



SENATE GOVERNMENT COMMITTEE

March 10, 2025

SENATE BILL 104 TESTIMONY

Chair O'Brien, Vice Chair Gavarone, and Members of the Senate Local Committee, I appreciate the opportunity to testify on behalf of the Village of Chagrin Falls regarding Senate Bill 104 that will prohibit most local regulations of short-term rentals.

Last year the Village of Chagrin Falls adopted legislation to regulate short term rentals. Ordinance 2024-38 was adopted by the Village of Chagrin Falls to regulate short-term rentals within the Village Building Code. This Ordinance provides for definitions, registration of short-term rental dwellings, requires a local agent in charge, establishes safety requirements and provides for revocation of registration for violation of the law after notice and progressive discipline steps with the right of appeal to the Village Board of Zoning Appeals. Violation of Chapter 1361 is a misdemeanor of the third degree. Registration of \$100 to be renewed annually is required.

Senate Bill 104 conflicts with Ordinance 2024-38 in a number of ways, however, the Ordinance does not prohibit short term rentals, does not create a lottery system, or use zoning requirements to prohibit short-term rentals in residential areas, it does not restrict the number of short-term rentals a person may operate and does not require that the owner occupy the property.

Senate Bill 104 does, however, limit any fees associated with registration for a short-term rental to the sum of \$20.00 per year. The cost of administering the program far exceeds that fee. Secondly, SB 104 provides the fees can only be used for enforcement of short-term rental regulations and it is not clear if that would include issuance of permits and inspections of property which is required before any certificate of rental registration can be issued or renewed.

It is the belief of the Village of Chagrin Falls that this legislation unduly hampers and restricts the Village from imposing, inspecting and enforcing important safety requirements in Ordinance 2024-38. For example, smoke detectors within each sleeping area are required. Carbon monoxide detection devices are required, and a fire extinguisher has to be provided and maintained in the dwelling. Senate Bill 104 will interfere with the ability of the Village to ensure safety requirements are being met and could prohibit the Village from revoking a registration permit for a repeat offender, since proposed Section 5325.0(B) of SB 104 would prohibit a local government from adopting an ordinance that prohibits short-term rental properties. Revocation of a certificate of rental registration, required to operate a short-term rental in the Village, may be a prohibited activity. Taking away this tool from the Village would encourage violations of important safety requirements.

The Village is also of the view that Senate Bill 104 is in violation of the Home Rule powers of the Village in determining what safety requirements would be required, enforcement of those requirements, and the ability to prohibit use of a dwelling for short-term rentals by a repeat offender.

The Village does not intend to prohibit short-term rentals, it merely wants the opportunity to ensure the safety of those who rent such dwellings. There is no lodging tax being imposed upon short term rental properties. A copy of Ordinance 2024-38 is attached to this written testimony for your review and understanding.

The Village of Chagrin Falls opposes Senate Bill 104 and we respectfully ask the Committee to either significantly revise the amendment to conform to the Home Rule powers of municipalities, and to not interfere with local government's ability to enforce safety regulations. On behalf of the Village of Chagrin Falls I thank you.

Regards,

A handwritten signature in black ink that reads "William Tomko". The signature is written in a cursive style with a prominent horizontal line above the first name.

William Tomko
Mayor

Enclosures: Ordinance 2024-38 (Establish Short Term Rentals)

Passed (08/12/2024)

ORDINANCE 2024-38
INTRODUCED BY: MAYOR

**AN ORDINANCE
OF THE VILLAGE OF CHAGRIN FALLS TO
ESTABLISH REGULATIONS FOR SHORT TERM
RENTALS IN THE VILLAGE OF CHAGRIN FALLS**

WHEREAS, the Planning and Zoning Commission, at their May 20, 2024 meeting recommended to Council to regulate short term rental of dwellings within the Village of Chagrin Falls and to add new Chapter 1361 of the Codified Ordinances; and

WHEREAS, Council desires to enact new Chapter 1361 to be added to the Codified Ordinances to regulate, at present, short term rentals, as more fully set forth in Exhibit "A" attached hereto and made a part hereof.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF CHAGRIN FALLS, CUYAHOGA COUNTY, STATE OF OHIO:

Section 1. That Chapter 1361, attached hereto as Exhibit "A", regulating short term rentals of dwellings within the Village of Chagrin Falls, is hereby adopted and the Codified Ordinances shall be amended to add new Chapter 1361.

