

VILLAGE OF SUTTONS BAY  
LEELANAU COUNTY, MICHIGAN  
ORDINANCE NO.  
SHORT TERM RENTAL ORDINANCE

AN ORDINANCE TO REGULATE SHORT TERM RENTALS WITHIN THE VILLAGE OF  
SUTTONS BAY

THE VILLAGE OF SUTTONS BAY ORDAINS:

**Section 1. Definitions.**

As used in this Ordinance:

“Bathroom” means a room containing a toilet or urinal, a sink, and a bathtub or shower.

“Bedroom” means a separate room intended to be used for sleeping purposes.

“Cap” means the maximum number of dwelling units for commercial use for a period of less than thirty (30) consecutive days in exchange for consideration allowed with the Village limits.

“Dwelling unit” means a residential building or separate and discrete portion of a residential building that includes independent living facilities for one or more persons and includes permanent provision for living, eating, cooking, and a separate bathroom(s) and bedroom(s). Dwelling unit does not include hotels, motels, bed and breakfasts, or similar uses.

“Efficiency dwelling unit” means a dwelling unit that does not contain a separate bedroom(s) for sleeping.

“Habitable space” means the space in a dwelling unit used for living, sleeping, eating or cooking. Bathrooms, closets, halls, storage or utility spaces, and similar areas are not habitable spaces.

“Grandfathered license” means a valid short term rental license existing on November 21, 2022.

“Occupancy” means the purpose for which a dwelling unit or portion thereof is utilized or occupied.

“Occupant” means any individual sleeping in a dwelling unit or having possession of a space within a dwelling unit.

“Operator” means any person who owns or has charge, care or control of a dwelling unit which is offered for rent.

“Person” means an individual, firm, corporation, association, partnership, limited liability Company, or other legal entity.

“Rent” or “Rental” means to permit, provide for, or offer possession or occupancy of a dwelling unit for commercial use for a period of less than thirty (30) consecutive days in exchange for consideration.

“Tenant” means a person who is not the legal owner of record and who is renting a dwelling unit.

**Section 2. License Required.**

No person shall permit or allow a dwelling unit or efficiency dwelling unit to be rented or used within the Village without first registering the rental property and obtaining a license from the Village pursuant to the requirements of this Ordinance. A license granted in accordance with this Ordinance is not transferrable.

**Section 3. Application and Fee Requirements.**

An Operator seeking a license under this Ordinance shall submit a complete application to the Village Manager or his/her designee and pay such fee determined from time to time by resolution of the Village Council. The application shall be on a form prepared by the Village and shall, without limitation, include: the address of the subject parcel containing the dwelling unit to be rented; proof of the Operator’s ownership of, or the legal right to rent, a dwelling unit; name and contact information of the local representative or rental agency responsible for ensuring compliance with the terms of the license (if other than the Operator); the proposed maximum occupancy of the dwelling unit; the signature of the Operator affirming that the dwelling unit will be operated in conformance with all applicable ordinance requirements; such other information reasonably necessary for the Village Manager to determine whether the applicable standards for approval contained in Section 4 have been met; and, affirmation by the Operator that the application is true, accurate and complete and authorizing the inspections under Sections 5. It is a violation of this Ordinance for an Operator to provide inaccurate information for the licensing of a dwelling unit, to fail to provide information required by this section, or to fail to license a dwelling unit that is subject to this Ordinance. An Operator or his/her local representative or rental agency must be available twenty-four hours a day during any rental period. For purposes of this section, “dwelling unit” shall be defined to include an “efficiency dwelling unit.”

**Section 4. Standards for Approval.**

Provided the cap has not been exceeded, not later than 30 days after receiving a completed application and any accompanying fee, the Village Manager or designee shall approve, deny, or approve with conditions, an application for a short-term rental license. The basis for any denial shall be provided in writing to the applicant.

- A. A dwelling unit or efficiency dwelling unit subject to this Ordinance must comply with all of the following requirements:
  - 1. All bedrooms within a dwelling unit shall meet the following minimum requirements:

- (a) Every bedroom intended to be occupied by one person shall contain at least 70 square feet of floor area, and every bedroom intended to be occupied by two persons shall contain at least 100 square feet of floor area. 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 seven (7) 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.
- B. The maximum occupancy of a dwelling unit subject to this Ordinance may not exceed the lesser of:
  - 1. Two (2) persons per bedroom (not including pre-school aged children)
  - 2. Ten (10) persons (not including pre-school aged children)

