Ordinance No. 561-2026

By Council Members Davis, Santana, Polensek and Harsh

Desk copy

Amendments for DPS 5/19/2026

AN ORDINANCE

To supplement the Codified Ordinances of the City of Cleveland, 1976 by enacting new Sections 686B.01 through 686B.11, 686B.99 and 686B.991, related to Short-Term Rentals, and by amending Sections 193.01, 193.02, 193.03 and 193.021 as amended by various ordinances related to the Transient Occupancy Tax, and by amending Section 337.02, as amended by Ordinance No. 586-16, passed July 13, 2016 related to One-Family Districts, and repealing Section 337.251, as amended by Ordinance No. 1444-16, passed January 23, 2017, related to Limited Lodging in Residence Districts.

WHEREAS, the increase in the number of persons and entities desiring to rent their residential properties on a short-term basis has led to the rise in transient and vacation rental uses within City neighborhoods that originally were planned, approved and constructed solely for residential use; and

WHEREAS, residential properties used by individuals for short periods of time ("short-term rentals") can negatively impact the neighborhoods' residential character that first encouraged people to purchase homes in that neighborhood; transient visitors taking the place of permanent residents can destroy the unity, communication and accountability between permanent residents; and

WHEREAS, the increase of substitute land uses for residential property contributes to the shortage of affordable housing for homeowners and long-term renters; and

WHEREAS, this Council has received numerous complaints from neighbors seeking to resolve issues with parking, noise, safety, and other adverse effects related to the operation of short-term rentals in residential areas; and

WHEREAS, regulating the use and operation of short-term rentals is intended to prevent continued negative impacts on pre-existing and stable neighborhoods and advance this Council's commitment to preserving the residential quality of the City's neighborhoods; and

WHEREAS, this Council believes that the licensing procedure and regulations set forth herein will permit the successful operation of short-term rentals in residential neighborhoods, are necessary to protect the health, safety and welfare of property owners, residents and transient guests, and will ensure such operations do not continue to negatively impact the residential character of neighborhoods; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That the Codified Ordinances of Cleveland Ohio, 1976, are supplemented by enacting new Sections 686B.01, 686B.02, 686B.03, 686B.04, 686B.05, 686B.06, 686B.07, 686B.08, 686B.09, 686B.10, 686B.11, 686B.99 and 686B.991 to read, respectively, as follows:

Section 686B.01 Purpose

This Council recognizes that, while short-term rentals can provide community benefits, the proliferation of short-term rentals in residential neighborhoods can adversely impact the health, safety, property, density and residential character of a neighborhood.

The purpose of this chapter is to establish a licensing process and health and safety standards for short-term rental units, while ensuring that such rental use does not create adverse impacts to residential neighborhoods due to excessive traffic, noise, density, and safety concerns, among other adverse effects.

Section 686B.02 Definitions

As used in this chapter:

(a) "Accessory use" shall have the same meaning as defined in Section 325.02.

(b) “Bedroom” means a room intended for sleeping purposes, separated from other spaces in a dwelling unit by one or more functional doors, and not used as a kitchen, bathroom, living room, closet, hallway, utility space, entry way, garage, patio or breezeway.

(c) “Booking agent” means any person or entity that facilitates reservations or collects payment for short-term rental accommodations on behalf of or for an owner or operator, through a website, mobile application or by other similar means. Merely publishing an advertisement for short-term rental accommodation does not make the publisher a booking agent.

(d) “City block” shall have the same meaning as defined in Section 510.01.

(e) “Commissioner” means the City Commissioner of Assessments and Licenses, unless stated otherwise.

(f) "Dwelling unit" shall have the same meaning as defined in Section 325.20.

(g) “Local contact” means an individual designated to serve as the local representative for the owner or operator, and who shall respond to any complaints regarding the condition, operation or maintenance of the short-term rental. The local contact must at all times be available in person or by phone while transient guests are on the premises of a short-term rental. If contacted, the local contact must be able to be present at the premises within one (1) hour of receiving a call. The local contact must be authorized to make decisions regarding the premises and the transient guests.

(h) “Operator” means the owner or local responsible party designated to manage a short-term rental property on behalf of the owner. The operator shall be the person designated to receive legal notice from the city related to operation of the short-term rental.

(i) “Owner” means the individual or entity that owns a property operating as a short-term rental, or a tenant of that property who has written authorization through a lease agreement to operate a short-term rental.

