



# Saint Louis County

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April 12, 2012

## **MEMORANDUM**

**TO:** County Commissioners

**FROM:** Keith Nelson  
County Board Chair

Kevin Z. Gray  
County Administrator

**RE:** **County Board Workshop – April 17, 2012**

A County Board Workshop has been scheduled for **Tuesday, April 17, 2012, beginning at 9:30 A.M. at the Sheriff's Office Emergency Operations Center (EOC), 5735 Old Miller Trunk Highway, Duluth, MN 55811.** The agenda for the meeting is as follows:

9:30 A.M. Redistricting Update – Don Dicklich, County Auditor

10:00 A.M. Vacation Home Rentals discussion

**NOTE:** County Board Workshops will not be assigned an adjournment time, but rather will continue until Commissioners are satisfied with the completed policy discussion on the topics presented the day of the workshop.

- industry.exploreminnesota.com - <http://industry.exploreminnesota.com> -

## Vacation Home Rental

Posted By [pdian](#) On July 23, 2009 @ 2:00 pm In | [Comments Disabled](#)

### Information for owners of vacation home rental property in Minnesota

In recent years, vacation home rentals have been emerging in Minnesota. One characteristic of vacation home rental that distinguishes it from most other types of lodging is that there is not an on-site manager. To make this is a safe, viable, and economically beneficial development, there is a need to provide both guidance and regulation to these entrepreneurs. The opportunity to address a consumer market interested in this lodging option can generate economic benefits throughout an area. There are more than 100,000 seasonal, recreational or occasional use homes in Minnesota.

While the State of Minnesota does not have a specific definition of "vacation home rental property," many legal and regulatory issues related to vacation home rental are currently covered in state and local statutes and regulations. This page has been created to help Minnesota vacation home rental property owners understand the regulations to which they must adhere. This information may be updated frequently.

#### [Regulations and licensing](#) <sup>[1]</sup>

[Fire safety](#) <sup>[2]</sup>

[Health regulations](#) <sup>[3]</sup>

[Insurance requirements](#) <sup>[4]</sup>

[Real estate requirements](#) <sup>[5]</sup>

[Septic, plumbing and water quality compliance](#) <sup>[6]</sup>

[Shoreland Conservation Standards](#) <sup>[7]</sup>

[Tax regulations](#) <sup>[8]</sup>

[Zoning regulations](#) <sup>[9]</sup>

#### [General operating concerns](#) <sup>[10]</sup>

#### [Promoting your vacation home rental property](#) <sup>[11]</sup>

#### [Other resources](#) <sup>[12]</sup>

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## Regulations and licensing

### Fire safety

Vacation home rental property owners must be aware of and follow applicable fire safety codes.

[2007 Minnesota State Fire Code](#) <sup>[13]</sup>

[Home fire safety information](#) <sup>[14]</sup>

[Carbon monoxide information](#) <sup>[15]</sup>

**Contact:** [firecode@state.mn.us](mailto:firecode@state.mn.us) <sup>[16]</sup>

## Health regulations

Vacation home rental owners should understand and comply with licensing required by the Minnesota Department of Health (MDH). According to the MDH, [Minnesota Statutes Chapter 157](#) <sup>[17]</sup> and Minnesota Rule Chapter 4625 (although not specifically defining vacation home rental) would apply to a facility offering sleeping accommodations to the public.

### Requirements, permits, licenses and fees:

There is a fee for plan review and an application and process to follow. Fees are found in [Minnesota Statutes Chapter 157](#) <sup>[17]</sup> and Minnesota Rule Chapter 4625. New (not previously licensed) vacation home property facilities must submit plans and go through a [plan review process](#) <sup>[18]</sup>. After plans are approved the facility can build (if totally new) and then they can apply for a license to operate. There is an annual license fee. Licenses are renewed annually. More information on MDH's licensing and plan review can be found here: [Explanation of plan review process](#) <sup>[18]</sup>

### Current means of enforcement

MDH has a well-established enforcement process that starts with an inspection and orders for compliance. Inspections to assure compliance with laws are conducted on a regular basis according to risk categories. Fines can be levied for noncompliance and licenses can be revoked. Establishments can be ordered to close. Vacation home properties must also comply with [local Food, Beverage and Lodging Licensing Jurisdictions](#) <sup>[19]</sup>.

### Definitions

Lodging establishments [meeting these definitions](#) <sup>[20]</sup> must be licensed in Minnesota. Currently, most vacation home rental property would be licensed as a hotel or motel. [General information on lodging rule and statute.](#) <sup>[17]</sup>

**Contacts:** Gary Edwards, R.S.  
Minnesota Department of Health  
651-201-4513  
[Gary.Edwards@state.mn.us](mailto:Gary.Edwards@state.mn.us) <sup>[21]</sup>  
[State and local environmental health contacts](#) <sup>[22]</sup> (.pdf)  
[Minnesota Department of Health's Web site](#) <sup>[23]</sup>

## Insurance requirements

Contact your insurance agent for guidance on commercial use of a residential property.

## Shoreland Conservation Standards

Shoreland rules are currently being updated by the Minnesota Department of Natural Resources through a stakeholder committee review process. Vacation home rental has been identified for consideration in this revision process.

[More information on shoreland regulations.](#) <sup>[24]</sup>

## Real Estate Requirements

If you are renting your vacation home through a real estate licensee/management company, you should verify that the real estate licensee is licensed through the Minnesota Department of Commerce at 651-201-2768.

Real Estate licensees, who provide property rental and management services as licensed under chapter 82, are allowed to operate vacation home rental management businesses without an additional license. The vacation home rental unit or units themselves may require additional licensing, which may be provided by the unit owner or the rental management

company or broker. For more information, see [Desk top reference guide: Vacation home rentals](#) <sup>[25]</sup>.

**Contact:** Heather Mavencamp  
Minnesota Association of REALTORS®  
952-912-2661  
[hmavencamp@mnrealtor.com](mailto:hmavencamp@mnrealtor.com) <sup>[26]</sup>

## Septic, plumbing and water quality compliance

Septic systems at vacation rental homes need to be properly managed and maintained. Here are some important considerations for the vacation rental home owner:

- Do not advertise vacation rental homes to accommodate more people than there are bedrooms; septic systems are sized to handle wastewater for about two people per bedroom.
- Remember that many “city people” are unfamiliar with septic systems and may flush things they shouldn’t and use more water than they need to. You should educate your guests to help avoid problems.
- Be mindful of the amount of water used in a short period of time. Too much water going to your septic tank can result in backups to the house, tank overflows, and possible damage to the drainfield. This could potentially be an issue if the owners or housekeeper would come in and wash all the bedding and towels, do all the dishes, and wash the floors etc. in one day. Try to limit the amount of water used in a short period of time by spanning cleaning activities over a period of a few days if water use will be high.
- MPCA recommends that you discuss the septic system with a licensed septic system maintainer and follow their advice on pumping frequency and other maintenance issues.

For a list of licensed septic maintainers, inspectors and other professionals, please refer to the [MPCA's Subsurface Sewage Treatment System Program](#) <sup>[27]</sup>, which provides additional information on many related topics that may be helpful.

**Contact:** Gretchen Sabel  
Minnesota Pollution Control Agency  
651-757-2686  
[Gretchen.Sabel@state.mn.us](mailto:Gretchen.Sabel@state.mn.us) <sup>[28]</sup>

## Tax regulations

Vacation home rental owners must understand and comply with [federal, state and local taxes](#) <sup>[29]</sup>.

**Contact:** Marissa Papineau  
Minnesota Department of Revenue  
651-556-6974  
[Marissa.papineau@state.mn.us](mailto:Marissa.papineau@state.mn.us) <sup>[30]</sup>

## Zoning regulations

Cities, counties and townships have their own zoning and nuisance ordinances. There are 87 counties and 853 cities in Minnesota with planning and zoning authority. Zoning decisions are made at the local level. Education and communication are the overall key to developing workable local implementation.

**Contacts:**  
Contact the city zoning department if your property is in city limits or the county planning and zoning department if outside of a city boundary

[League of Minnesota Cities Directory](#) <sup>[31]</sup>

## General operating concerns: recommendations for vacation home rental property owners

Operating a commercial business venture alongside your neighbors' residences can lead to conflict. These conflicts, if not addressed on a voluntary basis, will lead to a need for additional regulation. Vacation home property owners should consider the following:

- Do not allow overcrowding/ensure guests know maximum occupancy
- Inform guests how to handle maintenance issues that arise – who to contact
- Provide 24-hour-per-day contact to local manager for guests and neighbors
- Provide guidance to guests on noise levels
- Post proper business signage
- Advise guests on parking capacity/RV parking and driving responsibly in the neighborhood
- Assure guests know how/where to properly dispose of garbage
- Post rules for responsible use of recreational equipment
- Specify whether you allow outside camping, and where on the property this is acceptable
- Assure guests are aware of property lines/Advise guests on trespassing
- Advise guests on campfires/fireworks and firearms
- Advise neighbors of manager/owner phone numbers
- Consider applicable property association bylaws
- Have a plan for handling malicious complaints

## Promoting your vacation home rental property

**List your vacation home rental property in Explore Minnesota Tourism's database.**

In providing this information you are ensuring that you are in compliance with any required licensing and taxation laws.

