



Reprinted
April 6, 2017

ENGROSSED HOUSE BILL No. 1133

DIGEST OF HB 1133 (Updated April 5, 2017 4:49 pm - DI 87)

Citations Affected: IC 32-31.5; IC 36-1.

Synopsis: Preemption of local bans on short term rentals. Specifies requirements for local unit of government regulation of short term rental of residential property. Requires an owner of a short term rental property or a facilitator on the owner's behalf to maintain primary liability insurance for third party claims for death, bodily injury, and property damage occurring during a short term rental period. Allows a local unit to limit or prohibit short term rentals located within a conservancy district.

Effective: July 1, 2017.

Lehman, McNamara, Ober

(SENATE SPONSORS — HEAD, BUCK, RANDOLPH LONNIE M)

January 5, 2017, read first time and referred to Committee on Government and Regulatory Reform.

January 24, 2017, amended, reported — Do Pass.

January 31, 2017, read second time, ordered engrossed. Engrossed.

February 6, 2017, read third time, failed. Yeas 49, nays 44.

February 7, 2017, reconsidered.

February 14, 2017, re-read third time, passed. Yeas 53, nays 40.

SENATE ACTION

February 20, 2017, read first time and referred to Committee on Local Government.

March 16, 2017, amended, reported favorably — Do Pass.

April 3, 2017, read second time, amended, ordered engrossed.

April 4, 2017, engrossed. Returned to second reading.

April 5, 2017, re-read second time, amended, ordered engrossed.

EH 1133—LS 6680/DI 97



Reprinted
April 6, 2017

First Regular Session of the 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1133

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 32-31.5 IS ADDED TO THE INDIANA CODE AS
2 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
3 2017]:

4 **ARTICLE 31.5. SHORT TERM RENTALS**

5 **Chapter 1. General Provisions**

6 **Sec. 1. This article applies only to short term rentals.**

7 **Chapter 2. Definitions**

8 **Sec. 1. The definitions in this chapter apply throughout this**
9 **article.**

10 **Sec. 2. (a) "Facilitator" means a person who:**

11 **(1) contracts or otherwise enters into an agreement:**

12 **(A) with a person who rents or furnishes rooms, lodgings,**
13 **or accommodations for consideration; and**

14 **(B) to market the rooms, lodgings, or accommodations**
15 **through the Internet; and**

16 **(2) accepts payment from the consumer for the room, lodging,**
17 **or accommodation.**

EH 1133—LS 6680/DI 97



1 (b) The term does not include a licensee (as defined in
2 IC 25-34.1-1-2(6)) under the real estate broker licensing act
3 (IC 25-34.1) or the owner of the room, lodging, or accommodation.

4 Sec. 3. "Owner" means the person that owns a short term
5 rental.

6 Sec. 4. "Rental" means use of a residential property for
7 consideration paid to the owner of the residential property, directly
8 or through a facilitator.

9 Sec. 5. (a) "Short term rental" means a property that satisfies
10 all the following:

11 (1) The property is individually or collectively owned.

12 (2) The property is any of the following:

13 (A) A single family home.

14 (B) A dwelling unit in a single family home.

15 (C) A dwelling unit or group of dwelling units in a
16 condominium, cooperative, or time share.

17 (D) An owner occupied residential home.

18 (3) Booking and rental of the property is limited as set forth
19 in IC 32-31.5-3-1.

20 (b) The term does not include property that is used for any
21 nonresidential use.

22 Chapter 3. Booking and Rental; Insurance

23 Sec. 1. The booking and rental periods for a property used as a
24 short term rental are limited as follows:

25 (1) The property may be:

26 (A) booked for rental to the public; or

27 (B) rented to the public;

28 only for a rental period of less than thirty (30) consecutive
29 days at any one (1) time.

30 (2) The total number of days during a calendar year that the
31 property may be rented to the public may not exceed one
32 hundred eighty (180) days.

33 Sec. 2. Not later than July 15, 2017, an owner, or a facilitator on
34 the owner's behalf, shall maintain primary liability insurance that
35 meets the following requirements:

36 (1) The liability insurance is issued:

37 (A) by an insurance company that holds a certificate of
38 authority to do insurance business in Indiana under
39 IC 27-1-3-20; or

40 (B) through a surplus lines producer licensed under
41 IC 27-1-15.8.

