Denver Boosts Short-Term Rental Regulation Compliance with First Online Registration Process

Denver, the “mile high city” and capital of Colorado, is an in-demand travel destination, known for its thriving cultural scene and emphasis on outdoor activities. The Denver Post reported that in 2016, Denver hosted 17.3 million overnight visitors, setting a new tourism record for the 11th consecutive year.

Managing sharing economy disruption in Colorado communities

The rapid emergence of the short-term rental industry has left many cities and counties grappling with how to regulate transactions made through companies like Airbnb and VRBO. Facing potential challenges in their communities, governments struggle to ensure the safety of rentals, control nuisance complaints, and collect taxes while also encouraging tourism and supporting residents looking to earn extra income.

With thousands of short-term rental listings popping up online and no clear process in place to manage the influx, Denver had to act. In 2016, the municipality introduced an ordinance requiring hosts to obtain a short-term rental license.

Enacting legislation was only half the battle though – short-term rental ordinances have historically faced very low compliance rates, as hosts are either unaware of regulatory requirements, or would rather risk violating the law than attempt to navigate an unfamiliar, government regulatory process. In order to promote compliance with their new ordinance, Denver made ease-of-registration a top priority.

“Meet citizens where they are”

Acting in accordance with Mayor Michael Hancock’s vision to “meet citizens where they are”, Denver resolved to make their short-term rental licensing process as user-friendly and convenient as possible. Denver’s legislation even mandated an entirely online process for obtaining the new license.

Accela worked with Denver’s Department of Excise & Licenses, along with Denver Technology Services, to launch a registration portal for the City's short-term rental licenses. The modern website appeals to tech-savvy hosts, replacing tedious paperwork and long waits at City Hall with a modern user interface that makes it easy and quick for short-term rental hosts to register online. Denver also supported its technology enhancements with a proactive PR campaign called “Stay Legit Denver” encouraging short-term rental hosts to obtain a license.
The portal also integrates seamlessly with the Accela Licensing and Case Management system that the Department already uses to efficiently manage regulatory processes and data across their organization.

“We’re trying to leverage 21st-century technology to meet operators where they are.”

Nathan Batchelder, Legislative Analyst for the City and County of Denver

Leading large cities in regulatory compliance

Within just six months of announcing the ordinance, and six months after the mandatory registration deadline, Denver had achieved an estimated 62% compliance rate.

Legislative Analyst for the City and County of Denver, Nathan Batchelder, noted that he was “unaware of any other large city in the nation that has anywhere near the same level of compliance.”

Adds Batchelder, “Being able to quickly build this new, user-friendly portal and regulatory program into our existing Accela system was crucial to our timely success.”