

SUMMARY STATEMENT

Idaho Association of Realtors v. City of Lava Hot Springs, Docket No. 50888

This appeal concerned the Short-term Rental and Vacation Rental Act, Idaho Code sections 63-1801 to 1804, and Idaho Code section 67-6539 (collectively “Act”). Generally, the Act limits the kind of prohibitions or regulations municipalities may enforce with respect to short-term rentals. The City of Lava Hot Springs regulates short-term rentals based on whether they are occupied by an owner or manager. A short-term rental that is not occupied by an owner or manager is prohibited in residential zones and only permitted in the City’s commercial zones. Bed and breakfast-type establishments that are occupied by the owner or manager are permitted in both commercial and residential zones.

This dispute arose when the City denied John and Michelle Taylor’s application for a business license to operate a non-owner-occupied short-term rental in the City’s residential zone. The Idaho Association of Realtors and the Taylors sued the City alleging that its regulatory scheme violated the Act, which prohibits a city from enforcing any ordinance “that has the express or practical effect of prohibiting short-term rentals or vacation rentals in the city.” But the Act also allows municipalities to enforce reasonable regulations of short-term rentals to “safeguard the public health, safety and general welfare in order to protect the integrity of residential neighborhoods in which short-term rentals . . . operate.” The City brought a summary judgment motion based on its view that its regulation of short-term rentals did not violate the Act. The district court granted the City’s motion, finding that the City’s regulations did not have the express or practical effect of prohibiting short-term rentals and that the City’s regulations were permissible under the health, safety and welfare exception in the Act.

The Idaho Supreme Court reversed the decision of the district court because the City’s ordinance expressly prohibits short-term rentals in the City’s primary residential zone. By restricting short-term rentals in residential zones to those occupied by the owner, the City expressly prohibited non-owner occupied rentals in the City’s residential zone. Because the City’s ordinance violated the Act, the Court invalidated the City’s ordinance.

******This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.******