42 (2) The insurance may be provided by any of the following:



- 1 **(A) Liability insurance maintained by the owner.**
 2 **(B) Liability insurance maintained by the facilitator.**
 3 **(C) Liability insurance maintained by any combination of**
 4 **clauses (A) and (B).**
 5 SECTION 2. IC 36-1-24 IS ADDED TO THE INDIANA CODE AS
 6 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2017]:
 8 **Chapter 24. Short Term Rentals**
 9 **Sec. 1. As used in this chapter, "rental" means use of a**
 10 **residential property for consideration paid to the owner of the**
 11 **residential property, directly or through a facilitator (as defined in**
 12 **IC 6-2.5-1-19.5).**
 13 **Sec. 2. (a) "Short term rental" means a property that satisfies**
 14 **all the following:**
 15 **(1) The property is individually or collectively owned.**
 16 **(2) The property is any of the following:**
 17 **(A) A single family home.**
 18 **(B) A dwelling unit in a single family home.**
 19 **(C) A dwelling unit or group of dwelling units in a**
 20 **condominium, cooperative, or time share.**
 21 **(D) An owner occupied residential home.**
 22 **(3) Booking and rental of the property is limited as set forth**
 23 **in section 3 of this chapter.**
 24 **(b) The term does not include property that is used for any**
 25 **nonresidential use.**
 26 **Sec. 3. The booking and rental periods for a property used as a**
 27 **short term rental are limited as follows:**
 28 **(1) The property may be:**
 29 **(A) booked for rental to the public; or**
 30 **(B) rented to the public;**
 31 **only for a rental period of less than thirty (30) consecutive**
 32 **days at any one (1) time.**
 33 **(2) The total number of days that the property may be rented**
 34 **to the public may not exceed one hundred eighty (180) days**
 35 **during a calendar year.**
 36 **Sec. 4. If a property is a short term rental under this chapter,**
 37 **the use of the property as a short term rental may be prohibited,**
 38 **regulated, or limited by:**
 39 **(1) a unit, but only for a primary purpose set forth in section**
 40 **6 of this chapter; and**
 41 **(2) a homeowners association or similar entity or a member**
 42 **of a homeowners association or similar entity, as set forth in**



- 1 section 7 of this chapter.
- 2 **Sec. 5. Except as provided in section 6 of this chapter, a unit**
- 3 **may not do any of the following:**
- 4 **(1) Enact or enforce any law or plan that:**
- 5 **(A) prohibits; or**
- 6 **(B) regulates short term rentals.**
- 7 **(2) Restrict the use of or regulate short term rentals based on**
- 8 **the classification, use, or occupancy of the short term rental.**
- 9 **Sec. 6. A unit may enact or enforce a law or plan that regulates**
- 10 **short term rentals only for the following primary purposes:**
- 11 **(1) Protection of the public's health and safety related to:**
- 12 **(A) fire and building safety;**
- 13 **(B) sanitation;**
- 14 **(C) transportation;**
- 15 **(D) traffic control; and**
- 16 **(E) pollution control;**
- 17 **if enforcement is performed in the same manner as**
- 18 **enforcement that applies to similar properties that are not**
- 19 **short term rentals.**
- 20 **(2) To provide the unit with an emergency contact for a short**
- 21 **term rental.**
- 22 **(3) Residential use and zoning related to:**
- 23 **(A) noise;**
- 24 **(B) protection of welfare;**
- 25 **(C) property maintenance; and**
- 26 **(D) nuisance issues;**
- 27 **if enforcement is performed in the same manner as**
- 28 **enforcement that applies to similar properties that are not**
- 29 **short term rentals.**
- 30 **(4) To limit or prohibit use of short term rentals for the**
- 31 **following purposes:**
- 32 **(A) To house sex offenders.**
- 33 **(B) To operate a structured sober living home.**
- 34 **(C) To manufacture, exhibit, distribute, or sell illegal**
- 35 **drugs, liquor, pornography, or obscenity.**
- 36 **(D) To operate an adult entertainment establishment (as**
- 37 **defined in IC 12-7-2-1.8).**
- 38 **(5) To limit or prohibit short term rentals located within the**
- 39 **boundaries of a conservancy district established under**
- 40 **IC 14-33.**
- 41 **Sec. 7. This chapter does not prohibit a homeowners association**
- 42 **or similar entity from establishing limitations or prohibitions on**



