

MEMO

April 14, 2026

To: City Council

From: Marlin Eckhoff, Building Official

Subject Introduction and first reading of an ordinance establishing rules and regulations for Short Term Rentals within the city limits of Craig.

Background/Discussion

A workshop was held on January 28, 2025, with the Planning & Zoning Commission and City Council (Council), to discuss potential for a Short-Term Rental (STR) ordinance. At that time, both the Commission and Council agreed that public outreach was necessary prior to moving forward with an ordinance.

To gain public input, the Community Development Department has since conducted a survey, held two open houses, and formed a focus group to hold discussion and get suggestions for an STR ordinance.

Public Outreach Summary

Two open houses were held on December 11, 2025, with approximately 25 participants. A survey was cast to the community and resulted in 38 responses. We had 15 people volunteer for the focus group, and we picked a total of six to serve on the group. Based on survey results, we tried to select people who own STRs, and others who have expressed concerns with STRs, in order to form a diverse group. We then held a focus group meeting on January 22, 2026 comprised of these six stakeholders to further discuss rules and regulations associated with an ordinance. We then held our second workshop with the Planning Commission and Council on February 10, 2026. At this meeting we provided the results from the previous workshop, open houses, survey, and focus group.

Based on the public outreach and direction from the Planning Commission and Council, city staff drafted an ordinance that closely aligns with each rule and regulation that was discussed.

I have included the following for your review:

- A draft of the ordinance
- Notes from the February 10, 2026, workshop, with the consensus for each item highlighted.
- Minutes from the March 30, 2026, Planning and Zoning meeting.

Fee Resolution

If Council chooses to adopt the Ordinance as presented, city staff will draft and present Council with a resolution outlining the STR registration and renewal fees. These fees will be as follows per recommendation from Council:

- A one-time application fee of \$75.00
- No annual fee (Renewal forms must be submitted annually, however, there will be no charge for the renewal.)

Note: Section 2 states that the ordinance will take effect sixty (60) days after passage and publication. This will allow time for staff to finalize a fee resolution, STR application, and contact existing STR owners to notify them of the registration requirements.

Planning Commission Meeting

The Craig Planning & Zoning Commission held a work session and a meeting on March 30, 2026, to consider a recommendation to City Council for approval of Ordinance No.1179 (2026).

All the rules and regulations outlined in the Ordinance were discussed and compared to the overall consensus of each item discussed in the February 10, 2026, workshop with the Planning Commission and City Council.

The majority of the discussion centered around whether or not to require the STR owner to live within a certain distance of Craig,-(In addition to the designated responsible party). After the discussion, the Commission agreed that it would be beneficial not to require the owner to live within a certain distance from Craig.

Recommendation

The Commission made the following motion: **“To recommend City Council to adopt the ordinance as presented”**. Ayes: 5, Nays: 0, motion carried.

The Community Development Department recommends City Council to adopt Ordinance No. 1179 (2026) as presented.

Alternatives to adopting the ordinance as presented are:

- Amend the ordinance prior to adoption. (Large changes may require re-posting)
- Direct staff to make changes to the Ordinance prior to adoption.
- Direct staff to make changes prior to adoption.
- Not adopt a Short-Term Rental Ordinance at this time.
- Table for future discussion.

**CITY OF CRAIG
ORDINANCE NO. 1179 (2026)**

AN ORDINANCE OF THE CITY OF CRAIG, COLORADO, ESTABLISHING SHORT-TERM RENTAL REGISTRATION AND LICENSING REQUIREMENTS IN THE CITY OF CRAIG COLORADO.

WHEREAS, the City of Craig desires to protect the public health, safety, and welfare of the citizens and visitors to the City of Craig by ensuring that residential properties used as Short-Term Rentals are operated in a manner that does not adversely impact surrounding neighborhoods; and

WHEREAS, the growth of Short-Term Rental activity has created increased demand for clear standards regulating licensing, safety, occupancy, parking, and property management to maintain the quality of life; and

WHEREAS, the City of Craig finds that establishing a uniform process for registration, licensing, inspections, and enforcement of Short-Term Rentals is necessary to promote accountability among operators and to ensure compliance with applicable building, fire, land use and zoning, and health codes; and

WHEREAS, the City of Craig Planning and Zoning Commission has reviewed the Ordinance and recommends the adoption of the Ordinance by City Council.

WHEREAS, the City Council has determined it to be in the best interests of the public health, safety, and welfare of the citizens and of the visitors of the City of Craig to implement regulations specific to Short-Term Rentals within the City.

NOW THEREFORE BE IT ORDAINED by the City Council of Craig (“City”) as follows:

Section 1: The Craig Municipal Code, Title 16, Chapter three (3) is hereby amended as follows:

Section 16.03.120 (A)(3): “No zone district will allow an ADU to act as a short-term rental” is hereby deleted.

The following sections shall be added:

16.03.130 Short-Term Rental Licensing, Registration and Standards

A. Purpose:

The purpose and intent of this Chapter is to regulate and license Short-Term Rental activities in the City for the health, safety, and welfare of the City’s citizens and residents. In particular, the purpose and intent of this Chapter is to ensure Short-Term Rentals meet minimum standards for safety and habitability while not adversely impacting surrounding properties, and to support a strong, streamlined process for approving and licensing Short-Term Rentals.

- B. Applicability:
These regulations apply to all uses meeting the definition of Short-Term Rental. Private covenants running with land may restrict or prohibit Short-Term Rentals; it is the responsibility of the property owner, not the City or any employee or agent thereof to ensure compliance with restrictive covenants.
- C. Definitions:
Short-Term Rental means any rental or lease of a residential, industrial or commercial property, or portion thereof, for a residential use/dwelling, for less than thirty (30) consecutive days per rental. This Chapter does not apply to licensed lodging businesses, including hotels, motels, lodges, inns, bed and breakfasts, and hostels operated and governed by state statute and properly licensed by the state of Colorado. Offering the use of one's property where no fee is charged or collected is not considered a short-term rental.
Designated local responsible party means an individual located within the City of Craig during the entire length of the Short-Term Rental period who has access to the licensed premises and is authorized to make decisions regarding the premises, and the ability to respond to complaints and/or violations.

16.03.135 License Required

- A. It shall be unlawful to offer, provide or operate a Short-Term Rental within the city limits of Craig without first obtaining a license as provided in this chapter and in compliance with any and all applicable laws and regulations adopted pursuant thereto.
- B. A permit shall be valid for one (1) year from the date of issuance unless suspended or revoked and subject to annual permit renewal in a form provided by the City.
- C. Permits are non-transferable and shall automatically terminate upon transfer of property ownership.
- D. The City shall make publicly available a list of all licensed Short-Term Rentals.

16.03.140 Application for License

- A. Applicants for a Short-Term Rental license shall file an application with the Community Development Department on a form supplied by the City.
- B. If the Community Development Department determines that the issuance of the license is consistent with this Chapter, and the rules and regulations promulgated hereunder and the Code, the Community Development Department shall issue the license. The license must be posted in a conspicuous location within the rental property.
- C. If the Community Development Department determines that the issuance of the license would not be consistent with the requirements of this Chapter, the rules and regulations promulgated hereunder or the Code, the city shall deny the issuance of the license and notify the applicant of such determination in writing with an explanation of the reason for such denial.
- D. The Community Development Department may, for good cause, temporarily suspend, permanently revoke or decline to renew any license.
- E. All existing Short-Term Rentals in operation at the time of adoption of this chapter must submit an application to the Community Development Department within 60 days of being notified of the adoption of this Ordinance.

16.03.145 License Fee

Upon the submission of an application for a Short-Term Rental license, the applicant shall pay a license fee in the amount set forth by resolution of the City Council in the City Fee Schedule.

16.03.150 Additional Authority

A Short-Term Rental permit may be issued by the Community Development Department upon finding that the requirements of Section 16.03.155 and all other requirements of this Chapter have been met.

16.03.155 Short-Term Rental Standards

1. Licensed Short-Term Rentals are allowed in all zone districts within the city limits of Craig.
2. Occupancy is limited to a maximum of two (2) people per legal bedroom plus two (2) additional occupants.
3. Short-Term Rentals must have a minimum of two hard surface off-street parking spaces in all zone districts with the exception of the Commercial Downtown (CD) District. The CD district will be exempt from this requirement.
4. A legal Accessory Dwelling Unit (ADU) or live/work unit may act as a Short-Term Rental if it meets all other rules and regulations of this chapter.
5. Use of a recreational vehicle or travel trailer as a Short-Term Rental is prohibited.
6. A "Designated local responsible party" as defined in Section 16.03.130 (C) must be on file as the emergency contact for any Short-Term Rental.
7. Applicants must demonstrate and certify that the Short-Term Rental contains the following on the premises at all times:
 - A. Working smoke and carbon monoxide detectors are located according to the International Building Code.
 - B. An operational emergency escape and rescue opening is supplied in all sleeping rooms.
 - C. Occupants have access to a minimum of one functioning fire extinguisher.

16.03.160 Inspections

An initial property inspection will be required for all new Short-Term Rental applications. The purpose of the inspection will be to ensure compliance with all standards listed in Section 16.03.155. No license will be issued for a property until an inspection is approved by the Community Development Department. Annual license renewals of existing Short-Term Rentals will not require an inspection, unless the Code Official has reasonable cause to believe there is a violation and/or the standards of this chapter are no longer being met.

16.03.165 Violations

Any person who violates any provisions of this Chapter or the rules and regulations promulgated hereunder may be punished in accordance with the provisions of Chapter 16.06.010 of Title 16 of the Code.

16.03.170 Appeal

- A. Any person aggrieved by the action of the Community Development Department as set forth in this Chapter may, within ten (10) days of receipt of written notice from the Community Development Department, file a written appeal to the City Manager. The City Manager shall thereafter promptly review the appeal and, after taking action that the City Manager deems appropriate, provide written notification to the aggrieved person affirming the Community Development Department's decision, affirming the decision with conditions, or reversing the decision.
- B. Within ten (10) days of receipt of written notice from the City Manager, the aggrieved person may appeal the City Manager's decision to the City Council by providing written notice to the Community Development Department. The City Clerk shall thereafter, as soon as reasonably practicable, set a hearing before the City Council. The City Council's decision shall be final and conclusive.

- C. For purposes of this section, written notice shall be deemed received upon hand delivery, delivery by electronic mail upon confirmation of receipt of the electronic mail or by confirmation of receipt by certified mail.

16.03.175 Enforcement of Other Chapters of this Code

The requirements of this Chapter are in addition to and shall not be considered to conflict with or abrogate any and all other requirements of the Craig Municipal Code, including, but not limited to, the Nuisance Code, Land Use and Zoning Code, Property Maintenance Code, and all codes adopted by reference in the Craig Municipal Code. Nothing in this Chapter shall operate to eliminate, mitigate, or otherwise affect the legal responsibilities and duties of each Owner to comply with each and every law applicable to real property located within the City, including, but not limited to, building, housing, nuisance, and zoning regulations.

16.03.180 Severability

If any part, term, or provision of this Chapter is held by a court of competent jurisdiction to be illegal or in conflict with any law of the State of Colorado, the validity of the remaining portions or provisions shall not be affected, and the rights, obligations and enforcement of this Chapter shall be continued in full force and effect as if that struck portion of this Chapter did not contain the particular part, term, or provision held to be invalid.

Section 2: This Ordinance shall take effect sixty (60) days after passage and upon publication of such ordinance after passage.

Section 3: The City Council deems it appropriate to publish the title of this Ordinance, together with a summary of the Ordinance and with statement that the text is available for public inspection and acquisition in the office of the City Clerk.

Section 4: The City Council of the City of Craig herewith finds and determines that this Ordinance is necessary for the preservation of the public peace, health, and safety. This Ordinance is enacted pursuant to the City's authority to act under its police power to protect and preserve the general welfare of the City and its citizens.

**READ, APPROVED AND ORDERED PUBLISHED ON FIRST READING THIS _____.
DAY OF _____, 2026, BY THE CITY COUNCIL OF THE CITY OF
CRAIG COLORADO.**

Chris Nichols, Mayor

ATTEST:

Katie Carmody, City Clerk

Votes in favor: ____.
Votes opposed; ____.
Abstained: ____.

**PASSED, APPROVED AND ADOPTED AFTER HEARING ON SECOND READING
THIS ____, DAY OF ____, 2026, BY THE CITY COUNCIL OF THE
CITY OF CRAIG, COLORADO.**

Chris Nichols, Mayor

ATTEST:

Katie Carmody, City Clerk

Votes in favor: ____.
Votes opposed: ____.
Abstained: ____.

City Council and Planning & Zoning Commission Workshop

February 10, 2026

Attendees

1. **City Staff:** Marlin Eckhoff, Danny Paul, Katie Carmody, Mindy Elliott, Peter Brixius, Heather Cannon, Garry Rhoden, Doug Conrad
2. **P&Z:** Mike Tucci, Mason Updike, Tom Gilchrist
3. **Council:** Chris Nichols, Derek Duran, Randy Looper, Luke Tucker, Joe Herod, Jnl Linsacum, Michelle Gottschall

Short Term Rentals

1. **Regulation Necessity – Is a policy necessary right now?**
 - a. Staff Recommendation: Yes, staff and public input indicate that a policy is necessary to establish a registration system and basic rules and regulations.
 - b. Discussion: Nichols noted that there was enough input to be necessary, which most of council agreed except Herod.
 - c. Consensus: Yes, it is necessary.
2. **Zone District – Should STRs be allowed in all zone districts?**
 - a. Staff Recommendation: Yes, provided there are occupancy limits and parking regulations. Could consider a cap but staff does not believe that it is necessary at this time.
 - b. Discussion: City staff noted that from the STR survey that 58% of those that participated thought STRs should be allowed in all districts which fits well with Meeker's ordinance. Some discussion regarding a potential cap on STRs, mostly in RLD district. Asked to circle back after more discussion of other issues.
 - c. Consensus: Upon circling back – allow in all districts with no cap.
3. **Primary vs Hosted STRs – Should primary and hosted STRs be treated differently?**
 - a. Staff Recommendation: No, they should both fall under the same rules and regulations.
 - b. Discussion: Minimal to no discussion
 - c. Consensus: Should be treated the same.
4. **Limitations on # of STRs – Should there be a cap on the # of STRs allowed citywide or within a certain zone district?**
 - a. Staff Recommendation: No, not at this time.
 - b. Discussion: Looper noted that if there was a limitation, that it should be citywide to which majority agreed. Nichols would like to not see a cap if there is not any limit in RLD. All noted that this could be evaluated as time went on.
 - c. Consensus: No limitation at this time with the ability to evaluate yearly.
5. **Grandfathering – Should existing STRs be allowed to continue to operate even if within a zone district that might become restricted?**

- a. Staff Recommendation: Yes, they can continue to operate as long as the property remains an STR and ownership does not change and subject to the owner completing the registration process under the new policy.
- b. Discussion: Minimal discussion
- c. Consensus: Agreed with staff recommendation – should allow grandfathering with stipulations of ownership not changing and following registration process.

6. Occupancy Limits – How many guests should be allowed per STR?

- a. Staff Recommendation: Two per legal bedroom plus 2
- b. Discussion: Discussion of enforcement being difficult but good to set limits. Small discussion of pets, which Kirstie McPherson from the public noted that third party sites put this on the STR owner. Discussion that it would be easier to enforce by the owner than the City.
- c. Consensus: 2 per legal bedroom plus 2

7. Parking Requirements – How many parking spaces per site?

- a. Staff Recommendation: Minimum of 2 off-street spaces in all zone districts, with the exception being CD district due to limited off street parking availability
- b. Discussion: McPherson noted that third party sites require permission from the owner for extra parking which could involve trailers, campers, ATVs, etc. Gilchrist noted this could be an issue in some areas but appreciates it being up to the owner's discretion; would appreciate a minimum.
- c. Consensus: Minimum of 2 off-street spaces with the exception in the CD district only.

8. ADUs – Should STRs be allowed in ADUs?

- a. Staff Recommendation: Yes, however, this will require an amendment to the ADU ordinance.
- b. Discussion: Minimal discussion. All agreed quickly and discussed that ADUs have their own parking regulations.
- c. Consensus: STRs should be allowed in ADUs.

9. Owner proximity to Craig – Should the owner/host be required to reside within a certain distance to Craig or have a representative who does?

- a. Staff Recommendation: Yes, an owner/host or rep shall live within 30 miles of Craig and contact info on file with the City.
- b. Discussion: Initial discussion that 50 miles could be more appropriate to allow people to live in other communities. Public noted that through the STR apps, the renters always have access to the owners but they do have local contacts. Staff noted that the 30 miles was proposed in the focus group to eliminate the potential for someone outside the community to buy up a bunch of properties and manage from a far. Staff shared Hayden's regulation that specifies there must be a local responsible party with access.
- c. Consensus: Would like to model Hayden's regulation.

10. Neighborhood Notification – Should the City have a process of for notifying neighbors within a certain distance of a newly registered STR?

- a. Staff Recommendation: Recommend having a list of all STRs posted on the City website but NOT direct notification to surrounding property owners.
- b. Discussion: It was proposed to have all STRs to have a sign in the yard to notify everyone what the property is but was quickly axed.
- c. Consensus: Viewing the registration online would be sufficient.

11. Administration – Should STR applications be reviewed and approved by city staff, a city board, or council?

- a. Staff Recommendation: To have the Community Development Dept approve them administratively, unless a variance or appeal is requested.
- b. Discussion: The process of going through City Council was discussed as being harder because of more stringent regulations for denial versus having it go through the Community Development Dept.
- c. Consensus: The Community Development Dept will approve administratively.

12. Inspections – Initial? Annual? Include but not limited to: working smoke and CO alarm, egress opening for every sleeping room, working fire extinguisher, adequate off-street parking per STR ordinance

- a. Staff Recommendation: Initial only. No annual inspection without cause such as violations or change of ownership.
- b. Discussion: The process of going from submitting an application to inspection was discussed. Initial inspection seems important but third party sites will assist with keeping up the regulations and lodging properties do not receive inspections.
- c. Consensus: Initial inspection upon obtaining registration required. No annual inspection needed.

13. Registration Fees – Initial? Annual? What amount?

- a. Staff Recommendation: \$75 application fee plus \$150 per bedroom for initial and \$150 annual renewal.
- b. Discussion: May be too much to include the per bedroom fee. If there isn't an annual inspection, there should not be an annual fee – could still require information to be updated annually.
- c. Consensus: \$75 application fee with updated information annually.

14. Taxation – Should the City collect an STR tax in addition to registration fees and other taxes?

- a. Staff Recommendation: Not to collect any additional taxes at this time.
- b. Discussion: Minimal to no discussion.
- c. Consensus: Not to collect any additional taxes.

15. Complaints and Enforcement – Who will be responsible for handling complaints and enforcing the ordinance?

- a. Staff Recommendation: Community Development Dept and Municipal Code Compliance Coordinator will enforce.
- b. Discussion: Currently unable to determine amount of complaints as PD does not know the addresses of the STRs. Moved into discussion of MCCC

position creation and purpose. Majority felt this would be beneficial and help to not confuse the multiple entities.

- c. Consensus: Complaints and enforcement will go through the Community Development Dept.

CRAIG PLANNING & ZONING COMMISSION MINUTES

March 30, 2026

The Craig Planning and Zoning Commission of the City of Craig, County of Moffat, State of Colorado, met in the City Council Chambers, 300 West 4th Street, Craig Colorado, 81625, at the hour of 6:00 p.m. There being present the following Commissioners: Randy Kloos, Mike Tucci, Tom Gilchrist, Justin Jenison, Mason Updike, Savana Crow. City Staff present were Building Official Marlin Eckhoff, Public Works Director Danny Paul, and Assistant Sierra Arellano.

Chairman Kloos called the meeting to order at 6:00 PM and began with Commission roll call. Those present were Commission members Randy Kloos, Mike Tucci, Tom Gilchrist, Justin Jenison, Mason Updike, and Commission alternate Savana Crow.

Commissioner Gilchrist made a motion, seconded by Commissioner Tucci, to approve the minutes from February 23, 2026. Ayes: 5. Nays: 0. Motion carried.

Official Eckhoff presented the Commission an ordinance implementing rules and regulations on Short Term Rentals (STR) within the city limits of Craig. Eckhoff discussed the background of the ordinance with the Commission. Chairman Kloos inquired with Director Paul, as Paul came to the City of Craig from the City of Steamboat Springs, what kind of concerns were present in Steamboat with their STR regulations. Paul noted that Steamboat's ordinance was more out of reaction versus being proactive like Craig is trying to do and is much more complicated than what is being proposed for Craig. Commissioner Gilchrist noted that he appreciated the simplicity of the proposed ordinance while maintaining the ability to properly regulate. Eckhoff noted that while the Community Development Dept will be in charge of regulation, the applicant is responsible for making sure there are not any covenants being violated as the City does not regulate covenants. Commissioner Updike noted one concern with the proposed ordinance, that there isn't any regulation regarding the property owners proximity to the STR. Much discussion was had amongst the Commission regarding free market ownership, effects on tourism, and maintaining the spirit of Craig. With no further discussion Commissioner Tucci made a motion, seconded by Commissioner Gilchrist, to recommend City Council to approve the ordinance as presented. Ayes: 5. Nays: 0. Motion carried.

For Commission Reports, Commissioner Gilchrist thanked City Staff for the effort put into the STR Ordinance and public outreach. Chairman Kloos seconded these sentiments.

For Staff Reports, Paul gave the Commission an overview of the new Municipal Code Compliance Coordinator position that will be housed in the Community Development Department. Paul discussed with the Commission that a new ordinance is being worked on to target vacant buildings that are not enforceable by life safety or nuisance codes, noting that due to the title of the code that this could fall under that it may go directly to City Council and bypass the Commission.

There being no further business, Commissioner Tucci made a motion, seconded by Commissioner Jenison to adjourn the meeting. Ayes: 5. Nays: 0. Motion carried.