

Blue Lake Township Planning Commission

Short Term Rentals Sequence of Events

September 2023 to August 2024

The following are the sequence of events from September 2023 driving the proposed updated ordinances:

- September 16, 2023 – The Blue Lake Township Planning Commission is made aware of a Michigan Court case involving Short Term Rentals being defined as a Commercial Activity.
- September 21, 2023 – Planning Commission delivered a letter to the Blue Lake Township Board informing them of the court case above and references a number of other cases. (attached)
- November 2023 – January 30 2024 – Township Attorney reviews the cases and advises the Planning Commission that the cases do not create any liability for Blue Lake Township as they are unpublished and dealt with Restrictive Covenants.
 - January 30 2024 Planning Commission Meeting
 - Planning Commission Votes to set aside the court rulings.
 - A citizen submits a formal request to the Planning Commission to review the definition of Short Term Rentals as a Commercial Activity or a Residential Use.
 - Planning Commission Agrees that Short Term Rentals are a Commercial Activity and directs the Secretary to work with the Township Attorney to draft updated language to potentially address this decision.
 - Key Elements from the rulings are:
 - “A residential purpose is the one place where a person lives as their permanent home, and, when applying that standard, a summer home cannot constitute a permanent residence when a person’s domicile is in another location. O’Connor, 459 Mich

at 345. In a residence, a person lives, has a permanent presence, and stores their belongings there, even when they are not at home. A residence reflects permanence and a continuity of presence.”

- “The act of renting property to another for short-term use presents a commercial use despite the fact that the activity is residential in nature. Terrien, 467 Mich at 63-64.”
- “...purchasers of the properties, did not use the properties as a permanent home, and a summer home cannot constitute a permanent residence when their domicile is in another location. O’Connor, 459 Mich at 345.”
 - These elements along with other rulings and opinions were reviewed.
- May 17 2024 Planning Commission Meeting
 - Planning Commission formally agreed that Short Term Rental’s are a Commercial Activity and as such the proposed amendments to the Short Term Rental License ordinance and updates to the Zoning Ordinances were approved.
 - Short Term Rentals are a commercial activity.
 - Commercial Activities are only allowed in Commercial and Industrial Zoned areas
 - Any currently licensed Short Term Rentals will be deemed an existing nonconforming use and allowed to continue provided Licensing is followed. (see the ordinance update for formal language)