- 1 **short term rentals on real property owned by any of the following:**
- 2 **(1) A member of the homeowners association or similar entity.**
- 3 **(2) The homeowners association or similar entity.**
- 4 **(3) The members of the homeowners association or similar**
- 5 **entity in common.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1133, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 32-31.5 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

ARTICLE 31.5. SHORT TERM RENTALS

Chapter 1. General Provisions

Sec. 1. This article applies only to short term rentals.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. (a) "Facilitator" means a person who:

(1) contracts or otherwise enters into an agreement:

(A) with a person who rents or furnishes rooms, lodgings, or accommodations for consideration; and

(B) to market the rooms, lodgings, or accommodations through the Internet; and

(2) accepts payment from the consumer for the room, lodging, or accommodation.

(b) The term does not include a licensee (as defined in IC 25-34.1-1-2(6)) under the real estate broker licensing act (IC 25-34.1) or the owner of the room, lodging, or accommodation.

Sec. 3. "Owner" means the person that owns a short term rental.

Sec. 4. "Rental" means use of a residential property for consideration paid to the owner of the residential property, directly or through a facilitator.

Sec. 5. (a) "Short term rental" means an individually or collectively owned:

(1) single family home;

(2) dwelling unit in a single family home;

(3) dwelling unit or group of dwelling units in a condominium, cooperative, or time share; or

(4) owner occupied residential home;

that is booked for rental to the public or rented to the public for periods of less than thirty (30) consecutive days, except that the total number of days the property is booked or rented during a



calendar year may not exceed one hundred eighty (180) days.

(b) The term does not include property that is used for any nonresidential use.

Chapter 3. Insurance Requirements

Sec. 1. Not later than July 15, 2017, an owner, or a facilitator on the owner's behalf, shall maintain primary liability insurance that meets the following requirements:

- (1) The liability insurance is issued:**
 - (A) by an insurance company that holds a certificate of authority to do insurance business in Indiana under IC 27-1-3-20; or**
 - (B) through a surplus lines producer licensed under IC 27-1-15.8.**
- (2) The language of the liability insurance policy:**
 - (A) recognizes that the owner is an owner of a short term rental; and**
 - (B) covers the owner for third party claims for death, bodily injury, or property damage occurring during the short term rental period.**
- (3) The liability insurance must meet the following coverage requirements during a short term rental period:**
 - (A) Primary liability insurance in an amount equal to at least one million dollars (\$1,000,000) per incident for death, bodily injury, and property damage.**
 - (B) The insurance required by clause (A) provided by any of the following:**
 - (i) Liability insurance maintained by the owner.**
 - (ii) Liability insurance maintained by the facilitator.**
 - (iii) Liability insurance maintained by any combination of items (i) and (ii).**

Sec. 2. If liability insurance maintained by an owner as described in section 1 of this chapter lapses or does not provide the required coverage:

- (1) liability insurance maintained by the facilitator must provide the required coverage beginning with the first dollar of a claim; and**
- (2) the insurance company that issues the liability insurance described in subdivision (1) has a duty to defend the claim described in subdivision (1).**

Sec. 3. Coverage under liability insurance maintained by a facilitator may not be dependent on a personal liability insurance company's first denying a claim for coverage under a personal



liability insurance policy, nor may a personal liability insurance company be required to first deny a claim."

Page 1, line 16, delete "offered to the public for rental for less than thirty (30)" and insert **"booked for rental to the public or rented to the public for periods of less than thirty (30) consecutive days, except that the total number of days the property is booked or rented during a calendar year may not exceed one hundred eighty (180) days."**

Page 1, delete line 17.

Page 2, line 17, delete "does not prohibit the use of a property as a" and insert **"is performed in the same manner as enforcement that applies to similar properties that are not short term rentals."**

Page 2, delete line 18.

Page 2, between lines 36 and 37, begin a new line block indented and insert:

"(5) To limit or prohibit short term rentals located within the boundaries of a conservancy district established under IC 14-33."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1133 as introduced.)

MAHAN

Committee Vote: yeas 10, nays 0.

HOUSE MOTION

Mr. Speaker: Pursuant to House Rule 151, I move that House Bill 1133, which failed to pass for want of a constitutional majority on February 6, 2017, be handed down again and placed before the House on final passage.