Section 2. The Ordinances of the Village, to the extent inconsistent with the newly enacted provisions herein regarding Chapter 1361, attached here to as Exhibit "A", are hereby repealed, except to the extent that such Code Sections are the subject of an enforcement action they shall be considered effective for the purposes of enforcement for any violations that occur prior to repeal.

Section 3. That actions of this Council concerning and relating to the passage of this legislation were adopted in lawful meetings of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were in compliance with all legal requirements, including Chapter 114 of the Codified Ordinances of the Village of Chagrin Falls.

Section 4. That in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls, public notice of this Ordinance shall be given by posting a copy thereof for not less than fifteen (15) days on the Village website.

Section 5. That this Ordinance shall take effect and be in force after the earliest period allowed by law.

**ORDINANCE 2024-38
INTRODUCED BY: MAYOR**

PASSED: August 12, 2024

Submitted to the Mayor for
his approval on this

14th day of August 2024

Approved by the Mayor

08/14/2024

Angela DeBernardo

Angie DeBernardo, Council President

William A. Tomko

William Tomko, Mayor

I hereby certify that Ordinance No. 2024-38 was duly enacted on the 12th day of August 2024, by the Council of the Village of Chagrin Falls and posted in accordance with Section 113.01 of the Codified Ordinances of the Village of Chagrin Falls.

Angela A. Gerye

Angela Gerye, Clerk of Council

**ORDINANCE 2024-38
INTRODUCED BY: MAYOR**

EXHIBIT "A"

**CHAPTER 1361
SHORT TERM RENTAL REGULATIONS**

- 1361.01 Definitions
- 1361.02 Registration Required
- 1361.03 Local Agent In-Charge
- 1361.04 Safety Requirements
- 1361.05 Revocation of Registration
- 1361.06 Appeal of Denial or Revocation of Registration
- 1361.07 Transfer of Short-Term Rental Registration Prohibited
- 1361.08 Severability
- 1361.09 Penalty

1361.01 DEFINITIONS

As used in this Chapter:

- (a) "Short-Term-Rental" means any room or dwelling that is rented wholly or partly for a fee for thirty (30) or fewer consecutive days by one or more persons-other than the owner from whom the owner receives monetary compensation, whether such compensation is paid directly by the short-term rental guest or is collected and remitted to the permanent occupant or owner by a hosting platform. "Short-Term-Rental" does not include a room in any hotel or motel, as defined elsewhere in the Codified Ordinances of the Village of Chagrin Falls.
- (b) "Hosting Platform" means a person or entity in whatever form or format that facilitates, through advertising or any other means, a short-term rental booking transaction for accommodations between a short-term rental Owner and short-term-rental guest, including, but not limited to, reservations and/or collection of payment for such accommodations on behalf of the short-term rental Owner.
- (c) "Short-Term Rental Guests" means a person or persons renting temporary lodging from a short-term rental Owner, or through a hosting platform on behalf of the short-term rental Owner, for thirty (30) or less consecutive days.
- (d) "Owner" means an individual(s), corporation, or partnership, limited liability company, trust, or other legal entity that has legal title to and control of a dwelling.
- (e) "Short-Term Rental Owner" or "Owner" means the owner and/or permanent occupant of a short-term rental who offers the short-term rental for temporary lodging.
- (f) "Local Agent In-Charge" is the person authorized to receive notices and make decisions in an emergency concerning a short-term rental and must be permanently located for business or reside within a thirty (30) mile radius of the borders of the Village of Chagrin Falls.
- (g) "Short-Term Registration" means the "Short Term Rental Registration Application Form".

ORDINANCE 2024-38
INTRODUCED BY: MAYOR

- (h) “Certificate of Rental Registration” means the certificate provided by the Village upon submission of a completed registration application form and the required fee.
- (i) “Dwelling” means any building or structure which is occupied or intended for occupancy in whole or in part as a home, residence, or sleeping place for one or more persons.

1361.02 REGISTRATION REQUIRED

- (a) Any initial registration submitted during calendar years 2024 and 2025 shall expire on December 31, 2025.
- (b) The owner or owner’s agent who engages in a short-term rental operation within the Village of Chagrin Falls shall register the dwelling where the short-term rental operation is located with the Chief Administrative Officer of the Village of Chagrin Falls on a form to be provided by the Chief Administrative Officer.
- (c) The registration form shall be accompanied by a One-hundred Dollar (\$100.00) fee. The registration and accompanying One-hundred Dollar (\$100.00) fee shall be renewed annually. In the event the initial registration is made on or after December 1, the registration shall be valid for December of that year and all of the following year. The registration renewal shall be required if the dwelling is held out for short-term rental operations. The deadline for renewal of a short-term rental registration shall be the first Monday of November of the year in which the short-term rental permit is set to expire. Failure to renew shall result in the expiration of the short-term rental registration on December 31.
- (d) No registration shall be required until ninety (90) days after the effective date of Ordinance 2024-38 creating Chapter 1361 of the Codified Ordinances of the Village of Chagrin Falls. No person, including, but not limited to, an owner, operator, manager, employee, or entity shall engage in or permit to be engaged in, conducted, or carried on, the operation of a short-term rental in or upon any premises in the Village of Chagrin Falls, without first registering the dwelling in accordance with this Chapter, and receiving a Certificate of Rental Registration from the Chief Administrative Officer.
- (e) The application for the registration shall contain at least the following information:
 - 1. The name of the applicant, including mailing address, telephone number and email address.
 - 2. The name(s) of the legal owner(s) of the dwelling, including mailing address, telephone number and email address.
 - 3. The names and addresses of any other short-term rental located in the Village of Chagrin that the applicant or property owner has any interest in, including, but not limited to, ownership, licensure or management.
 - 4. The maximum number of occupants that will be accommodated at the short-term rental, not to exceed two (2) per bedroom, plus three (3) additional occupants.
 - 5. The name, address, email, and telephone number for the short-term rental operation contact information for the local agent in-charge that may be used 24 hours a day, seven days a week for any issues that may arise related to the short-term rental unit or its guests.

ORDINANCE 2024-38
INTRODUCED BY: MAYOR

- (f) The occupant or owner must notify the Chief Administrative Officer of any change in the information contained in the registration application within ten (10) days of the change.
- (g) Any change in ownership of the dwelling shall void the short-term rental registration and shall require submission and approval of a new short-term rental registration application.
- (h) The current short-term rental registration form must be prominently posted inside the dwelling and on any hosting platform(s) or in any other advertisement regarding the dwelling. The registration form shall be removed upon expiration.

1361.03 LOCAL AGENT IN-CHARGE

- (a) Each short-term rental dwelling shall have a local agent in-charge assigned and the information provided to the Chief Administrative Officer and conspicuously posted within the dwelling. (i) The short-term rental Owner shall provide written notice which must be conspicuously displayed within the dwelling of: the contact information, including the telephone number, and email address of the local agent in-charge with responsibility to resolve any complaints, regarding the condition, operation and maintenance of the dwelling; (ii) police, fire, and emergency management services phone numbers serving the dwelling; and (iii) the trash and recycling collection days for the dwelling and any applicable ordinances, rules and regulations pertaining to leaving or storing trash on the exterior of the dwelling. In the event the Chief Administrative Officer is unable to contact any Owner, any notice to be provided to the Owner may be sent to the tax mailing address noted in the County Fiscal Officer's records for such dwelling.

1361.04 SAFETY REQUIREMENTS

- (a) Smoke detectors shall be provided and maintained within each sleeping area in each dwelling.
- (b) One or more carbon monoxide detection devices shall be installed and maintained as close to the center of the dwelling unit and within close proximity to the living area and within each sleeping area of the dwelling.
- (c) A fire extinguisher, located within the dwelling shall be provided and maintained.
- (d) Before any Certificate of Rental Registration is issued or renewed the Fire Chief, Fire Marshall, or their designee shall inspect the dwelling to verify that all safety requirements set forth in this Section are properly installed, properly maintained and operating in good condition and to verify compliance with this Chapter. The Fire Chief, Fire Marshall or their designee shall record their inspection and provide a copy to the Chief Administrative Officer prior to issuance of a Certificate of Rental Registration. The Fire Department Chief, Fire Marshall or their designee shall record and investigate any report of an alleged violation of this Chapter which is submitted them in writing signed by the complainant. If the Chief Administrative Officer finds that any provision(s) in this Chapter are being violated, he shall notify in writing the person responsible and/or the local agent in-charge, indicating the nature of the violation and actions necessary to correct it. Notice may be served on

ORDINANCE 2024-38
INTRODUCED BY: MAYOR

the owner, permanent occupant, or local agent in-charge personally, or by certified mail and regular mail to the dwelling, or if deemed more likely to be received, at the tax mailing address for the dwelling listed in the records of the County Fiscal Officer. The Chief Administrative Officer shall offer the cessation, removal or other correction of any violation determined by the Fire Department or the Chief Administrative Officer to be continuing.

1361.05 REVOCATION OF REGISTRATION

- (a) The Chief Administrative Officer may revoke a short-term rental registration if it is determined that the owner or permanent occupant has violated any of the provisions of this Chapter; or (i) is delinquent in filing a municipal income tax return; or (2) or making a payment of municipal income taxes; or (iii) has been the subject of 2 (two) or more separate complaints to the Village and the Chief Administrative Officer has determined that a violation of any Village ordinance, or any county, state or federal law, rule or regulation has occurred; or the owner or local agent in-charge fails to respond to a communication from the Village within Two (2) hours after receipt of the communication .
- (b) The violation of Subsection (a) of this Section shall result in progressive discipline:
 - 1. Upon the first violation, the Certificate of Rental Registration shall be revoked and the short-term rental Owner prohibited from re-applying for a new registration for the dwelling six (6) months from date of termination.
 - 2. Upon the second violation, the Certificate of Rental Registration shall be revoked and the short-term rental Owner prohibited from re-applying for a new registration for the dwelling one (1) year from the date of termination.
 - 3. Upon the third violation, the Certificate of Rental Registration shall be revoked and the short-term rental Owner prohibited from re-applying for a new permit for the dwelling a period of five (5) years from the date of termination.

1361.06 APPEAL OF DENIAL OR REVOCATION OF REGISTRATION

- (a) In the event a registration has been revoked, the party affected shall have the right to appeal to the Board of Zoning Appeals from such revocation within ten (10) business days after receiving notice of the revocation.
- (b) The notice of appeal shall be filed with the Chief Administrative Officer on a form provided by the Chief Administrative Officer. The burden of proof of such appeal shall be upon the appellant to show that the revocation or suspension was arbitrary or unreasonable.

1361.07 TRANSFER OF SHORT-TERM RENTAL REGISTRATION PROHIBITED

- (a) No Certificate of Rental Registration required by this Chapter shall be transferable to another short-term rental operation or short-term rental Owner.

ORDINANCE 2024-38
INTRODUCED BY: MAYOR

- (b) No Certificate of Rental Registration under this Chapter shall be transferable to another individual, corporation, firm, partnership, limited liability company, association, organization, or other group or entity acting as a unit.

1361.08 SEVERABILITY

- (a) In the event any section or provision in this Chapter shall be declared by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of this Chapter as a whole or any part thereof other than the part so declared to be invalid or unconstitutional.

1361.09 PENALTY

- (a) The owner or permanent occupant who is responsible for the short-term rental operation or any person who fails to comply with an order made by the Chief Administrative Officer or his designee enforcing this Chapter is guilty of a misdemeanor of the third degree.
- (b) Each day that such violation is committed or continues shall constitute a separate offense, commencing one day after the Chief Administrative Officer or his designee's order is served on the owner, permanent occupant or local agent in-charge as the case may be.