



## Residents for Ethical and Sustainable Tourism Ordinance

### Sec. 1-0. - Definitions

- (a) "Short term rental dwelling," "short term rental," and "short term rental unit" means a rental of all or any portion thereof of a residential dwelling unit for dwelling, lodging or sleeping purposes to one party with duration of occupancy of less than thirty (30) consecutive days. Hotels, motels, bed and breakfasts, and other land uses explicitly defined and regulated in this ordinance separately from short term rentals are not considered to be short term rentals. Common bathroom facilities may be provided rather than private baths for each room.
- (b) "Homesharing network company" (HNC) means a person or organization, whether a corporation, partnership, sole proprietorship, or other entity that connects customers with homeowners using their personal residence for purposes of short term renting services by means of a HNC digital network.
- (c) "Homesharing network company digital network" (HNC digital network) means any online-enabled application, software, website, or system offered or utilized by a HNC that participates in the homesharing or vacation rental business by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a booking transaction using any medium of facilitation.
- (d) "Homesharing network company hosts" (HNC host) means a person who uses his or her personal residence to provide short term renting services for customers matched through a HNC digital network. A HNC host need not be an employee of a HNC.
- (e) "Booking transaction" means any reservation or payment service provided by a person who facilitates a short-term rental transaction between a prospective customer and a host.
- (f) "Customer" means a transient user of a short-term rental dwelling or HNC.

### Sec. 1-1. – Permit and license—Created and required.

- (a) An annual short-term rental license permit may be issued to eligible applicants by the Department of Safety and Permits, upon consultation with the executive director of the City Planning Commission. A short-term rental license permit is a privilege, not a right, and may be revoked or not renewed based on non-compliance with the requirements of the Comprehensive Zoning Ordinance, or the requirements provided herein. There shall be one license, as defined by the Comprehensive Zoning Ordinance: a short-term rental license.
- (b) No property shall be utilized as a short-term rental unit, as defined by the Comprehensive Zoning Ordinance, without an authorized short-term rental license permit.
- (c) Any holder of a short-term rental license permit issued pursuant to this article shall maintain on file with the Department of Safety and Permits a current address of a natural person in Orleans Parish on whom service may be made, including without limitation the service of legal notices and lawsuits related to the operation of short term rentals and/or compliance with this article and/or applicable provisions of the Comprehensive Zoning Ordinance. Service upon the person on file shall be deemed effective service upon



the holder of the short-term rental license permit. Any juridical person holding a short-term rental license permit shall be qualified to do business in the State of Louisiana. Failure to comply with this provision or to keep current the agent for service shall be grounds for revocation of the short-term rental license permit.

**Sec. 1-2. - Submission documents and requirements.**

A homeowner applying for a short-term rental license permit shall:

(a) Attest to the following and furnish the necessary documentation to the Department of Safety and Permits:

1. That the property has current, valid liability insurance of \$500,000.00 or more specifically naming the premises being applied for and stating transient housing as an insured activity;
2. That each short-term rental unit has working smoke and carbon monoxide detectors in every bedroom, outside sleeping area, and on all habitable floors;
3. That each short-term rental unit has a properly maintained and charged fire extinguisher in each short-term rental unit;
4. That in each short-term rental unit there is a posting that provides emergency contact information for the owner, person on file, and any property manager and a floor plan indicating fire exits and escape routes. Posting shall be displayed in a prominent location;
5. That the property is in compliance with applicable provisions of the city's Minimum Property Maintenance, Building, Electrical, Mechanical and Plumbing Codes;
6. That the property is in compliance with all of the standards and requirements for the License category as mandated in the Comprehensive Zoning Ordinance;
7. That the property has no outstanding taxes or municipal code violation liens.

(b) Furnish the following documentation to the Department of Safety and Permits:

1. A floor and/or site plan that indicates the location of the required smoke and carbon monoxide detectors, fire extinguisher, and emergency contact/fire-exit posting, as attested to in subsection (a).
2. The contact information for the owner of the short-term rental unit, which includes the owner's primary physical mailing address, phone number, and email address. Additionally, the same contact information for the local property manager that is able to respond on premises to complaints, as required by the Comprehensive Zoning Ordinance.
3. A list of the short-term rental hosting platform(s) that will be utilized to advertise or solicit the property for use as a short-term rental.
4. Verification that the property has no outstanding taxes or property liens.
5. A valid homestead exemption for the property in the name of the applicant.
6. Valid state issued identification matching the address of the property for which the permit is being requested.