LEHMAN



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred House Bill No. 1133, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 9 through 19, begin a new paragraph and insert:

"Sec. 5. (a) "Short term rental" means a property that satisfies all the following:

- (1) The property is individually or collectively owned.**
- (2) The property is any of the following:**
 - (A) A single family home.**
 - (B) A dwelling unit in a single family home.**
 - (C) A dwelling unit or group of dwelling units in a condominium, cooperative, or time share.**
 - (D) An owner occupied residential home.**
- (3) Booking and rental of the property is limited as set forth in IC 32-31.5-3-1."**

Page 2, line 22, delete "Insurance Requirements" and insert **"Booking and Rental; Insurance**

Sec. 1. The booking and rental periods for a property used as a short term rental are limited as follows:

- (1) The property may only be:**
 - (A) booked for rental to the public; or**
 - (B) rented to the public;****for a rental period at any one (1) time of less than thirty (30) consecutive days.**
- (2) The total number of days during a calendar year that the property may be rented to the public may not exceed one hundred eighty (180) days."**

Page 2, line 23, delete "1." and insert "2."

Page 2, delete lines 32 through 42, begin a new line block indented and insert:

- "(2) The insurance may be provided by any of the following:**
- (A) Liability insurance maintained by the owner.**
 - (B) Liability insurance maintained by the facilitator.**
 - (C) Liability insurance maintained by any combination of clauses (A) and (B)."**

Page 3, delete lines 1 through 20.

Page 3, delete lines 29 through 39, begin a new paragraph and insert:

"Sec. 2. (a) "Short term rental" means a property that satisfies



all the following:

- (1) The property is individually or collectively owned.
- (2) The property is any of the following:
 - (A) A single family home.
 - (B) A dwelling unit in a single family home.
 - (C) A dwelling unit or group of dwelling units in a condominium, cooperative, or time share.
 - (D) An owner occupied residential home.
- (3) Booking and rental of the property is limited as set forth in section 3 of this chapter."

Page 3, delete line 42, begin a new paragraph and insert:

"Sec. 3. The booking and rental periods for a property used as a short term rental are limited as follows:

- (1) A property may only be:
 - (A) booked for rental to the public; or
 - (B) rented to the public;for a rental period at any one (1) time of less than thirty (30) consecutive days.
- (2) The total number of days that a property may be rented to the public may not exceed one hundred eighty (180) days during a calendar year.

Sec. 4. If a property is a short term rental under this chapter, the use of the property as a short term rental may be prohibited, regulated, or limited by:

- (1) a unit, but only for a primary purpose set forth in section 6 of this chapter; and
- (2) a homeowners association or similar entity or member of a homeowners association or similar entity as set forth in section 7 of this chapter.

Sec. 5. Except as provided in section 6 of this chapter, a unit may not do any of the following:

- (1) Enact or enforce any law or plan that:
 - (A) prohibits; or
 - (B) regulates short term rentals.
- (2) Restrict the use of or regulate short term rentals based on the classification, use, or occupancy of the short term rental."

Page 4, delete lines 1 through 5.



Page 4, line 6, delete "4." and insert "6."
Page 4, line 38, delete "5." and insert "7."

and when so amended that said bill do pass.

(Reference is to HB 1133 as printed January 24, 2017.)

BUCK, Chairperson

Committee Vote: Yeas 7, Nays 2.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1133 be amended to read as follows:

Page 1, delete lines 1 through 17.

Delete page 2.

Page 3, delete lines 1 through 4, begin a new paragraph and insert:

"SECTION 1. IC 36-1-20-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 0.5. This chapter does not apply to a short term rental property under IC 36-1-24.**"

Page 3, between lines 8 and 9, begin a new paragraph and insert:

"Sec. 1. As used in this chapter, "consumer" means a person who pays consideration to an owner for a short term rental, either directly or through a facilitator.

Sec. 2. (a) As used in this chapter, "facilitator" means a person that:

- (1) contracts or otherwise enters into an agreement:**
 - (A) with a person who rents or furnishes rooms, lodgings, or accommodations for consideration; and**
 - (B) to market the rooms, lodgings, or accommodations through the Internet; and**
- (2) accepts payment from a consumer for the room, lodging, or accommodation.**

(b) The term does not include a licensee (as defined in IC 25-34.1-1-2(6)) under the real estate broker licensing act (IC 25-34.1) or the owner of the room, lodging, or accommodation.

Sec. 3. As used in this chapter, "owner" means a person that has an interest in title or a present possessory interest in property that the person offers to the public as a short term rental.

Sec. 4. As used in this chapter, "permit" means a short term rental permit issued by a unit in accordance with this chapter."



Page 3, line 9, delete "1." and insert "5."

Page 3, line 10, after "property" insert **"for lodging or accommodations"**.

Page 3, line 10, delete "paid to the owner of the" and insert **"for periods of less than thirty (30) days."**

Page 3, delete lines 11 through 12.

Page 3, line 13, delete "2." and insert "6."

Page 3, delete lines 22 through 23, begin a new line block indented and insert:

"(3) The property is:

(A) booked for rental to the public; or

(B) rented to the public;

for periods of less than thirty (30) consecutive days.

(b) The term includes a detached accessory structure, including a guest house or other living quarters that is intended for human habitation, if the entire property is designated for a single family residential use."

Page 3, line 24, delete "(b)" and insert "(c)".

Page 3, delete lines 26 through 42, begin a new paragraph and insert:

"Sec. 7. On and after July 15, 2017, an owner, or a facilitator on the owner's behalf, shall maintain primary liability insurance that meets the following requirements:

(1) The liability insurance is issued:

(A) by an insurance company that holds a certificate of authority to do insurance business in Indiana under IC 27-1-3-20; or

(B) through a surplus lines producer licensed under IC 27-1-15.8.

(2) The insurance may be provided by any of the following:

(A) Liability insurance maintained by the owner.

(B) Liability insurance maintained by the facilitator.

(C) Liability insurance maintained by any combination of clauses (A) and (B).

Sec. 8. A unit may prohibit, regulate, or limit short term rentals only as follows:

(1) A unit may establish a limit on the number of rental days in a calendar year in accordance with section 9 of this chapter.

(2) A unit may require an owner to obtain a permit for a short term rental in accordance with this chapter.

(3) A unit may prohibit, regulate, or limit the use of property



as a short term rental only for a primary purpose set forth in section 19 of this chapter.

Sec. 9. A unit may limit the number of days during a calendar year that an owner may rent a property as a short term rental, but only if:

- (1) the limit is set by ordinance; and
- (2) the limit is at least one hundred eighty (180) days in a calendar year.

Sec. 10. (a) A unit may require an owner to obtain a permit for a short term rental by adopting an ordinance that sets forth only the requirements of this chapter for obtaining a permit. If an ordinance is adopted, an owner must submit a permit application to the unit for each short term rental property owned by the owner. The application may require the owner to provide only the following information for each short term rental:

- (1) The owner's name, street address, mailing address, electronic mail address (if applicable), and telephone number. If the owner is a corporation or partnership, the application must require the owner's:
 - (A) state of incorporation or organization; and
 - (B) principal officer's or partner's names, residence addresses, and telephone numbers.
- (2) If a property manager is used, the property manager's name, street address, mailing address, electronic mail address (if applicable), and telephone number.
- (3) A short description of how the short term rental is marketed or advertised, including:
 - (A) the advertised occupancy limits of the short term rental; and
 - (B) whether the short term rental is an entire single family dwelling or a dwelling unit within a single family dwelling.
- (4) Proof of primary liability insurance coverage as required by this chapter.

(b) A permit application must be made by an owner. If the owner is a corporation, partnership, or other legal entity, the permit application must be made by an officer or agent of the owner.

Sec. 11. If any information provided by an owner to a unit under section 10 of this chapter changes, the owner must provide updated information to the unit in writing within thirty (30) business days.

Sec. 12. (a) A permit expires one (1) year after the date the permit is issued.



(b) A unit may charge a permit fee that varies based upon whether the short term rental is an entire single family dwelling or a dwelling unit in a single family dwelling. A permit fee may not exceed one hundred fifty dollars (\$150).

Sec. 13. An owner or a consumer may be charged as the party responsible for violating an ordinance regarding the occupancy and use of a short term rental, including:

- (1) noise control ordinances of the unit;
- (2) nuisance ordinances of the unit and nuisance statutes;
- (3) refuse and garbage ordinances of the unit; and
- (4) animal control ordinances of the unit.

A person charged with an ordinance violation is entitled to trial before a court as provided by law or, if the unit has established an ordinance violations bureau under IC 33-36-2, may enter an admission of the violation with a violations clerk.