The occupancy limits set forth in this subsection shall be applied so as to include the entire licensed premises and shall, without limitation, include the occupancy of tents, campers or similar facilities anywhere on the premises.
- C. The use of outdoor yard areas, open decks, pools and the like shall not result in producing adverse off-site noises, odors, other external disturbances, or other nuisances as regulated by the Village or state law.
- D. Noise during quiet hours must be limited to that which does not disturb the quiet, comfort or repose of a reasonable person of normal sensitivities. Quiet hours shall be from 10:00 PM to 8:00 AM.
- E. Cultural events, special events, outdoor events, lawn parties, weddings or similar activities are not allowed on the licensed premises for more than the number of permitted occupants.
- F. Trash disposal must be provided. Trash must be contained in properly sealed receptacles appropriately sized to avoid overflow or vermin attraction.
- G. The Operator shall minimally comply with the applicable parking requirements under the Village Zoning Ordinance and parking spaces shall be located on the licensed premises. Parking areas must be easily identifiable as a designated parking area and improved to such a degree to function as a parking area and support the use. Boats, recreational vehicles, trailers and similar personal property may not be parked, stored, or used in an unimproved front yard area of the licensed premises.
- H. The licensed premises shall meet all applicable building, health, fire and related safety codes at all times. Emergency contact information and phone numbers shall be posted within the dwelling unit where they visible clearly visible by or on the primary access door used by the

occupants of the dwelling.

- I. Any sign on the licensed premises must comply with applicable provisions of the Village's Zoning Ordinance.
- J. The Operator will provide notice of the short term rental dwelling unit and phone number(s) of the Operator, who is the 24 hour contact, to all properties within two hundred feet (200') of the boundaries of the licensed premises. Proof of notice shall be required as part of the original permit application and all renewals.
- K. An Operator shall post the standards set forth herein in a prominent place within the licensed premises and shall include them as part of any rental agreement.
- L. No more than one dwelling unit or efficiency dwelling unit is permitted per lot or parcel.
- M. The licensed premises shall remain in compliance with all applicable Village ordinances including, without limitation, the Village Zoning Ordinance.
- N. Subject to the provisions of Section 7, a license shall be valid for three (3) years (January 1 through December 31) unless (1) there is a change in the ownership of or the Operator for the licensed premises or (2) the dwelling unit is physically altered such that habitable space within the unit is increased, decreased, or redistributed among living, sleeping, eating, or cooking areas. Upon the occurrence of subsections (1) or (2) above, the license shall automatically expire.
- O. A dwelling unit permitting the occupancy of one (1) to five (5) tenant(s) shall comply with the following additional requirements: The dwelling unit shall have a living room of 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.
- P. A dwelling unit permitting the occupancy of six (6) to ten (10) tenants shall comply with the following additional requirements: The dwelling unit 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.
- Q. An efficiency dwelling unit permits the occupancy of a maximum of two (2) tenants and shall comply with the following additional requirements: The dwelling shall have habitable space of no less than 220 square feet. The dwelling shall contain a kitchen that includes a sink, cooking appliance, and refrigeration appliance. The dwelling unit shall contain no less than one (1) bathroom.
- R. Upon the written request of an applicant for a license, the Village Manager may waive or modify identified standards set forth in this Section 4 based on his/her review of factors affecting the public health, safety and welfare including, but not limited to, the following: the presence of unique

characteristics affecting the licensed premises; the ability to reasonably comply with the standards; the visual and aesthetic impact of the proposed waiver from the standards; the existing character of the adjacent area; public comment; the scale and scope of deviation from the standards relative to the existing character of the area; and whether granting the waiver will adversely impact public safety. Following his/her review, the Village Manager may grant, deny or grant with conditions a request to waive or modify the standards and shall provide the basis for his/her decision to the applicant in writing. The applicant shall be responsible to pay all actual costs of the Village associated with the request to waive or modify the standards.

#### **Section 5. On-Going Inspections and Revocations.**

- A. An inspection may be made by the Village during the term of a license following reasonable notice to the Operator. An inspection shall be made by the Village, following reasonable notice to the Operator, in response to a complaint regarding a licensed premises received from an adjacent property owner or a tenant of the licensed premises. The inspection shall be conducted to determine whether there is any observed violation of Village ordinances. Following written notice of a violation, re-inspections shall be made as necessary to ensure noted violations have been corrected.
- B. In the event inspections or re-inspections result in the issuance of three (3) or more separate code or ordinance violations within a 12-month period, the license shall be revoked, the owner and Operator (if different) shall be notified that the approved license is revoked and the basis for the same, and the owner and Operator (if different) shall be subject to any and all applicable penalties for failing to comply with this Ordinance. The owner or Operator (if different) shall have the right to appeal such revocation, setting forth in writing the basis for its appeal and submitting its appeal within ten (10) calendar days of its receipt of the notice of revocation from the Village.
- C. An appeal shall initially be heard by the Village Manager who shall have ten (10) calendar days following receipt of the appeal to review the action appealed from and to make his or her determination based on a review of the relevant facts, applicable laws and utilization of the standards set forth herein. In making his or her review and determination, the Village Manager shall consider, without limitation, the following factors: the presentation (if any) of the appellant; the nature and severity of the violations at issue; the impact of those violations on the tenants of the licensed premises; the impact of those violations on adjacent properties; and mitigating circumstances put forward by the owner and Operator (if different). The Village Manager may affirm the revocation, overturn the revocation or take such other action as he or she deems appropriate and consistent with the terms of the Village's ordinances and codes. The Village Manager's decision and the basis for the same shall be reduced to writing and a copy provided to the owner and Operator (if different).
- D. The owner or Operator (if different) shall have the right to appeal a determination of the Village Manager as set forth above, setting forth in writing the basis for its appeal and submitting its appeal within ten (10) calendar days of its receipt of the determination by the Village Manager. An appeal under this subsection shall be heard by the Village Council's Administration and Public Safety Committee or a successor committee which shall have twenty (20) calendar days following receipt of the appeal to review the action appealed from and make its determination based on a review of the relevant facts, applicable laws and utilization of the standards set forth herein. In making its

