



Vacation Rental License

Frequently Asked Questions

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****The below information can be located in the Town Municipal Code, Article 7, Section 6 – Vacation Rentals.**

What is a Short-Term Rental?

A Short-Term Rental, also known as a Vacation Rental, is the rental of a legally licensed dwelling unit for periods of less than 30 consecutive days per occurrence. A Vacation Rental License is required prior to advertising and renting your property.

Who needs to apply for a Vacation Rental License?

Any owner renting a property for a period of less than 30 consecutive days is required to apply for a Vacation Rental Permit. It is the owner(s) responsibility to know and comply with all ordinances, resolutions and regulations that apply to vacation rentals within the Town of Pagosa Springs.

What criteria needs to be met to obtain a Vacation Rental License?

Property owners need to meet the following requirements **to be eligible to apply** for a Vacation Rental License:

- Certificate of Occupancy or proof of ownership for a minimum of 2 years.
- No more than 10% of the single-family residential units in each residentially zoned district of the Town may be eligible for vacation rental licenses. This limitation shall not apply to owner-occupied properties.
- No more than 1 unit or 10% of the dwelling units, whichever number is greater, contained in a multi-family or townhome development may be eligible for vacation rental licenses.
- Any single-family or multi-family or townhome vacation rental property may not be

located within 250 feet radial distance of or be adjacent to another single-family or multi-family or townhome vacation rental property. This limitation shall not apply to multi-family or townhome vacation rental properties located in the same multi-family or townhome development. This limitation shall not apply to owner-occupied properties.

How do I qualify my property as owner-occupied?

Properties used as a primary residence and occupied at least 9 months out of a calendar year by the owner are considered owner-occupied. A signed affidavit along with a copy of the property owner's driver's license and voter registration will need to be provided to the Town. Owner-occupied status may need to be reaffirmed each year during the annual license renewal process. If your owner-occupied status changes and you no longer reside in the dwelling unit for at least 9 months per calendar year, you are no longer eligible for owner-occupied exemptions. If you lose your owner-occupied exemption, the property may need to requalify for a Vacation Rental license subject to the density and proximity restrictions in the zoning district.

What if my property is in a Use-by-Right zoning district?

A Conditional Use Permit is not required for properties located in a use-by-right zoning district; therefore, licensing restrictions do not apply.

How do I know what zone my property is in?

Contact Town Hall to confirm the zoning district for your property. Zoning district maps can be found on the Town website at <https://www.pagosasprings.co.gov/planning-department/webforms/zoning-maps>

What is a Conditional Use Permit?

A Conditional Use Permit, or CUP, provides a discretionary approval process for uses that have unique or varying operating characteristics. The process allows for public review and is intended to ensure that a proposed conditional use will not have a significant adverse impact on surrounding uses or the community at large.

Is there a waiting list if my property doesn't qualify now due to zoning and/or capacity restrictions?

Yes. If you have owned the dwelling property or had your Certificate of Occupancy for a minimum of 2 years but are not eligible to apply for a Vacation Rental license due to zoning and/or capacity restrictions, you can be placed on a waiting list. When a license becomes available within your zoning district, you will be contacted and given the opportunity to apply for a license.

What if I do not obtain a Vacation Rental License?

Renting or advertising your home for rent on a short-term basis without a license is in violation of the Town of Pagosa Springs ordinances and subject to enforcement procedures as provided for in Town Code Chapter 6, Article 7 – Vacation Rentals.

Do I also need to obtain a separate business license?

No. The Vacation Rental license is all you need to begin advertising your rental and remitting taxes if you are renting a home, condominium, townhome or duplex. A lodging facility requiring a **business license** includes, but is not limited to:

- Cabins
- Hotels and Motels
- Bed and Breakfast rooms
- Camping and RV sites

Does my Vacation Rental license apply to multiple properties?

No. You are only allowed to short-term rent one dwelling unit per license in the Town of Pagosa Springs.

Do I have to display my license?

Yes. The Vacation Rental license must always be posted in a conspicuous place within the rental unit. Please refer to Municipal Code Article 7 – Vacation Rentals for all posting requirements.

What is the cost of an annual Vacation Rental license?

New Vacation Rentals have an application fee of \$50.00 and a License Fee of \$700.00. Vacation Rental renewals have a License Fee of \$500.00. Late fees may also apply if the license is not renewed prior to the anniversary date. Fees are subject to change on an annual basis.

Are there any other fees for operating a Vacation Rental?

Yes. Beginning July 1, 2023, an annual Workforce Housing Fee for Vacation Rentals in the amount of \$500.00 will be collected. This fee will be due each year thereafter at the time of license renewal.

What is the Lodging Tax?

There is a 4.9% (.049) Town lodging tax on your gross short-term rents not already remitted by an intermediary (AirBnB/VRBO). Gross short-term rent includes all funds received for occupancy including booking/reservation fees, pet charges, fees for extra people, beds, etc.

When is the Lodging Tax due?

Lodging Tax payments are due monthly no later than the 20th of the month following the end of the prior month. If there was no rental activity for the entire month, you are still required to submit the completed Lodging Tax form.

How is interest calculated on late payments?

If a return is not filed timely, the penalty is 10% (.10) of the lodging taxes collected during a given month. Interest is due if a return is more than one month late. The interest rate is 1% (.01) per month overdue.