Sec. 14. If three (3) citations for ordinance violations are issued to an owner for a short term rental within a calendar year, the unit may revoke the permit for that short term rental for a period of not more than one (1) year. The unit shall provide notice and a hearing for revocation in accordance with the unit's ordinance.

Sec. 15. If a unit revokes a permit under this chapter, revocation of the permit shall be conducted under the notice and hearing procedures of the unit for revocation of other permits issued by the unit.

Sec. 16. An owner may apply for a permit for a short term rental for which a previous permit of the owner was revoked by the unit. However, a new permit may not be issued until any outstanding fines are paid for ordinance violation citations issued to the owner with regard to use of the short term rental.

Sec. 17. If a short term rental is sold, the permit for the short term rental may not be transferred to the new owner. The new owner must submit an application for a new permit.

Sec. 18. (a) An owner that rents a short term rental without obtaining a valid short term rental permit from a unit that adopts an ordinance under this chapter commits a Class C infraction.

(b) Each short term rental transaction that the owner completes without a short term rental permit constitutes a separate violation of this section.

Sec. 19. A unit may enact or enforce a law or plan that regulates short term rentals only for the following primary purposes:

- (1) Protection of the public's health and safety related to:
 - (A) fire and building safety;



- (B) sanitation;
- (C) transportation;
- (D) traffic control; and
- (E) pollution control;

if enforcement is performed in the same manner as enforcement that applies to similar properties that are not short term rentals.

(2) To provide the unit with an emergency contact for a short term rental.

(3) Subject to section 20 of this chapter, residential use and zoning related to:

- (A) noise;
- (B) protection of welfare;
- (C) property maintenance; and
- (D) nuisance issues;

if enforcement is performed in the same manner as enforcement that applies to similar properties that are not short term rentals.

(4) To limit or prohibit use of short term rentals for the following purposes:

- (A) To house sex offenders.
- (B) To operate a structured sober living home.
- (C) To manufacture, exhibit, distribute, or sell illegal drugs, liquor, pornography, or obscenity.
- (D) To operate an adult entertainment establishment (as defined in IC 12-7-2-1.8).

Sec. 20. (a) A short term rental is a permitted residential use under any applicable zoning ordinance of a unit and may not be disallowed by any zoning ordinance (as defined in IC 36-7-1-22) in a zoning district or classification of a unit that permits residential use.

(b) A zoning ordinance may require a short term rental property to meet only the same:

- (1) zoning requirements;
- (2) developmental standards; and
- (3) building codes;

as other residential structures or improvements in the same residential zoning district or classification.

Sec. 21. This chapter does not affect, prohibit, preempt, or render unenforceable any property or use restrictions contained in



properly enacted rules or regulations of a homeowners association or similar entity."

Delete pages 4 through 5.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1133 as printed March 17, 2017.)

HEAD

SENATE MOTION

Madam President: I move that Engrossed House Bill 1133, which is eligible for third reading, be returned to second reading for purposes of amendment.

HEAD

SENATE MOTION

Madam President: I move that Engrossed House Bill 1133 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 32-31.5 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

ARTICLE 31.5. SHORT TERM RENTALS

Chapter 1. General Provisions

Sec. 1. This article applies only to short term rentals.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. (a) "Facilitator" means a person who:

(1) contracts or otherwise enters into an agreement:

(A) with a person who rents or furnishes rooms, lodgings, or accommodations for consideration; and

(B) to market the rooms, lodgings, or accommodations through the Internet; and

(2) accepts payment from the consumer for the room, lodging, or accommodation.



(b) The term does not include a licensee (as defined in IC 25-34.1-1-2(6)) under the real estate broker licensing act (IC 25-34.1) or the owner of the room, lodging, or accommodation.

Sec. 3. "Owner" means the person that owns a short term rental.

Sec. 4. "Rental" means use of a residential property for consideration paid to the owner of the residential property, directly or through a facilitator.

Sec. 5. (a) "Short term rental" means a property that satisfies all the following:

- (1) The property is individually or collectively owned.
- (2) The property is any of the following:
 - (A) A single family home.
 - (B) A dwelling unit in a single family home.
 - (C) A dwelling unit or group of dwelling units in a condominium, cooperative, or time share.
 - (D) An owner occupied residential home.
- (3) Booking and rental of the property is limited as set forth in IC 32-31.5-3-1.