review and determination, the Committee shall consider the same factors as set forth in this Ordinance. The Committee's decision shall be final and the Committee may affirm the revocation, overturn the revocation or take such other action as it deems appropriate and consistent with the terms of the Village's ordinances and codes. The Committee's decision and the basis for the same shall be reduced to writing and a copy provided to the owner and Operator (if different).

**Section 6. Conditions.**

The Village Manager or designee may impose reasonable conditions on a license issued under this Ordinance as necessary to ensure compliance with the standards for approval provided in Sections 4 and 5.

**Section 7. Short Term Rental Licensing Implementation and Renewal Process.**

- A. All rentals in the Village must be licensed in accordance with the provisions of this Ordinance prior to being used for rental purposes.
- B. Notwithstanding any other provision of this Ordinance, all rentals within the Village must comply with the occupancy restrictions set forth in Subsection 4.B from and after the effective date of this Ordinance.
- C. The cap on licenses in the Village is 45.
- D. Licenses may be renewed by the Operator's submission, not less than 30 days prior to the expiration of the existing license, of an application for renewal on such form as prepared by the Village and the payment of any associated fee as set by resolution of the Village Council from time to time. Licensed premises for which a renewal application is submitted shall be subject to inspection by the Village and the Village may require improvements or modifications to the licensed premises consistent with the terms of this Ordinance as a condition of approving a renewed license. Licenses obtained by renewal shall be valid for a three-year period as set forth in Section 4.N and shall otherwise be subject to all provisions of this Ordinance.
- E. Grandfathered licenses shall remain valid as set forth and subject to this Ordinance and shall be permitted to be renewed as set forth in this section provided that all terms and conditions of this Ordinance are otherwise met and the grandfathered license has not been revoked or expired even if the cap set forth in subsection C of this Section is exceeded.

**Section 8. Nuisance.**

A violation of this Ordinance is hereby declared to be a public nuisance and nuisance per se and is further deemed to be offensive to the public health, safety and welfare and shall be subject to abatement in the manner permitted by law or in equity.

**Section 9. Administrative Liability.** No Village officer, official, agent, employee or member of the Village Council shall be personally liable or responsible for any damage which may occur to any person or entity as a result of any act or decision performed (or not performed) in the discharge of duties and responsibilities

pursuant to this Ordinance.

**Section 10. Violations.**

Any person who violates any provision of this Ordinance shall be responsible for a municipal civil infraction and shall be subject to a fine of Five Hundred and 00/100 (\$500.00) Dollars, the costs of prosecution, and such other relief as authorized by law. Each day this Ordinance is violated shall be considered a separate violation.

For each violation of a license by a license holder within a calendar year, the Village shall issue a written warning notice of violation mail to the property owner and operator via First Class Mail and Certified Mail. The property owner and operator shall acknowledge receipt of the written notice within 7 days. Failure to acknowledge the violation, does not waive responsibility by the owner and operator.

If there are one or more violations each year during any three (3) consecutive year period, or three (3) violations in a single calendar year, the license shall be revoked.

An owner may appeal a decision to revoke a license to the Village Council within 30 days of the date the written note of revocation was issued.

**Section 11. Enforcement Officials.**

The Village Manager or his/her designee and law enforcement officials of the Leelanau County Sheriff's Department are hereby designated as authorized local officials who are empowered to issue municipal civil infraction notices or citations pursuant to this Ordinance.

**Section 12. Civil Action.**

In addition to enforcing this Ordinance through the use of a municipal civil infraction proceeding, the Village may initiate proceedings in the circuit court to abate or eliminate a violation of this Ordinance.

**Section 13. Validity.**

If any section, provision or clause of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any remaining portions or application of this Ordinance which can be given effect without the invalid portion or application.

**Section 14. Repeal.**

All previous Ordinances regulating Short Term Rentals within the jurisdictional boundaries of the Village of Suttons Bay are hereby repealed and replaced by this Ordinance.

**Section 15. Effective Date.**

This Ordinance shall become effective following publication of the Ordinance, or a synopsis of the Ordinance, in a newspaper of general circulation within the Village.

VILLAGE OF SUTTONS BAY

By: \_\_\_\_\_  
Steve Lutke, Village President

By: \_\_\_\_\_  
Shar Fay, Village Clerk

Date of Council Approval:

Date of Publication:

Effective Date: