

Short Term Rental Discussion

July 13, 2026

Common Council

Community Investment and Zoning & Annexation
Committees



City of South Bend
Indiana

Filed in Clerk's Office

JUL 13 2026

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Short-Term Rentals: An Overview

- A short-term rental (STR) is a home or room rented to guests for fewer than 30 days, usually via platforms like Airbnb and Vrbo
- Increased market for STRs has led to growing concerns:
 - Noise, parking, and trash complaints — and occasional "party house" disruptions resulting in public safety concerns
 - Absentee, non-owner-occupied operators with no local contact when problems arise
 - Enforcement today is largely complaint-driven, with limited tools to respond
 - Whole-home rentals can reduce housing available for long-term residents, as well as increase the cost of available housing
 - STR land use not currently addressed in Municipal Code



Legal Considerations for STR Regulation

- Short-term rental rules in Indiana are largely set by state law
 - STR Chapter of Indiana Code continues to receive attention and amendments from General Assembly
- Cities must follow Indiana Code when updating local ordinances
- South Bend cannot prohibit short-term rentals but can regulate them
- The goal is clear rules and expectations for owners and neighborhood compatibility, within state limits



What State Law Does NOT Allow



Cities cannot ban short-term rentals



Cities cannot cap or limit the total number of short-term rentals



Owner-occupied homes must be allowed to operate as short-term rentals



Short-term rentals cannot be regulated more harshly than similar homes



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What the City *can* Regulate



REQUIRE SHORT-TERM
RENTALS TO HAVE A
CITY PERMIT



ENFORCE BUILDING,
FIRE, HEALTH, AND
SAFETY CODES



ENFORCE NOISE AND
NUISANCE
ORDINANCES



REQUIRE OWNER
CONTACT AND
EMERGENCY
CONTACT
INFORMATION



ESTABLISH A
SHORT-TERM RENTAL
USE AS A SPECIAL
EXCEPTION



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New Proposed Requirement: Permitting



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Short-term rentals will be required to obtain a city permit



Properties must meet basic safety and property maintenance standards



Owners must provide a local or emergency contact



Permits can be revoked after three (3) violations

Proposed Special Exception (Non-Owner- Occupied STRs)



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Non-owner-occupied short-term rentals require a special exception for a Short Term Rental Use



This is handled through the zoning process for special exceptions



Must meet all requirements for a special exception pursuant to the Municipal Code



Short Term Rental Use defined as holding a permit, ensuring consistency in regulatory framework between ordinances

What this Means for Neighborhoods

- Better information on who to contact if issues arise
- Clear enforcement tools when properties cause problems
- Consistent rules applied fairly across all neighborhoods
- Focus on reducing impacts, not eliminating short-term rentals

Short-term rentals cannot be banned under Indiana law

City may not enforce limits on how many short-term rentals may exist citywide

Permit and Special Exception frameworks enhance oversight of STRs

Existing noise and nuisance rules apply the same as any home, and repeat citations subject properties to permit revocation



Questions?



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