(b) The term does not include property that is used for any nonresidential use.

Chapter 3. Booking and Rental; Insurance

Sec. 1. The booking and rental periods for a property used as a short term rental are limited as follows:

- (1) The property may be:
 - (A) booked for rental to the public; or
 - (B) rented to the public;only for a rental period of less than thirty (30) consecutive days at any one (1) time.
- (2) The total number of days during a calendar year that the property may be rented to the public may not exceed one hundred eighty (180) days.

Sec. 2. Not later than July 15, 2017, an owner, or a facilitator on the owner's behalf, shall maintain primary liability insurance that meets the following requirements:

- (1) The liability insurance is issued:
 - (A) by an insurance company that holds a certificate of authority to do insurance business in Indiana under IC 27-1-3-20; or
 - (B) through a surplus lines producer licensed under IC 27-1-15.8.
- (2) The insurance may be provided by any of the following:



- (A) Liability insurance maintained by the owner.**
- (B) Liability insurance maintained by the facilitator.**
- (C) Liability insurance maintained by any combination of clauses (A) and (B)."**

Page 1, delete lines 1 through 4.

Page 1, delete lines 9 through 17.

Page 2, delete lines 1 through 11.

Page 2, line 12, delete "5." and insert "1."

Page 2, line 13, delete "lodging or accommodations for".

Page 2, line 14, delete "for periods of less than thirty (30) days." and insert **"paid to the owner of the residential property, directly or through a facilitator (as defined in IC 6-2.5-1-19.5)."**

Page 2, line 15, delete "6." and insert "2."

Page 2, delete lines 24 through 31, begin a new line block indented and insert:

"(3) Booking and rental of the property is limited as set forth in section 3 of this chapter."

Page 2, line 32, delete "(c)" and insert "(b)".

Page 2, delete lines 34 through 42, begin a new paragraph and insert:

"Sec. 3. The booking and rental periods for a property used as a short term rental are limited as follows:

(1) The property may be:

- (A) booked for rental to the public; or**
- (B) rented to the public;**

only for a rental period of less than thirty (30) consecutive days at any one (1) time.

(2) The total number of days that the property may be rented to the public may not exceed one hundred eighty (180) days during a calendar year.

Sec. 4. If a property is a short term rental under this chapter, the use of the property as a short term rental may be prohibited, regulated, or limited by:

- (1) a unit, but only for a primary purpose set forth in section 6 of this chapter; and**
- (2) a homeowners association or similar entity or a member of a homeowners association or similar entity, as set forth in section 7 of this chapter.**

Sec. 5. Except as provided in section 6 of this chapter, a unit may not do any of the following:

- (1) Enact or enforce any law or plan that:**
 - (A) prohibits; or**



(B) regulates short term rentals.

(2) Restrict the use of or regulate short term rentals based on the classification, use, or occupancy of the short term rental.

Sec. 6. A unit may enact or enforce a law or plan that regulates short term rentals only for the following primary purposes:

(1) Protection of the public's health and safety related to:

(A) fire and building safety;

(B) sanitation;

(C) transportation;

(D) traffic control; and

(E) pollution control;

if enforcement is performed in the same manner as enforcement that applies to similar properties that are not short term rentals.

(2) To provide the unit with an emergency contact for a short term rental.

(3) Residential use and zoning related to:

(A) noise;

(B) protection of welfare;

(C) property maintenance; and

(D) nuisance issues;

if enforcement is performed in the same manner as enforcement that applies to similar properties that are not short term rentals.

(4) To limit or prohibit use of short term rentals for the following purposes:

(A) To house sex offenders.

(B) To operate a structured sober living home.

(C) To manufacture, exhibit, distribute, or sell illegal drugs, liquor, pornography, or obscenity.

(D) To operate an adult entertainment establishment (as defined in IC 12-7-2-1.8).

(5) To limit or prohibit short term rentals located within the boundaries of a conservancy district established under IC 14-33.

Sec. 7. This chapter does not prohibit a homeowners association or similar entity from establishing limitations or prohibitions on short term rentals on real property owned by any of the following:

(1) A member of the homeowners association or similar entity.

(2) The homeowners association or similar entity.



(3) The members of the homeowners association or similar entity in common."

Delete pages 3 through 6.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1133 as reprinted April 4, 2017.)

HEAD

