



## Hot Springs City Manager Shares Short-Term Rental Info With HSVPOA GAC

### Description

Bill Burrough, Hot Springs City Manager talked to the HSVPOA Governmental Affairs Committee about short-term rentals (STR) in Hot Springs. A lot of Arkansas cities are interested in this topic and are looking to see how Hot Springs is handling this issue. Hot Springs has have been working on this topic for a couple of years now.

Hot Springs Village has had STRs for a long time, but as we have moved into the era of Airbnb, Vrbo's, and the other STR companies, this has changed the nature of some of the Hot Springs neighborhoods to a certain extent. "In Hot Springs, the STRs are peppered throughout the city, but primarily in three areas:

1. Anywhere on Park Avenue/Whittington Area – getting close to Northwood Mountain Biking Trails. "That has brought a whole new demographic to our tourism."
2. Around Oaklawn in well-defined neighborhoods that had long-term rentals
3. Around the lake corridor"

Burrough said, "The city receives a lot of calls because people don't want the STRs in their neighborhood. There is nothing that prevents them from being in the neighborhood." The city has received very few STR complaints about other issues.

Because of the concerns about the STRs, the city developed and implemented Ordinance 6405 which regulates short-term residential rental businesses with the City of Hot Springs. Ordinance 6405 was adopted on December 7, 2021. The city had multiple public meetings regarding this issue.

In March of 2021, Hot Springs began requiring owners of STRs to have business licenses. Policies, rules, and regulations were established in May. The city placed all applications for STRs into abeyance from May 30, 2021, through January 3, 2022. The reason for this temporary halt was so the city could work with [Granicus and Host Compliance](#), an entity that helps keeps track of STRs and will let the city know if there are new unlicensed STRs. This information helps to keep the city informed of unlicensed owners trying to circumvent the city requirements. Burrough said, "There are a lot of them out there that are [unlicensed]."

Burroughs said, “We are still a work in progress.” This is a change of use, usually from long-term to short-term use, or a property occupied by more of a transient-type resident. Any period less than 30 days is considered a transient or short-term rental.

Ordinance 6405 contains important definitions. For example, the city had to define “bedroom,” and “short-term rental”.

The city has developed a “Good Neighbor” brochure.

Each STR must have two off-street parking spots.

STRs are capped at 500 in residential settings. This cap doesn’t include HPRs [Horizontal Property Regimes], condominiums, or commercial rentals. STR businesses already existing in May of 2021 are grandfathered, but a Special Use Permit is required for all STRs after January 3, 2022.

The 500 limit of STRs does not protect an individual block with STR density issues, only a neighborhood.

Hot Springs has an online application process. There must be a license for each individual STRs. Hot Springs charges \$50 annually for each occupant allowed. For example, if you have a home licensed for eight overnight occupants, the fee is \$400. There is an inspection fee of \$50. The license must be renewed every year, but an annual inspection is not required. Licenses are only transferrable within 30 days of purchase of a property.

The city has the ability to deny, suspend, or revoke a license. If the license is revoked, the property is ineligible to receive another STR license for two years.

Two things are needed to apply for an STR license in Hot Springs:

1. Certificate of Occupancy
2. Special Use Permit

The STR properties are required to pass an inspection. Often the STRs fail the original inspection for things such as not having a fire alarm or the alarm not being connected, etc.

The ordinance talks about the allowed uses of the STRs and limits on transient use. Every STR is required to have an accessible local contact person who is available 24 hours a day. The contact person must be able to respond in person at the rental site within 60 minutes.

The city also requires strict compliance with the Solid Waste and Noise Ordinances. Posting of city requirements and other important information must be clearly posted in the STR.

Enforcement penalties – First offense is \$1,000, not to exceed \$1,000. The second offense penalty is not to exceed \$2,000. Subsequent penalties are \$4,000. At that point, the STR is shut down. The city has the ability to disconnect municipal water services. Most STR owners are compliant, but a few do have recurring issues.

“Any violation from the curb out is a law enforcement issue. Anything from the curb in is a code-compliance issue.”

STRs are not allowed to become “party houses”. Only two people per bedroom plus two additional people are allowed to spend the night at STRs. For a three-bedroom house, eight people may stay overnight.

Total occupancy at the site (not overnight) is night occupancy caps plus 50% additional people. In a three-bedroom house, twelve people may be present at the STR.

Pop-up parties are difficult to manage. This is where someone advertises on social media that there will be a party at an STR. This might be advertised as, “Party Palace in Hot Springs on such and such a date.” People pay in advance to attend the pop-up parties. Sometimes hundreds of people attend these parties. Pop-up parties have also happened in the Village. Hot Springs shuts down pop-up parties, as does the Village.

Kelly Hale, GM of HSV said, “Hot Springs has done a phenomenal job.” Hale is in the process of investigating the Village STR issue and the POA is looking at the Hot Springs model. Hale said, “There is a theme where you are seeing a lot of these short-term rentals because people are not going to the big cities.” There is an influx of short-term rentals in mountainous areas. It is unsure as to whether the STR trend is temporary or will remain as more of a permanent situation. Hale said the Hot Springs model is spot on and he wants to take this issue to the Board and also watch how this trend unfolds in Hot Springs. Hale stated, “I do believe it is healthy for the Village” because people need a place to stay when they are investigating the Village as a possible place to move, or looking for a home to purchase. “We need to talk a lot and get it right the first time and then put measures in place to manage it,” said Hale. The GM said there are two STRs close to his home and he has not noticed a problem.

[Click here](#) to visit the Hot Springs Short Term Rental website.

Cheryl Dowden, Hot Springs Village Gazette, April 4, 2022

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