



### Short Term Rental Ownership Transfer Interpretation and Policy

The Code of the City of Colorado Springs, 2001 as amended ("City Code") Section 7.5.104(B), empowers the Director of Planning and Community Development (the "Manager") to make interpretations of the Zoning Code. This policy is intended to provide guidance for uniform application of City Code and to provide notice to permit holders of the interpretation by the Manager.

#### Ownership Transfers

City Code Section 7.5.1702 Short Term Rental Unit Permit Required, subparagraph (B) states:

The short term rental unit permit does not run with the property, but is issued to the specific owner of the property. The permit shall expire upon sale or transfer of the property. The permit shall not be transferred or assigned to another individual, person, entity, or address but may be managed by a third party on behalf of the owner.

To determine whether a permit has expired due to the transfer of the property, the Department will ascertain who the beneficial owner of the property is (without regard to corporate form) and whether the beneficial ownership has changed since the issuance of the permit. Therefore, for the purposes of City Code Section 7.5.1702(B), any of the following is considered a transfer of the property:

1. Addition of business entity owner(s) for a property owned by a business entity (for example, adding member(s) to an existing limited liability company);
2. Change in the current beneficiary of a trust that owns the property;
3. Upon death of the permit holder, transfer of the property to an estate or heir; provided however, no enforcement action for the transfer of the permit will be taken upon the death of the permit holder for a period of six months, unless the term of the permit expires within such six-month period, in which case the permit will not be renewed; or
4. Transfer of the property to a business entity, except as permitted below.

A business entity is any partnership, corporation, or limited liability company.

#### Changes in Ownership Not Considered Transfers

1. Change in the named trustee or named remainder beneficiaries of a trust that owns the property;
2. In the event of marriage, addition of a spouse as an owner of the property or addition of a spouse as a member/owner of a business entity which owns the property;
3. In the event of divorce, removal of a former spouse as an owner of the property or removal of a former spouse as a member/owner of a business entity which owns the property;
4. Removal of the decedent's name if the property was owned by joint tenants with right of survivorship; or
5. Change in ownership of the property from natural person(s) to a business entity if the only member(s) is (are) the same natural person(s), and conversely.

**Policy Determination**

If an applicant for a Short Term Rental Permit or renewal is a business entity, the natural person signing the application or renewal will be required to support the application with an affidavit. The affidavit must include a list of all natural persons or entities with an interest in the applicant business entity. The affidavit must contain a statement that the affiant is swearing under oath to the truthfulness of the information contained in the affidavit, the information that is being sworn to (namely, the owners of the business entity), the signature of the affiant, and an attestation of a notary public or other official authorized to administer oaths.

If owner-occupancy is required by the City Code, a property owned by a business entity will be deemed to satisfy owner occupancy if one of the business entity owners occupies the property, as defined in the City Code.



MICHAEL TASSI  
Director of Planning and Community Development

F&P

2/14/22

Date