7. An acknowledgement of the zero-tolerance policy towards discrimination as described in the Comprehensive Zoning Ordinance

(c) Any fraud, material misrepresentation, or false statements contained in the attestations, required documentation, or correlating application materials shall be grounds for immediate revocation of a short-term rental license permit. Furthermore, all requirements herein shall be continuously maintained throughout the duration of the permit.

**Sec. 1-3. - Permit and license issuance.**

(a) Upon satisfactory submission of the required attestations and requested documentation in section 1-2, the Department of Safety and Permits may issue an annual short-term rental license permit. Said permit shall contain:

1. The address of the short-term rental;
2. The permit holder's name;
3. The permit number and rental limitations, including bedroom limit and guest occupancy limit;
4. Contact information (name, phone and e-mail) for emergencies or complaints by guests or neighbors. The listed contact information shall be of an individual able to respond on-premises in a timely fashion to complaints;
5. Dates the permit is valid.

(b) The permit holder shall prominently display the permit on the front façade of the property, in a location clearly legible from the street.

(c) The permit holder shall provide the valid permit number on any listing advertising or soliciting the property for use as a short-term rental. The permit holder shall only advertise the short-term rental as allowed by their short-term rental permit.

(d) The permit holder shall post the following information in a prominent location in the interior, clearly visible to guests:

1. The permit number;
2. The name and contact information of the owner/operator;
3. The name and contact information of the property manager, if applicable;
4. Occupancy limit;
5. Trash and recycling collection rules and dates; and
6. Additional short-term rental rules and operational standards as provided in the Comprehensive Zoning Ordinance, including but not limited to: prohibition on the use of the rental for commercial or social events and noise limitations.
7. The City of New Orleans homesharing complaint phone number(e) The permit holder shall notify the properties immediately adjacent to the short-term rental of the permit details in 1-3.d above.



#### **Sec. 1-4. - Permit and license renewal.**

The short-term rental license permit shall be valid one year from the date of issuance. Renewal permits shall be issued in the same manner as initial permits, and requires:

1. Providing the department an updated copy of all the documents required by section 1-2.
2. A revised attestation, indicating continued compliance with the requirements in section 1-2.
3. A revised list of short-term rental platform(s) that will be utilized to advertise or solicit the property for use as a short-term rental.
4. Proof of payment of all applicable taxes and fees as required by law.
5. Valid state issued identification matching the address of the property for which the permit is being requested.

#### **Sec. 1-5. - Permit and license fees.**

(a) Fees for the initial issuance and renewal thereof shall be as follows:

*Short term rental permit: \$200.00*

(b) A fee equal to \$20 for each night of occupancy of a residential dwelling unit used for dwelling, lodging, or sleeping purposes pursuant to a short-term rental, shall be remitted to the city to offset the cost of the enforcement and other housing costs borne by the city.

#### **Sec. 1-6. - Penalties.**

Any violation of this article and the correlating provisions in the Comprehensive Zoning Ordinance may subject a violator to any remedy, legal or equitable, available to the city. Violations include but are not limited to: advertisement or rental of a short-term rental without proper permitting and licensure, operation outside the scope of any of the applicable short-term rental regulations provided by law, failure to include the license number or property address of a short-term rental unit in any advertisement, and advertising a short-term rental outside the permitted scope of a short-term rental license permit. Remedies include, but are not limited to: revocation of a short-term rental license permit, daily fines, property liens, denial of short term rental licenses, and the discontinuance of electrical service. Nothing contained herein shall be construed to limit the legal remedies available to any other person for the correction of violations of this article and the correlating provisions in the Comprehensive Zoning Ordinance.

#### **Sec. 1-7. - Disqualifications and Prohibitions**

(a) Any HNC host may be subject to permanent disqualification for certain offenses. Repeat violations are grounds for a lifetime ban on short-term rental permit issuance.

(b) No short-term rental property whose permit has been revoked, pursuant to the procedure required by this article, shall be permitted to file an application for a new permit under this chapter within a period of 12 months after such revocation. If after such period application is made, the applicant shall have met all the requirements and qualifications provided in this chapter for original applicants, the director of the



Department of Safety and Permits has the discretion to issue a probationary license or permit at an established fee for a period of 12 months. Such probationary license or permit shall be revocable by the director of the Department of Safety and Permits in the exercise of sound discretion, for any violation of the law.