(j) “Short-term rental” means the temporary rental for compensation of a dwelling unit by the owner, operator, or through a booking agent, for the accommodation of transient guests where such accommodation to any transient guest is for not more than thirty (30) consecutive days.

(k) “Transient guest” means the person who is the renter of a short-term rental premises and has mere use without actual or exclusive possession of the premises.

Section 686B.03 Short-Term Rental License Required; Application; Fee

(a) No owner or operator shall operate, rent, lease, sublease, license or sublicense a dwelling unit as a short-term rental without a short-term rental license from the Commissioner.

(b) Short-term rental license applications shall be made on forms supplied by the Commissioner for that purpose and shall include:

(1) the name, street address, mailing address, email address, and telephone or cell phone number of the owner of the dwelling to be used for short-term rental purposes;

(2) the name, street address, mailing address, email address, and telephone or cell phone number of the operator of the dwelling, if any, to be used for short-term rental purposes;

(3) the name, address, email address and telephone or cell phone number of a local contact who can be contacted regarding immediate concerns and complaints about the short-term rental property;

(4) the street address of the dwelling to be used for short-term rental purposes;

(5) a dimensioned floor plan of the proposed short-term rental showing the proposed maximum number of transient guests, number of bedrooms, other living spaces, locations of safety features, and emergency evacuation routes;

(6) a parking plan of the premises identifying the location and quantity of parking spaces to be used in conjunction with the short-term rental;

(7) proof of liability insurance for the short-term rental, or proof that the short-term rental and the short-term owner or operator are named insured under a booking agent's liability of insurance, with limits not less than Five Hundred Thousand Dollars ($500,000.00);

(8) if applicant is a tenant, proof of possession of the dwelling unit by a valid lease agreement that allows for subleasing, or other verification of the tenant's right to possession of the premises. Evidence of a prohibition to sublease the dwelling unit shall be grounds for denial of a short-term rental license;

(9) proof of payment of all applicable taxes, including real estate taxes and transient occupancy taxes, due as of the date of submission of the application;

(10) proof of a certificate of occupancy issued pursuant to Section 3105.11 for the short-term rental premises; ~~and~~

(11) proof that the dwelling is certified lead safe as described in Section 365.04; and

~~(11)~~ (12) any other information that the Commissioner deems necessary in his or her discretion.

(c) All information required under division (b) for a short-term rental license application shall be updated within seven (7) days of a change in status, including any changes in the contact information of the operator and local contact.

(d) Every short-term rental license application shall be accompanied by a fee of $150.00. Every license issued shall be given a license number. Licenses shall be valid for one year commencing on December 1, and shall expire on November 30 of the following year, unless sooner revoked by the Commissioner. The fees for the initial licensing year shall be prorated from the month of issuance until November 30 of that year. Licenses issued under this section are not transferrable from one person to another or from one premises to another.

(e) Licenses may be renewed, on a form supplied by the Commissioner, for the following year provided all requirements of this chapter are met and no changes have been made from the previously approved application. The license renewal fee shall be $150.00. An application for

renewal of a license shall be filed no sooner than September 1 and no later than November 1 of the year of license expiration.

(f) The manner by which initial licenses and annual licenses will be issued, and the quantity of such licenses to be issued initially and annually will be in accordance with Section 686B.04 and the rules and regulations established by the Commissioner pursuant to Section 686B.10.

Section 686B.04 Short-Term Rental License Approval/Denial Standards; Issuance; Suspension; Revocation

(a) The Commissioner shall transmit the application for a license or a license renewal, along with the required documentation, to the Department of Building and Housing, the City Planning Commission, the Department of Public Health, and the Department of Public Safety for verification and approval. ~~In addition, the Commissioner shall provide written notice of the application, including the information provided pursuant to division (b)(1)-(4) of Section 686B.03, to the member of Council in whose ward the short-term rental is proposed.~~

(b) No license shall be issued unless the above departments have determined that the dwelling meets all health, fire, safety and building code standards. Consideration shall be made as to whether the owner has violated, does not meet, or has failed to comply with, any of the terms and conditions of the license, this chapter, or any applicable city or state laws, rules, regulations or executive orders, including, but not limited to the Zoning Code, as well as any evidence regarding nuisances or illegal activity concerning the owner or the subject property and, in particular, any recorded violations. The Commissioner may deny a license on consideration of such evidence, in accordance with rules and regulations established by the Commissioner pursuant to Section 686B.10. If the Commissioner denies a license, the applicant may appeal the Commissioner's action to the Board of Zoning Appeals, in writing within ten (10) days from the date of the Commissioner's action. The Board may sustain, disapprove, or modify the Commissioner's action.