**Contact:** Kimberly Clarke  
Explore Minnesota Tourism  
651.757.1842  
[Kimberly.Clarke@state.mn.us](mailto:Kimberly.Clarke@state.mn.us) <sup>[32]</sup>

## Other resources

[Association of Minnesota Counties](#) <sup>[33]</sup>  
[Congress of Minnesota Resorts](#) <sup>[34]</sup>  
[League of Minnesota Cities Directory](#) <sup>[31]</sup>  
[Local Public Health Association of Minnesota](#) <sup>[35]</sup>  
[Minnesota Association of Realtors®](#) <sup>[36]</sup>  
[Minnesota Association of Townships](#) <sup>[37]</sup>  
[Minnesota Resort and Campground Association](#) <sup>[38]</sup>  
[Minnesota Seasonal Recreational Property Owners Coalition](#) <sup>[39]</sup>  
[Minnesota Vacation Rental Association](#) <sup>[40]</sup>  
[University of Minnesota Tourism Center](#) <sup>[41]</sup>  
  
[Legislature's Vacation Home Rental Report – January 2009](#) <sup>[42]</sup>

**Looking to rent a vacation home property?**

**[See listings in Explore Minnesota's database](#)** <sup>[43]</sup>

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- [5] Real estate requirements: **#real**
- [6] Septic, plumbing and water quality compliance: **#sep**
- [7] Shoreland Conservation Standards: **#shore**
- [8] Tax regulations: **#tax**
- [9] Zoning regulations: **#zone**
- [10] General operating concerns: **#genop**
- [11] Promoting your vacation home rental property: **#promote**
- [12] Other resources: **#other**
- [13] 2007 Minnesota State Fire Code:  
**<http://www.fire.state.mn.us/FireCode/FireCode.html>**
- [14] Home fire safety information:  
**<http://www.fire.state.mn.us/PublicEducation/HomeFireSafety.html>**
- [15] Carbon monoxide information: **<http://www.fire.state.mn.us/CO/CO.htm>**
- [16] firecode@state.mn.us: **<mailto:firecode@state.mn.us>**
- [17] Minnesota Statutes Chapter 157:  
**<http://www.health.state.mn.us/divs/eh/lodging/rule.html>**
- [18] plan review process: **<http://industry.exploreminnesota.com/licensing-and-plan-review-for-minnesota-vacation-home-rentals/>**
- [19] local Food, Beverage and Lodging Licensing Jurisdictions:  
**<http://www.health.state.mn.us/divs/eh/food/license/delegation.html>**
- [20] meeting these definitions :  
**<http://www.health.state.mn.us/divs/eh/lodging/index.html>**
- [21] Gary.Edwards@state.mn.us: **<mailto:Gary.Edwards@state.mn.us>**
- [22] State and local environmental health contacts:  
**<http://www.health.state.mn.us/divs/eh/food/license/locals.pdf>**
- [23] Minnesota Department of Health's Web site:  
**<http://www.health.state.mn.us/divs/eh/lodging/lodgingplan.htm>**
- [24] More information on shoreland regulations.:  
**<http://mndnr.gov/waters/shoreland.html>**
- [25] Desk top reference guide: Vacation home rentals:  
**<http://industry.exploreminnesota.com/desktop-reference-guide-vacation-home-rentals/>**
- [26] hmavencamp@mnrealtor.com: **<mailto:hmavencamp@mnrealtor.com>**
- [27] MPCA's Subsurface Sewage Treatment System Program:  
**<http://www.pca.state.mn.us/programs/ists/index.html>**
- [28] Gretchen.Sabel@state.mn.us: **<mailto:Gretchen.Sabel@state.mn.us>**
- [29] federal, state and local taxes: **<http://industry.exploreminnesota.com/tax-regulations-for-minnesota-vacation-home-rental-property/>**
- [30] Marissa.papineau@state.mn.us: **<mailto:Marissa@state.mn.us>**
- [31] League of Minnesota Cities Directory: **<http://www.lmc.org/page/1/city-directory.jsp>**
- [32] Kimberly.Clarke@state.mn.us: **<mailto:Kimberly.Clarke@state.mn.us>**
- [33] Association of Minnesota Counties: **<http://www.mncounties.org>**
- [34] Congress of Minnesota Resorts: **<http://www.minnesota-resorts.com>**
- [35] Local Public Health Association of Minnesota: **<http://www.mncounties2.org/lpha>**
- [36] Minnesota Association of Realtors®: **<http://www.mnrealtor.com>**
- [37] Minnesota Association of Townships: **<http://www.mntownships.org>**
- [38] Minnesota Resort and Campground Association: **<http://www.hospitalitymn.com>**
- [39] Minnesota Seasonal Recreational Property Owners Coalition: **<http://www.msppo.org>**
- [40] Minnesota Vacation Rental Association:  
**<http://www.minnesotavacationrentalassociation.com/index.htm>**
- [41] University of Minnesota Tourism Center: **<http://www.tourism.umn.edu>**

[42] Legislature's Vacation Home Rental Report – January 2009:

<http://industry.exploreminnesota.com/vacation-home-rental-report-january-2009>

[43] See listings in Explore Minnesota's database:

<http://www.exploreminnesota.com/experience/71/directory/lodging?catid=64,195&ia=true>

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