

Short Term Rentals in Residential Neighborhoods

Several years ago, the Village of Lexington adopted an ordinance to regulate short term rentals. The intent was to strike a balance between the need for short term rentals due to the limited availability of lodging and the interests of residents, business owners, visitors, and property owners wishing to engage in short-term residential rentals.

Definition of short term rental (STR): The rental of a residential dwelling or a portion of a dwelling for lodging for compensation (including but not limited to financial and monetary exchanges, barter, borrow, care or similar compensation) for a term of less than 30 days at least three (3) times per year.

SHORT TERM RENTALS

Short term rentals in the R-1 (Single Family Residential), C-MU (Corridor-Mixed Use) and G-MU (Gateway-Mixed Use) Districts are subject to the requirements of Zoning Ordinance, Section 5.25. Short Term Rentals within the CBD and GC Districts do not need to abide by 5.25. Bed and Breakfasts are subject to Zoning Ordinance 5.20.

Most short-term rentals are located east of M-25. Many of them are very close together creating the potential to jeopardize the single family neighborhood character; therefore, for purposes of maintaining the small town character of our Village, short term rentals will be limited to one every 250 feet and there will be a maximum of twenty (20).

The cost for registering a short term rental is \$200. The annual renewal (due in November) costs \$25, and the owner must provide proof it was used as a short term rental within the previous 18 months.