

Short Term Rental Frequently Asked Questions:

1. What is considered a short-term rental?

- a. A short-term rental is an entire dwelling unit or room within a larger dwelling unit where transient lodging is provided for compensation for stays between one and 30 consecutive nights, and where the dwelling unit would normally be considered a residential living unit not associated with regulated commercial activities such as a hotel, motel, boarding house, or bed and breakfast. A short-term rental can be owner-occupied or non-owner occupied.

2. Why do I need a license to operate a short-term rental on property I own or in my own home?

- a. Yes, as of Saturday, November 4, 2023. The city adopted Ordinances No. 203 and No. 204, Fourth Series, amending various Red Wing Zoning ordinance divisions, adding new regulations concerning short-term rentals, removing language related to semi-transient accommodations, and adding a new permit type called Interim Use Permits on Monday, October 16, 2023.

3. When and where can I obtain an application to operate a short-term rental?

- a. Applications for a Certificate of Compliance or an Interim Use permit for short-term rentals are available at the Community Development Office at 419 Bush Street, Red Wing, MN. Office hours are M-Thursday 7 am -4:30 pm and Friday from 7-11 am.

4. What happens if I chose to operate a short-term rental either in my home or on my property without obtaining a Certificate of Compliance or an Interim Use Permit?

- a. Enforcement action began on January 5, 2024. Anyone operating a short-term rental without the proper permit or in the process of obtaining one, will be subject to enforcement action under Division 95 of zoning code.

5. If I already have a Conditional Use Permit to operate my short-term rental, vacation home rental or bed and breakfast do I need to apply for a new permit to operate?

- a. Anyone operating under a previously approved conditional use permit is exempt from having to meet these new requirements and may continue to operate. Any revocation would occur under the guidelines of their existing conditional use permit.

6. How many short-term rentals, non-owner-occupied units, will the city allow?

- a. The maximum number of non-owner-occupied short-term rentals allowed within in the City of Red Wing is limited to fifty (50). As of January 14, 2025, there are currently 25 licensed non-owner occupied short-term rentals.

7. How close can short-term rental units be to each other?

- a. No more than two (2) non-owner-occupied short-term rental units may be located closer than four hundred (400) feet from another non-owner-occupied short-term rental unit unless located within the same multi-family building in accordance with Section 55-119 (Q). Section 55-119 (Q) allows up to 33% of the total number of units in a structure with 12 or fewer units to be short-term rentals, 25% of the total number of units in a structure with 13-24 units, and 10% of the total number of units in a structure with more than 25 units. **There are several areas in Red Wing that are already at this threshold and CAN NOT accommodate any further short-term rentals. Call before you purchase a home for this purpose.**

- 8. If I sell my home and I have a short-term rental interim use permit or certificate of compliance, do they transfer with the home to the new owner?**
- The Interim use permit shall expire upon the sale of the property, when the use ceases, or if the owner or operator changes.
- 9. How will the City be issuing the short-term rental interim use permits?**
- Permits are issued on a first come first serve basis. Incomplete applications will not be accepted. Applications will go through the interim use application process in the order they are received.
- 10. Where will owner-occupied short-term rentals be permitted?** They will be allowed in the following districts with a certificate of compliance:
- A – Agriculture zoning district
 - AR – Agriculture residential district
 - R-1 – Single family residential district
 - R-2 – Two family residential district
 - RM-1 – Multiple family residential district
 - RM-2 – Multiple family residential district
- 11. Can an owner-occupied short-term rental be permitted in other districts with an interim use permit (IUP)?** Any short-term rentals in the following districts would require an interim use permit whether they are owner occupied or non-owner occupied:
- B-2 - General Business district
 - B-2a - Mixed General Business & Central Business district
 - B-3 - Central Business district
 - Civic District
 - MC - Mixed use Industrial/Office Commercial district
 - MCT – Mixed Use Commercial Tourism district
 - Riverfront district
- 12. Does a Certificate of Compliance for a Short-term rental expire?**
- A Certificate of compliance for an owner-occupied short-term rental will become null and void only if the use is discontinued for a period of 12 months or longer. These are issued administratively.
- 13. Do I have to get a lodging license from the Minnesota Department of Health (MDH) to operate a short-term rental in Red Wing?**
- Yes, a short-term rental unit must be properly maintained and comply with all applicable building code, fire code, animal regulations, public nuisance regulations and pass an initial state inspection. Proof of licensing shall be submitted with your application prior to commencement of operation.
- 14. Do I have to provide off-street parking to have a short-term rental?**
- In a residential district there must be one off-street parking space provided for every two guest rooms, plus two spaces per permanent residence. In all zoning districts, except those in which off-street parking is not otherwise required, guest parking for a short-term rental unit must be on an improved driveway or improved parking surface that is located on-site. In addition, the rental dwelling or rental dwelling unit must meet the parking requirements of the applicable zoning code ordinance for that use. See Chapter 11 Zoning Code, Division 60 for setback, design standards, and required parking spaces in residential districts (R-1, R-2, RM-1, RM-2) and non-residential districts (B-3, B-2, Civic, MC, MCT, B-2A, or Riverfront).

15. Do I have to pay hotel/motel tax if I operate any type of short-term rental (owner occupied or non-owner occupied)?

- a. Any individual, corporation, partnership, association, estate, receiver, trustee, executor, administrator, assignee, syndicate or any other combination or combinations of individuals who furnish for consideration lodging and related services by a hotel, bed and breakfast, motel, or rooming house other than the renting or leasing thereof for a continuous period of 30 days or more must file and pay this tax. This is imposed by Ordinance No. 153 and imposes a tax of three percent of the charge for the privilege of occupancy on and after November 1, 1993. This tax return must be filed on or before the 15th day of each month following the month covered by the return. Failure to comply may institute such legal action as may be necessary to recover the amount due plus interest, penalties and cost and disbursements of any action. Late fees apply if paid after the specified date.

16. Are my short-term rental guests allowed to host an event at my rental dwelling unit?

- a. Events are not allowed to be hosted by guests on the premises unless approved and documented as part of the short-term rental interim use permit. An event means a gathering on the premises of more than three un-registered guests. Events hosted by the primary resident are allowed but must comply with all applicable city ordinances and policies.

17. How many people can occupy my short-term rental dwelling or unit?

- a. The total number of persons occupying a short-term rental unit is one person plus the number of bedrooms multiplied by two. Example: a 2-bedroom short-term rental unit can accommodate up to five registered guests (2 bedrooms x 2 = 4 + 1 person = 5). The short-term rental is a room, the occupancy shall be two people per bedroom.

18. Can my short-term rental guest have activities outdoors on the property?

- a. Yes, but outdoor activities by patrons of the rental must cease by 10 pm.

19. How long is my interim use permit to operate a short-term rental valid or does it expire?

- a. It is valid for five years from the date of approval and may be renewed in accordance with Section 90-045 (G). However, the permit does expire upon the sale of the property if the use stops or if the owner or operator of the rental changes. The Planning Commission and the City Council also have the right to terminate the permit any time the owner fails to adhere to the standards or conditions established. They can also choose to review the permit annually and either continue or modify the conditions of the permit for at least a period of five years after approval.

20. Is there a limit on the number of owner-occupied short term rental units in Red Wing?

- a. No, owner-occupied short-term rentals do not count towards the maximum number of units allowed within the city and owner-occupied units do not need to meet the distance requirements that apply to non-owner-occupied units.