### **Sec. 1-8. - Registration created**

(a) The city will maintain a registry of information regarding short term rentals based upon data provided by HNCs and the Department of Safety & Permits, including but not limited to:

1. The address of the short-term rental;
2. The permit holder's name and contact information (phone number and e-mail address;)
3. The permit number and rental limitations, including bedroom limit and guest occupancy limit;
4. Dates the permit is valid.
5. Any person or property subject to disqualifications and prohibitions as described in Sec. 1-7.

(b) The city shall maintain a list, which shall be known as the prohibited buildings list, identifying the address(es) of all buildings whose owner(s), including any applicable homeowners' association or board of directors, have notified the city that no short-term rental units are permitted to operate anywhere in such building. The city shall: (1) post the prohibited building list on the city's website; (2) establish a process by rule for verifying any notification received from a building owner(s) requesting the commissioner to include such building on the prohibited buildings list; and (3) establish a process, by rule, to enable building owners to remove buildings from the prohibited buildings list.

## **PLATFORM REQUIREMENTS**

### **Sec. 2-1. - HNC permit required.**

No HNCs shall operate without first having applied for and received an annual HNC permit in the manner provided in this article. Any person or entity found operating a HNC without a HNC permit shall be subject to a fine of no less than \$XXX000.00 for the first offense, with each day of illegal operation considered a separate offence. For second or subsequent offenses violators shall be subject to the maximum fine allowed by law and may be permanently prohibited from obtaining a HNC permit.

### **Sec. 2-2. - Occupational license required.**

No applicant shall receive a HNC permit without first having applied for and received an occupational license from the Department of Revenue. The occupational license application shall include proof of registration to conduct business in the state and the name, address, and contact information of an agent for service of process within the state, and the address of an office located within Orleans Parish. A physical office must be maintained in the parish; a P.O. Box is not sufficient.



**Sec. 2-3. - HNC permits are privileges.**

HNC permits are privileges and not rights. The Director of Safety and Permits or his or her designee has full discretion in determining whether a HNC permit shall be issued. HNC permits are not transferable.

**Sec. 2-4. - HNC permit application.**

An application for a HNC permit shall be submitted to the Department of Safety and Permits on forms to be furnished by the director of the Department of Safety and Permits, and the applicant shall furnish the following information with each application:

1. The name and form of business under which the service will be operated;
2. The name, phone number, mailing address, and street address (if different from the mailing address) of the applicant's agent for service of process;
3. A written plan, subject to the approval of the City Planning Commission, describing the applicant's procedures, processes and policies for ensuring that the HNC applicant is, and will remain, in compliance with this Chapter;
4. A written plan, subject to the approval of the Human Relations Commission, describing the applicant's procedures, processes and policies for the HNC to establish and maintain a zero-tolerance policy regarding discrimination by HNC hosts as described in Sec. 2-9.
5. Any additional information as requested by the director of the Department of Safety and Permits for administration of this section.

**Sec. 2-5. - HNC permit fees.**

The Department of Safety and Permits shall charge an annual HNC permit fee of \$XXX000.00. These fees shall be assessed in addition to any other fees charged in any other provision of this chapter. Six months after the effective date of this article, the Department of Safety and Permits shall evaluate the fees and assessments established herein as to whether they are sufficient to offset the cost of the enforcement of this article. The HNC permit shall be valid one year from the date of issuance. Renewal permits shall be issued in the same manner as initial permits.

**Sec. 2-6. - HNC website requirements**

A HNC shall provide the following information on its website:

1. HNC's customer service telephone number and/or email address;
2. HNC's zero tolerance policy and how to report HNC hosts that the customer suspects have violated the zero-tolerance policy as set forth in this chapter and the Comprehensive Zoning Ordinance;
3. Procedures for reporting a complaint about a HNC host; and
4. Complaint telephone and/or email address for the Department of Safety and Permits.



### **Sec. 2-7. - HNC requirements**

- (a) An HNC shall not complete any booking transaction for any residential property or unit unless it is listed on the City's registry created under Section 1-8 at the time the HNC receives a fee for the booking transaction through its HNC digital network.
- (b) An HNC shall provide the verified registration number on each listing in the area of the listing dedicated to information verified or compiled by the HNC about the host, such as host response rate, host ratings, and date of joining the platform.
- (c) An HNC shall send the verified registration number, residential unit street address (including any unit number), and host name to the Department of Safety and Permits by electronic mail prior to completing any initial booking transaction of a short-term rental on its HNC network.
- (d) An HNC shall comply with the requirements of all applicable tax regulations by, among any other applicable requirements:
1. Collecting and remitting all required hotel sales and use taxes and hotel occupancy privilege taxes imposed under applicable New Orleans law for booking transactions completed by hosts and guests on the HNC digital network for accommodations located in New Orleans;
  2. Notifying HNC hosts that that all applicable taxes on HNC services will be collected and remitted to the taxing jurisdiction;
  3. Notifying customers of the amount of hotel tax collected and remitted on each taxable booking transaction;
  4. A HNC shall maintain a record demonstrating that the taxes have been remitted to the Tax Collector and shall make this record available to the Tax Collector upon request;
  5. These provisions shall not relieve a HNC of liability related to an occupant's, resident's, business entity's, or owner's failure to comply with the requirements of the tax code.

### **Sec. 2-8. - Booking sheets and records.**

- (a) Every HNC shall keep daily records including all booking requests, complaints, accepted booking requests, reports of crimes, and HNC host identification information. Such records may be maintained electronically and shall be preserved for a period of not less than two years and be available for examination by the director of the Department of Safety and Permits within twenty-four hours of request. Failure to maintain such records or to timely provide them shall be grounds for fines, suspension and/or revocation of a HNC permit.
- (b) Each HNC under this Article shall have a duty to submit to each councilmember and the City, every month, a report, in a form approved by the City, that contains, on a specific basis for the respective council district, the information set forth in this section about each of the short-term rentals listed on the HNC's digital network during the applicable reporting period:
1. The address, permit number, and contact information for every short-term rental for which the HNC completed a booking transaction during the applicable reporting period;

2. The individualized name or number of each such advertisement or listing connected to such unit and the uniform resource locator (URL) for each such listing or advertisement, where applicable;
3. The total number of nights that each short-term rental listed on the platform was rented to customers during the applicable reporting period;
4. The total number of nights whether such booking services was provided in connection with (i) short term rental of the entirety of such unit, (ii) short term rental of part of such unit, but not the entirety of such unit;
5. The amount of rent paid by customers in connection with the rental of each short-term rental listed on the platform during the applicable reporting period;
6. The total amount of tax and fees paid by the HNC to the City in connection with the rental of each short-term rental listed on the platform during the applicable reporting period;
7. A cumulative tally to date of the number of nights that each short-term rental listed on the platform is booked for rental during the remaining months of the applicable calendar year;
8. A notation indicating each short-term rental listed on the platform that the department has determined is ineligible to be listed on the platform and;
9. Such other information as such agency may by rule require.

(c) Falsifying or failing to timely transmit any records outlined in this article shall be grounds for fines, suspension and/or revocation of a HNC permit.

**Sec. 2-9. - Zero tolerance policy.**

- (a) Every HNC shall establish and maintain a zero-tolerance policy regarding discrimination by HNC hosts based on age, color, creed, gender identification, gender or sex, marital status, national origin/ancestry, physical condition/disability, race, religion, or sexual orientation while providing HNC services.
- (b) Immediately upon receiving a credible complaint, the HNC shall suspend the HNC host and conduct an investigation into the allegation. The suspension shall remain in place throughout the duration of the investigation.
- (c) Within twenty-four hours, a HNC shall notify the Department of Safety and Permits and the Human Relations Commission of all customer complaints lodged against any HNC host accused of violating its zero-tolerance policy, which were deemed credible, as well as the results of such investigation.
- (d) Any HNC host found to have violated the zero-tolerance policy defined in this article or the Comprehensive Zoning Ordinance shall be prohibited from operating as a HNC host within the City of New Orleans for a period of no less than one year from the date of the violation. Repeat violations are grounds for a lifetime ban on short-term rental permit issuance as described in Sec. 1-7.
- (e) Every HNC must prepare a report quarterly, in a form agreed to by the City, of all complaints of discrimination it received in the previous three months, whether found credible or not.





(f) Repeated or especially serious violations may be referred to the district attorney for fair housing prosecution.

**Sec. 2-10. - Penalties for violations by HNCs.**

Unless otherwise provided for in this article, for violations of this chapter, a HNC shall be subject to a fine of up to \$XXXX.00 for a first offense and/or possible suspension or revocation of its HNC permit; for subsequent offenses, a HNC shall be subject to a fine up to the maximum amount allowable in the Municipal Court of Orleans Parish and/or possible suspension or revocation of its HNC permit.

**Sec. 2-11. - HNC permit holder liability.**

A HNC shall be liable for violations of this chapter or those committed by a HNC host using a HNC digital network upon a showing that the HNC knew or should have known about such violations. Such a showing shall be grounds for fines and the suspension and/or revocation of a HNC permit.

**Sec. 2-12. - Mandatory alternative dispute resolution, jurisdiction, and choice of law provisions.**

For any services rendered pursuant to this article:

- (a) Any provision in a contract between a HNC, HNC host, or a HNC customer requiring alternative dispute resolution including, but not limited to, mediation or arbitration, prior to or instead of accessing the court system, shall not be enforceable.
- (b) Any provision in a contract between a HNC, HNC host, or a HNC customer which seeks to prevent a litigant from filing suit in a court of competent jurisdiction in the State of Louisiana shall not be enforceable.
- (c) Any provision in a contract between a HNC, HNC host, or a HNC customer which seeks to mandate or limit choice of law rules shall not be enforceable.

**Sec. 2-13. - Prohibition against waiver or limitation of liability.**

For any services rendered pursuant to this article, any terms or conditions in the agreement between the HNC and HNC host, or between the HNC and any customer that would act as a waiver or limitation of the HNC's liability to a HNC host, a customer or the public, or of the HNC host's liability to the customer or the public, shall not be enforceable.

**SEVERABILITY**

**Sec. 3-1. - Severability**

Should any paragraph, sentence, clause, phrase or word of this article be declared invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences or paragraphs of this article, as they would have been enacted by council without the incorporation in this article of any such invalid or unconstitutional word, phrase, clause, sentence or paragraph.

**TRANSITION**

**Sec. 4-1. - Repeal of previous ordinance**



This ordinance replaces Article XI Sec. 26-613-620 of the New Orleans Municipal Code. This ordinance shall take effect 90 days following its passage and publication.



## **CZO amendments**

- (a) In addition to the regulations below, all short-term rentals shall comply with the regulations of the Department of Safety and Permits, the Department of Finance, Bureau of Revenue and the Code of the City of New Orleans.
- (b) All short-term rentals shall require a license to be secured prior to operation. Advertisement is considered evidence of operation. Proof of ownership and residency shall be required via a valid homestead exemption.
- (c) In no event shall any short-term rental license be issued in the Vieux Carre, the area generally bounded by: Iberville St., N. Rampart St., Esplanade Ave., and the Mississippi River.
- (d) Short term rentals shall be considered dwelling units for density purposes and subject to the minimum lot area per dwelling unit requirement of the applicable zoning district.
- (e) Short term rentals shall not be operated outdoors, in an accessory structure, or in a recreational vehicle.
- (f) There shall be an in-town property manager if the owner is out of town during the time of the rental.
- (g) Only one party of guests shall be permitted per short term rental unit.
- (h) Occupancy shall be limited to two (2) guests per bedroom or ten (10) guests, whichever is fewer. A short-term rental shall not be rented for more than this limit. Dependent minor children staying with their legal guardians shall not count toward these limits.
- (i) Use of the short-term rentals for commercial or social events shall be prohibited.
- (j) The short-term rental shall not adversely affect the residential character of the neighborhood.
- (k) The short-term rental shall not generate noise, vibration, glare, odors, or other effects that unreasonably interfere with any person's enjoyment of his or her residence.
- (l) The short-term rental shall appear outwardly to be a residential dwelling.
- (m) The license shall be prominently displayed on the front facade of the property in a location clearly legible from the street during all periods of occupancy and contain the license number, the contact information for the owner or in-town property manager, the bedroom and occupancy limit, and the City's complaint phone number.



- (n) Operators of short term rentals shall not discriminate based on age, color, creed, gender identification, gender or sex, marital status, national origin/ancestry, physical condition/disability, race, religion, or sexual orientation while providing services.