(c) Upon verification and approval by the City departments as required in divisions (a) and (b), the Commissioner shall issue a license which shall indicate:

(1) the license number;

(2) the street address of the short-term rental;

(3) the name, street address, mailing address, email address, and telephone or cell phone number of the owner of the dwelling to be used for short-term rental purposes;

(4) the name, street address, mailing address, email address, and telephone or cell phone number of the operator of the dwelling, if any, to be used for short-term rental purposes;

(5) the name, address, email address and telephone or cell phone number of a local contact who can be contacted regarding immediate concerns and complaints about the short-term rental property, who will be present at the premises within one (1) hour of receiving a call and who is authorized to make decisions regarding the premises and the transient guests; and

(6) the maximum number of occupants.

(d) The Commissioner may suspend or revoke a license if the applicant makes any false statement in connection with the application, or upon the recommendation of the Department of Building and Housing, the Department of Public Health, or the Department of Public Safety, as appropriate, because the premises covered by the license is no longer in compliance with the requirements of this chapter or any applicable provisions of this Code, or if the licensee has failed to comply with any applicable city or state laws, rules, regulations or executive orders. A license shall be revoked, without limitation:

(1) if three or more nuisance activities, as defined in Section 630.01, have occurred on or from the licensed property within a 12-month period, even if the licensed property has not been declared a nuisance under these Codified Ordinances; or

(2) upon any one occurrence at or from the property of: any disorderly conduct or disorderly activity in violation of Sections 605.01 (Riot), 605.02 (Failure to Disperse), 605.03 (Disorderly Conduct; Intoxication), 605.06 (Inducing Panic); any offense against another person in violation of Sections 621.03 (Assault), 621.031 (Assault by a Minor; Parental Duty Imposed); or any weapons and explosives violation under Sections 627.04 (Using Weapons While Intoxicated), 627.06 (Failure to Secure Dangerous Ordnance), 627.07 (Improperly Providing Access to Firearms to a Minor), 627.09 (Improperly Discharging a Firearm on or near Prohibited Premises), 627.12 (Seizure and Confiscation of Deadly Weapon), 627.16 (Prohibition Against Transferring Firearms or Dangerous Ordnance to a Felon or Intoxicated Person), 627.15 (Unlawful Transactions in Weapons), 627.19 (Facsimile Firearms), 627.21 (Sale of Long Bladed Pocket Knives), 627.22 (Sale or Possession of Sling Shots and Pea Shooters), 627.23 (Unlawful Display of Weapons), 627.24 (Possession or Use of Stench Bombs), 627.25 (Tear Gas Guns), 627.26 (Containers of Combustibles), and 627.27 (Jump Traps); or

(3) upon any one occurrence at or from the property of any offense of violence defined in Section 2901.01 of the Revised Code.

For an activity or offense to have occurred for purposes of this section, a criminal conviction, citation, or arrest is not necessary. Complaints regarding any activity occurring at a property shall be made to any one of the following, as appropriate: the Division of Assessments and Licenses, the Division of Police, the Department of Building and Housing, the Department of Public Health, or the Division of Fire.

In the Commissioner's discretion and after consultation with relevant City departments and divisions, upon revocation of a license, the Commissioner may revoke any other license issued to the owner or operator for a short-term rental at another property.

If the Commissioner suspends or revokes a license, the licensee may appeal the Commissioner's action to the Board of Zoning Appeals, in writing within ten (10) days from the date of the Commissioner's action. The Board may sustain, disapprove or modify the Commissioner's action. If a license is suspended or revoked, the licensee may not operate the dwelling unit as a short-term rental while the decision to suspend or revoke the license is on appeal. If a license is revoked and the revocation is sustained on appeal, if any, an owner or operator may re-apply for a short-term rental license for the same property one year from the date the license was revoked.

Section 686B.05 General Conditions of Short-Term Rental Licenses

(a) No owner or operator shall advertise, cause to be advertised, or offer for rent a short-term rental that does not have the license required under this chapter.

(b) No ~~person or entity, including a booking agent,~~ owner or operator shall complete reservations for any short-term rental that does not have a license required under this chapter.

(c) No owner or operator shall fail to prominently display the short-term rental license inside the main entrance of the short-term rental unit.

(d) Notwithstanding Chapter 365, short-term rentals are not required to have a certificate of rental registration provided the dwelling unit remains a short-term rental. A dwelling unit rented for more than thirty (30) consecutive days is not a short-term rental as defined in this chapter and requires a certificate of rental registration pursuant to Chapter 365.

(e) A dwelling unit that is operated as a short-term rental is not eligible for tax abatement.

Section 686B.06 Regulations and Standards for Short-Term Rentals

(a) No owner may rent or lease a short-term rental for a period of more than thirty (30) consecutive days.

(b) The maximum number of persons permitted overnight in a short-term rental is two (2) per bedroom, plus two (2) additional persons.

(c) Transient guests are subject to all applicable parking requirements of these Codified Ordinances.

(d) Each bedroom of a short-term rental shall have interior access to a bathroom, whether private or shared, such that a transient guest has access to a bathroom without exiting the dwelling.

(e) A room located below grade shall not be used as a bedroom, unless it meets the requirements for habitable rooms below grade as set forth in Section 369.02 of these Codified Ordinances.

(f) Every short-term rental must be equipped with and have properly maintained each of the following:

(1) working smoke alarms adjacent to each sleeping area in each dwelling unit ~~as required in Chapter 392~~ as required under the Ohio Building Code at the time the application is made; and

(2) one or more carbon monoxide detection devices which shall be installed and ~~maintained as close to the center of the dwelling unit and within close proximity to the living and sleeping areas of the dwelling unit; and~~
"maintained as required under the Ohio Building Code at the time the application is made; and".

(3) one or more A/B/C classified fire extinguishers located at least in the kitchen and located, recharged, and maintained in accordance with Section 389.35, NFPA 10 and other applicable laws.

(g) Excessive or unnecessary noise in violation of these Codified Ordinances, including but not limited to Section 605.10, is prohibited at all times on the short-term rental property.

(h) The owner or operator shall provide proper trash and recycling containers for the transient guests and shall notify transient guests of the trash and recycle collection days for the property as well as any applicable rules and regulations regarding leaving or storing trash on the exterior of the property.

(i) An owner or operator shall provide to every transient guest, the name and contact information, including telephone or cell phone number, of the local contact with the responsibility to take action to resolve any complaints regarding the condition, operation or maintenance of the short-term rental. The local contact must be available in person or by phone at all times while transient guests are on the premises of a short-term rental. If contacted, the local contact must be able to be present at the premises within one (1) hour of receiving a call. The local contact must be authorized to make decisions regarding the premises and the transient guests.

(k) After an owner or operator receives a license required under Section 686B.03 and before a licensed short-term rental is occupied by a third party, the owner or operator shall provide written notification to all residential properties adjacent to, directly and diagonally across the street from, and directly and diagonally behind the short-term rental property, of the name and contact information, including telephone or cell phone number, of the local contact who can be contacted regarding immediate concerns and complaints about the short-term rental property.

Updated information shall be given in writing to the properties within seven (7) days of a change in status.

(j) Every owner, operator and transient guest shall comply with all other applicable city and state laws, rules, regulations, and executive orders.

Section 686B.07 Short-Term Rental Density Limitation; Variance

(a) *Density Limitation*. In any residential district, short-term rentals are limited to at least one or no more than ~~15%~~ 10% of the total residential units on the block or in a multi-unit building, whichever is greater. For purposes of this chapter, "multi-unit building" means any Class A multiple dwelling, as defined in Section 325.50, containing three (3) or more dwelling units.

(b) *Exception*. In order to obtain a license for a short-term rental that would exceed the density limitation in division (a) of this section, an owner or operator may apply to the Board of Zoning Appeals for a variance. The Board may consider the following factors when determining whether to permit the variance:

(1) whether the operation as a short-term rental in excess of the density limitation will adversely impact the residential quality of the neighborhood in which the property is located;

(2) whether the dwelling was previously operated as a short-term rental;

(3) whether any prior operation as a short-term rental was the subject of documented complaints;

(4) whether such operation is likely to disrupt adjacent owners' right to the quiet enjoyment of their property;

(5) whether such operation will substantially impact parking on the street fronting the short-term rental property and/or on nearby streets, including whether the property provides only limited off-street parking;

(6) whether the applicant seeks to operate an entire residence as a short-term rental or whether the short-term rental use is limited to a portion of the residence;

(7) whether other short-term rentals in excess of the density limitation are already operating on the block;

(8) in a multi-unit building, whether a majority of the residents and/or tenants support the variance; and

(9) such other factors as the Board deems necessary to aid in its decision.

(c) No owner or operator shall operate a short-term rental exceeding the density limitation set forth herein unless a variance is granted pursuant to this section.

(d) A dwelling unit in a residential district that has been in operation as limited lodging under Section 337.251 for a period of at least one year prior to the effective date of this ordinance is not subject to the density limitation of this section so long as the limited lodging operation was at all times in full compliance with these Codified Ordinances, and there are no recorded complaints against the property when operated as limited lodging. Full compliance with Section 337.251 means a dwelling unit has operated as limited lodging for fewer than ninety-one (91) days per calendar year and the lodging to any particular lodger was for not more than thirty (30) consecutive days; and compliance with the standards set forth in division (c) of Section 337.251, including providing and maintaining smoke detectors and carbon monoxide detection devices. An owner's or booking agent's records confirming that the property was operated as limited lodging in

full compliance with the Codified Ordinances including Section 337.251, for the period of time required herein shall be considered evidence of operation as limited lodging.

Section 686B.08 Booking Agent Registration Required

(a) *Registration.* A booking agent of short-term rentals shall register with the Commissioner on a form provided by the Commissioner which form shall include:

(1) The name, mailing address, street address, telephone or cell phone number, and e-mail address of the booking agent;

(2) The name, mailing address, street address, telephone or cell phone number, and e-mail address of at least one person authorized to:

A. Accept service of process on behalf of the booking agent;

B. Manage issues related to the collection and remittal of taxes and fees under Chapter 193 of the Codified Ordinances; and

C. Take remedial action to address any violation of an owner's or operator's responsibilities under this or any other relevant chapter of the Codified Ordinances.

(3) Any other information deemed necessary by the Commissioner in the Commissioner's discretion.

(b) *Registration renewal; updated contact information.* The registration required under this section shall be renewed annually, on a schedule set by the Commissioner. The booking agent shall notify the Commissioner immediately of any changes in the contact information of the authorized person required under this section.

(c) *Compliance with Chapter 193.* Booking agents shall comply with all requirements of Chapter 193 of these Codified Ordinances.

Section 686B.09 Discrimination Prohibited

No owner or operator shall:

(a) Decline a short-term rental to a transient guest based on race, religion, color, sex, sexual orientation, gender identity or expression, national origin, age, disability, ethnic group or Vietnam-era or disabled veteran status;

(b) Impose different terms or conditions on a short-term rental based on race, religion, color, sex, sexual orientation, gender identity or expression, national origin, age, disability, ethnic group or Vietnam-era or disabled veteran status; or

(c) Advertise a short-term rental that discourages or indicates a preference for or against a transient guest based on race, religion, color, sex, sexual orientation, gender identity or expression, national origin, age, disability, ethnic group or Vietnam-era or disabled veteran status.

Section 686B.10 Rules and Regulations

The Commissioner shall promulgate rules and regulations to carry out the intent of this chapter, which may include, not limited to, additional grounds and processes for the approval, denial, suspension and revocation of a license. Such rules and regulations shall be effective seven (7) days after publication in the City Record.

Section 686B.11 Severability

The provisions of this chapter are deemed to be severable and if any of its provisions are held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, the remaining provisions shall not be invalidated.

Section 686B.99 Criminal Penalties

(a) *Failure to obtain a license.* Any owner or operator who operates, rents, leases, subleases, licenses or sublicenses a short-term rental without a valid license in violation of Section 686B.03 is guilty of a misdemeanor of the first degree and shall be fined not more than one thousand dollars ($1,000.00) or imprisoned not more than six (6) months, or both.

(b) *Operation without a variance.* Any person operating a short-term rental without a variance in violation of Section 686B.07 is guilty of a misdemeanor of the first degree and shall be fined not more than one thousand dollars ($1,000.00) or imprisoned not more than six (6) months, or both.

(c) The fines charged under this section shall be in addition to, and not in lieu of, any other penalties, civil or criminal, that may be charged against any person for a violation of these Codified Ordinances, including but not limited to penalties under Section 686B.991, Chapter 193 and Chapter 630.

Section 686B.991 Civil Penalties

(a) *Failure to obtain a license.* Any owner or operator who operates, rents, leases, subleases, licenses or sublicenses a short-term rental without a valid license in violation of Section 686B.03 shall be fined five thousand dollars ($5,000.00).

(b) *Advertising without a license.* Any owner or operator that advertises, or causes to be advertised, a short-term rental without a valid license in violation of division (a) of Section 686B.05 shall be fined one thousand dollars ($1,000.00) per violation. Each day a short-term rental without a valid license is advertised shall constitute a separate violation.

(c) *Completing a reservation without a license.* Any owner or operator that completes a reservation for a short-term rental that does not have the license required under division (b) of Section 686B.05 shall be fined one thousand dollars ($1,000.00) for each offense.

(d) *Failure to display license.* Any owner or operator that fails to prominently display the short-term rental license at the main entrance of the short-term rental unit in violation of division (c) of Section 686B.05 shall be fined one thousand dollars ($1,000.00) per violation. Each day of non-compliance constitutes a separate violation.

(e) *Offering a short-term rental in violation of Section 686B.06.* Any owner or operator, with a valid license, who otherwise offers a short-term rental in violation of the regulations and standards set forth in Section 686B.06 shall be fined one thousand dollars ($1,000.00) for the first offense and three thousand dollars ($3,000.00) for a second and any subsequent offense.

(f) *Operation without a variance.* Any person operating a short-term rental without a variance in violation of Section 686B.07 shall be fined five thousand dollars ($5,000.00).

(g) *Failure to register*. Any booking agent that violates Section 686B.08 shall be fined one thousand five hundred dollars ($1,500.00). Each year of non-compliance constitutes separate offense.

(h) The fines charged under this section shall be in addition to, and not in lieu of, any other penalties, civil or criminal, that may be charged against any person for a violation of these Codified Ordinances, including but not limited to penalties under Section 686B.99, Chapter 193 and Chapter 630.

(i) The Commissioner or designee, the Director of Building and Housing or designee, the Director of Public Health or designee, and the Director of Public Safety or designee, as may be applicable, have the authority to charge the civil penalties under this section.

(j) A civil penalty imposed under this section may be appealed to the applicable administrative officer or their designee, within ten (10) days after receipt of the civil penalty. The administrative officer shall grant the appeal or conduct a hearing within thirty (30) days of the filing of the appeal. The administrative officer shall have jurisdiction to affirm or reverse the civil penalty. A person aggrieved by a final decision of the administrative officer may further appeal to the Board of Zoning Appeals within thirty (30) days after the administrative officer's written decision.

Section 2. That the Codified Ordinances are supplemented by amending Section 193.01, as amended by Ordinance No. 252-A-83, passed June 15, 1983; Sections 193.02 and 193.121, as amended by Ordinance No. 30-16, passed June 6, 2016; Section 193.03, as amended by Ordinance No. 597-13, passed May 20, 2013; and Section 337.02, as amended by Ordinance No. 586-16, passed July 13, 2016 to read, respectively, as follows:

Section 193.01 Intent of Tax

It is the intent of the City to levy the excise tax of three percent (3%) on transactions by which lodging is or is to be furnished by a hotel or a short-term rental to transient guests as referred to and authorized by ~~RC 5739.02(C).~~ RC 5739.08. Accordingly, this chapter shall be construed to effectuate that purpose and so as to be consistent with any requirement of law, compliance with which is a prerequisite to the validity of the tax intended to be levied hereby.

Section 193.02 Definitions

As used in this chapter:

(a) "Administrator" means the Commissioner of Assessments and Licenses or his or her authorized representative.

(b) "Booking agent" means any person or entity that facilitates reservations or collects payment for hotel or short-term rental accommodations on behalf of or for a vendor, through a website, mobile application, or by other similar means. Merely publishing an advertisement for accommodations does not make the publisher a booking agent.

(c) "Hotel" means every establishment kept, used, maintained, advertised, or held out to the public to be a place where lodging is offered to guests in one (1) or more rooms, regardless of use of keyed entry, whether such rooms are in one (1) or several structures, and whether the rooms are located in different structures or on different parcels of land if the structures are not identified in advertisements of the accommodations as distinct establishments.

(d) "Transaction price" means the total amount of consideration, including money or any other value, paid, or to be paid, or given by, or on behalf of, a transient guest to a hotel, short-term rental, or booking agent in exchange for lodging. The transaction price is the amount advertised or published to the public inclusive of any fees built into the advertised or published price; however, service fees or booking fees, if separately stated, shall not be included in the transaction price.

(e) "Transient guest" or "transient guests" means a person or persons occupying a room or rooms, or a short-term rental dwelling for lodging for less than thirty (30) consecutive days.

(f) "Vendor" means the person who is the owner or operator of the hotel or short-term rental and who furnishes the lodging.

(g) "Short-term rental" means the temporary rental for compensation of a dwelling unit by the owner, operator, or through a booking agent, for the accommodation of transient guests where such accommodation to any transient guest is for not more than thirty (30) consecutive days ~~or not less than twenty-four (24) hours~~.

Section 193.03 Purpose, Rate and Application of Tax

(a) There is hereby levied an excise tax of three percent (3%) on transactions by which lodging by a hotel or short-term rental is, or is to be, furnished to transient guests.

(b) The excise tax levied under this chapter shall provide revenue for the purposes of general municipal operations, procurement of fixed assets or permanent improvements, payment of debt charges, the elimination of deficits in City funds and for all other lawful purposes. To carry out such purposes, the receipts of the tax levied under this chapter shall be deposited to the credit of the General Fund.

(c) The tax, which shall be known as the transient occupancy tax, applies and is collectible at the time the lodging is furnished, regardless of the time when the price is paid. The tax shall not apply to transactions by which lodging is furnished to:

(1) the Federal government, the State or any of its political subdivisions; or

(2) a person maintaining occupancy for a period of thirty (30) or more consecutive days; provided, however, that except in the case of employees of the same employer, no occupancy may be used in combination with the occupancy of another, regardless of the source of payment, to exempt a transaction under this division.

(d) For the purpose of the proper administration of this chapter and to prevent the evasion of the tax, it shall be presumed that all lodging furnished by hotels and short-term rentals in the City to transient guests is subject to the tax until the contrary is established.

Section 193.121 Booking Agents

(a) Any booking agent, that facilitates transactions for one (1) or more hotels or one (1) or more short-term rentals in the City and that does not collect or remit the tax on behalf of all the vendors of such hotels or short-term rentals, shall provide the City quarterly within thirty (30) days of the end of each calendar quarter a transaction report. The transaction report shall consist of all listings by the vendors during the preceding calendar quarter, including, but not limited to, the dates of occupancy for each lodging and the amount paid for each completed transaction, if any.

(b) Any booking agent that lists one (1) or more hotels or one (1) or more short-term rentals in the City shall:

(1) at the time any vendor first lists a hotel or short-term rental with it, notify the vendor of the vendor's tax and license obligations to the City; and

(2) annually provide all vendors of one (1) or more hotels or one (1) or more short-term rentals with a reminder of their tax and license obligations to the City.

In both cases, the booking agent shall use language provided or approved by the Administrator.

Section 337.02 One-Family Districts

In a One-Family District, the following buildings and uses and their accessory buildings and uses are permitted:

(a) Dwelling houses, each occupied by not more than one (1) family and not more than two (2) roomers or boarders;

(b) Playgrounds, parks;

(c) The extension of existing cemeteries;

(d) Railroad rights-of-way, not including switching, storage or freight yards or industrial sidings;

(e) Agricultural uses, subject to the regulations of Section 337.25 and Section 347.02;

(f) Short-term rentals, as defined in Chapter 686B, subject to the density limitation set forth in that chapter.

~~(f)~~ (g) The following buildings and uses, if located not less than fifteen (15) feet from any adjoining premises in a Residence District not used for a similar purpose:

(1) Churches and other places of worship, but not including funeral chapels or mortuary chapels;

(2) Telephone exchanges and static transformer stations, provided there is no public business office or any storage yard or storage building operated in connection therewith;

(3) Bus turn-around and layover areas operated by a public transit agency provided that no buildings other than a passenger shelter and restroom are located at each site, and provided, further, that any layover space accommodates no more than two (2) buses.

~~(g)~~ (h) The following buildings and uses, if approved by the Board of Zoning Appeals after public notice and public hearing, and if adequate yard spaces and other safeguards to preserve the character of the neighborhood are provided, and if in the judgment of the Board such buildings and uses are appropriately located and designed and will meet a community need without adversely affecting the neighborhood:

(1) A temporary or permanent use of a building by a nonprofit organization for a dormitory, fraternity or sorority house, for the accommodation of those enrolled in or employed by an educational institution permitted in the District;

(2) Fire stations, police stations;

(3) The following buildings and uses, if located not less than thirty (30) feet from any adjoining premises in a Residence District not used for a similar purpose, and subject to the review and approval of the Board of Zoning Appeals as stated above:

A. Public libraries or museums, and public or private schools or colleges including accessory laboratories, provided such private schools or colleges are not conducted as a gainful business;

B. Recreation or community center buildings, parish houses and grounds for games and sports, except those of which a chief activity is one customarily carried on primarily for gain;

C. Day nurseries, kindergartens;

D. Hospitals, sanitariums, nursing, rest or convalescent homes, not primarily for contagious diseases nor for the care of drug or liquor patients, nor for the care of the insane or developmentally disabled;

E. Orphanages;

F. Homes for the aged or similar homes;

G. Charitable institutions not for correctional purposes.

(4) The following buildings and uses, if located not less than fifty (50) feet from adjoining premises in a Residence District not used for a similar purpose, and subject to the review and approval of the Board of Zoning Appeals as stated above.

A. Municipal recreation buildings;

B. Municipal swimming pools;

(5) Crematories in existing cemeteries, provided they are not less than three hundred (300) feet from any boundary that abuts a Residence District, and subject to the review and approval of the Board of Zoning Appeals as stated above.

~~(h)~~ (i) A residential facility, as defined in Chapter 325 of this Zoning Code, for one (1) to five (5) unrelated persons, provided it is located not less than one thousand (1,000) feet from another residential facility. Residential facilities shall comply with area, height, yard and architectural compatibility requirements of this Zoning Code applicable to residences in One-Family Districts.

Section 3. That Section 193.01, as amended by Ordinance No. 252-A-83, passed June 15, 1983; Sections 193.02 and 193.121, as amended by Ordinance No. 30-16, passed June 6, 2016; Section 193.03, as amended by Ordinance No. 597-13, passed May 20, 2013; and Section 337.02, as amended by Ordinance No. 586-16, passed July 13, 2016, are repealed.

Section 4. That Section 337.251, as amended by Ordinance No. 1444-16, passed January 23, 2017, related to Limited Lodging in Residence Districts, is repealed.

Section 5. That the enactment of new Section 686B.01 through 686B.11, 686B.99, and 686B.991, the amendments to Section 337.02, as amended by Ordinance No. 586-16, passed July 13, 2016, and the repealing of Section 337.251, as amended by Ordinance No. 1444-16, passed January 23, 2017, shall take effect and be in force ~~ninety (90)~~ one hundred and eighty (180) days after passage of this ordinance.

Section 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

AD:rns
4/27/2026

Ordinance No. 561-2026

Ord. No. 561-2026

By Council Members Davis, Santana, Polensek and Harsh

AN ORDINANCE

To supplement the Codified Ordinances of the City of Cleveland, 1976 by enacting new Sections 686B.01 through 686B.11, 686B.99 and 686B.991, related to Short-Term Rentals, and by amending Sections 193.01, 193.02, 193.03 and 193.021 as amended by various ordinances related to the Transient Occupancy Tax, and by amending Section 337.02, as amended by Ordinance No. 586-16, passed July 13, 2016 related to One-Family Districts, and repealing Section 337.251, as amended by Ordinance No. 1444-16, passed January 23, 2017, related to Limited Lodging in Residence Districts.

READ FIRST TIME on APRIL 27, 2026 **REPORTS**
and referred to DIRECTORS of Building and Housing, City Planning Commission, Finance, Law; COMMITTEE on Development Planning and Sustainability, Finance Diversity Equity and Inclusion

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME

PRESIDENT

CITY CLERK

APPROVED

MAYOR

Recorded Vol. **113** Page_____

Published in the City Record _____

REPORT

after second Reading

PASSAGE RECOMMENDED BY COMMITTEE ON
DEVELOPMENT, PLANNING AND SUSTAINABILITY

FILED WITH COMMITTEE _____

PASSAGE RECOMMENDED BY COMMITTEE ON
FINANCE, DIVERSITY, EQUITY and INCLUSION

FILED WITH COMMITTEE _____