term rental license shall be displayed on the front door of the dwelling unit or in a conspicuous location on the facade or nearby window not more than five (5) feet from the front door as measured from the edge of the door frame.

K. Prevention of Nuisance.

1. The Owner and Operator shall familiarize themselves with the Lake Township Zoning Ordinance generally, and especially with Article III, Section 3.5 on lake access lot use, Section 3.11 on boat dockage limitations, and Section 3.60 on outdoor lighting; and with the Township Ordinances relating to Fireworks, Nuisances, and Aquatic Nuisances, and shall require and ensure that these standards are met by the Occupants as part of all rentals.
2. An STR shall not result in the creation of conditions that constitute a nuisance to owners or occupants of neighboring properties or to the Township in general. Any machinery, mechanical devices, sound systems, or equipment used in an STR or on an STR parcel shall not generate noise at a volume greater than 60 decibels, 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 maintenance equipment is not restricted by this section.

L. Dimensions and Habitable Space.

A dwelling unit used as an STR shall comply with all of the following requirements:

1. A room that constitutes habitable space defined in the Ordinance, other than a kitchen, shall not be less than 7 feet in any plan dimension. Kitchens shall have a clear passageway of not less than 3 feet between the front of countertops and appliances and/or between the front of countertops and walls.
2. Except as otherwise provided in this Subsection, habitable spaces, hallways, corridors, laundry areas, bathrooms, toilet rooms and habitable basement areas shall have a clear ceiling height of not less than 7 feet, provided, however, that (1) beams or girders spaced not less than 4 feet on center and projecting not more than 6 inches below the required ceiling height may be installed, and (2) bedrooms having a sloped ceiling over all or part of the bedroom shall have a clear ceiling height of at least 7 feet over not less than one-third of the required minimum floor area.
3. All bedrooms within a dwelling unit shall comply with the following requirements:
  - a. Every bedroom occupied by one person shall contain at least 70 square feet of floor area, and every bedroom occupied by more than one person shall contain at least 50 square feet of floor area for each occupant thereof. In calculating the floor area of a bedroom having a sloped ceiling over all or part of the bedroom, only that portion of the bedroom with a clear ceiling height of 5 feet or more shall be included.
  - b. Except in dwelling units having only one (1) bedroom, the bedrooms shall not constitute the only means of access to other bedrooms or habitable space and shall not serve as the only means of ingress or egress from other habitable spaces.
  - c. Every bedroom shall have access to at least one bathroom on the same story as the bedroom or on an adjacent story without passing through another bedroom.
  - d. A kitchen or space not defined as habitable space in this Ordinance shall not be used for sleeping purposes.
  - e. If habitable space other than a kitchen or bedroom is to be used for sleeping purposes, then that habitable space shall have a minimum square footage equal to the minimum area required for that habitable space plus the area required for a bedroom with the number of occupants intending to sleep in the habitable space.
4. All spaces to be utilized for food preparation purposes shall contain suitable space and equipment to store, prepare and serve foods in a sanitary manner. There shall be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage.
5. A dwelling unit to be occupied by 3-5 tenants shall have a living room no less than 120 square feet and a dining room of no less than 80 square feet. A dwelling unit with combined living room and dining room spaces shall have no less than 200 square feet and shall be located within the dwelling unit so as to function as a combination living room / dining room.

6. A dwelling unit to be occupied by 6 or more tenants shall have a living room of no less than 150 square feet and a dining room of no less than 100 square feet. A dwelling unit with combined living room and dining room spaces shall have no less than 250 square feet and shall be located within the dwelling unit so as to function as a combination living room / dining room.

## **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 in any online or mainstream media or listing 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 twenty-four (24) hours a day, seven (7) days a week at all times while the unit is utilized as an STR to respond to a complaint within 1 hour.

B. Civil Infraction / Separate Violations.

Any person who violates any provision of this Ordinance, including by continuing to operate 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 of 1961, being Public Act 236 of 1961, as amended, MCL 600.101 et seq., and shall be subject to the penalties or sanctions set forth below, plus the costs and attorney fees of the Township incurred in the prosecution thereof. 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 fifty dollars (\$50).
2. After notice and opportunity to correct the first violation, a second violation within the same calendar year shall be subject to a municipal civil infraction citation punishable by 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 such municipal civil infraction.

3. After notice and opportunity to correct the second violation, a third violation within the same calendar year at a single STR unit shall be subject to a municipal civil infraction punishable by 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 Township 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 fraudulent, false, or fictitious complaint about a short-term rental shall be deemed to be in violation of this Ordinance and may be found responsible for a municipal civil infraction and penalties.

**Section 6. License Revocation**

A. Notice.

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

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 license should not be revoked.

B. Appeal.

1. An Owner, Operator, or Agent may avail themselves of the right to an appeal hearing before the Township Board by filing with the Township a written "Notice of Appeal" within fourteen (14) days of service of the written notice by the Township described above.
2. If no Notice of Appeal is filed by the end of fourteen (14) days following service of the written notice by the Township as described in Subsection A of this Section, the STR license is revoked and all STR activities at the applicable unit shall cease immediately.

3. If a Notice of Appeal is filed, it shall specify the basis on which a hearing is requested. If a hearing is timely requested, the Township office shall notify the Owner, Operator, or Agent of the time and place of the hearing, which shall take place at a regularly scheduled Township Board meeting.
4. At the hearing, the Owner, Operator or Agent may present evidence why the decision to revoke the license should be reversed.
5. After such hearing, the Township Board may 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 shall be by a majority vote.

**C. Duration of Revocation.**

No license shall be issued for a period of 24 months to any Owner or Operator following the revocation of such Owner's or Operator's STR license pursuant to this Section 6.

**Section 7. Enforcement Officials.**

The Township Zoning Administrator and any other designee appointed by the Township Board, 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. The provisions of this Ordinance are hereby declared to be severable. If any section, sentence, clause, word, or provision of this Ordinance is declared unconstitutional or otherwise invalid or unenforceable for any reason by a court of competent jurisdiction, said declaration shall not affect the remainder of the Ordinance, which shall continue in full force and effect.
- 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 Lake 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 shall become effective thirty (30) days after publication as required by law, or November 30, 2023, whichever is later.