



Town of Seabrook Island Short-Term Rental Permits

Frequently Asked Questions (FAQ)

➤ What is a short-term rental (STR) unit?

A short-term rental (STR) unit is defined in the town's Development Standards Ordinance (DSO) as follows: "A residential dwelling that is rented or leased, or offered for rent or lease, as an overnight accommodation for periods of less than 30 consecutive days at any time during a calendar year. A short-term rental unit is generally used by renters and their guests in a manner that is consistent with the residential character of both the dwelling and the surrounding area. Hotels, motels, inns, and bed and breakfasts are not considered short-term rental units. Vacation time-sharing plans are not considered short-term rental units and are prohibited within the town pursuant to the DSO.

A STR permit may only be issued for a conforming or legally nonconforming residential dwelling. Accessory structures, including, but not limited to, accessory dwelling units, pool houses and finished rooms over a garage, shall not be permitted as a standalone STR unit, but may be included under a STR permit issued for the principal dwelling. No vehicle, boat, recreational vehicle, storage unit or non-residential structure may be permitted or occupied as a STR.

➤ When does the 2023-24 license year start?

The 2023-24 license year will begin on May 1, 2023, and end on April 30, 2024.

The town will begin processing 2023-24 STR Permit and Business License applications on April 4, 2023. To avoid late fees, all renewal applications must be received (or postmarked) no later than April 30, 2023.

Applications will be processed in the order they are received. Upon issuance, a copy of each STR Permit will be emailed to the owner or designated agent, as applicable. A hard copy of the business license will be sent by mail.

➤ What do I need to submit to obtain a 2023-24 Business License and STR Permit?

The application packet for each STR unit (new and renewal) must contain ALL of the following:

- A completed 2023-24 STR Permit application form
- A completed 2023-24 Business License application form
- \$450.000 STR Permit fee (plus late fees, if applicable)

PLEASE NOTE: Incomplete application packets will be returned and, if applicable, may become subject to late fees and suspension of rental privileges if received after April 30, 2023.

Please keep track of what you submit! The town has a very small staff processing thousands of applications during the renewal period. We are unable to go through individual applications to verify what was and was not submitted.

Tips for completing your 2023-24 Business License application

- Business License applications must include the property owner's Tax ID. If the income from the STR unit is reported on an individual's income taxes, the Tax ID will generally be the owner's Social Security Number (SSN). If the property owner is a corporation or other entity, then the Federal Tax ID (EIN) should be used. **If the owner is using a management company, DO NOT use the management company's Tax ID unless the management company owns the unit.**
- The rate class for all STR units is Class 9.2.
 - Base Rate: \$62.00 for the first \$2,000 in gross income
 - Variable Rate: \$2.40 for each additional \$1,000 (or fraction thereof)

Tips for completing your 2023-24 STR Permit application

- **Please note that the STR Permit application form has been updated for 2023-24.** If you submit an application using a prior year's form, your application will be returned.
- **The property owner listed on the application form must match the information on file with Charleston County Tax Records.** If the unit is owned by multiple individuals, each owner must be listed on the application form. If the unit is owned by a LLC or Trust, then the name of the LLC or Trust must be listed on the application form and an authorized representative of the LLC or Trust must also be listed as the owner's primary contact. Property ownership may be verified at the following link: <https://sc-Charleston.publicaccessnow.com/RealPropertyRecordSearch.aspx>
- **If the owner or designated agent are not physically located within 50 miles of the rental unit, the applicant must designate a 24-hour local contact.** The 24-hour local contact must be physically located within 50 miles and able to respond to the unit within two hours of receiving notice of a violation or emergency situation.
- **Each application must include a Charleston County License Number on the application form.** This is the number used to report Local Accommodations Tax payments to Charleston County on a monthly basis. If you don't know your Charleston County License Number, you may contact Charleston County at (843) 202-6080. As allowed by ordinance, the town reserves the right to request documentation verifying that all required taxes have been paid in full.
- The STR Permit application must be signed by the property owner(s). If the owner(s) choose to designate an agent, **the agent may sign on behalf of the owner as long as a signed copy of the management agreement is attached to the application.**

For additional instructions on completing your STR Permit and/or Business License application forms, please refer to the letter you received with your renewal packet.

➤ **Can I continue advertising and renting a STR unit while my applications are pending?**

STR's operating with a valid STR Permit and Business License for 2022-23 may continue to be advertised and rented until April 30, 2023.

After April 30, 2023, the following requirements shall apply:

- **Renewals:** As long as a STR unit has a valid Business License and STR Permit for the 2022-23 license year, the unit may continue to be advertised and rented beyond April 30, 2023, while awaiting the processing of your applications. **If your renewal applications are not received (or postmarked) by April 30, 2023, or if the applications are returned as incomplete, the unit may not be advertised or rented beyond this date.**

- **New Permits:** A new STR unit may not be advertised or rented until a STR Permit and Business License for 2023-24 have been issued by the town.

➤ **Can I obtain a STR permit for a residence that is under construction?**

No. A STR permit will not be issued until a certificate of occupancy (CO) has been issued by the town.

➤ **Can I obtain a STR permit for a residence that I am under contract to purchase but do not yet own?**

No. A STR Permit will only be issued to the owner of record. Once the transfer has taken place, the new owner may apply for and obtain a STR Permit.

➤ **Can I rent out a single bedroom?**

No. A dwelling which is permitted to operate as a STR may only be advertised and rented as an entire unit. A permit holder may not advertise or rent a portion of a dwelling, such as an individual bed or bedroom.

➤ **I received a STR Permit Placard and STR Information Packet from the town when my permit was issued. What do I need to do with these documents?**

Once your STR permit is issued, you will receive a STR Permit placard via email. The STR Permit placard is designed to meet the posting requirements specified in the DSO. Within three days of receipt, the STR permit placard should be placed on or adjacent to the inside of the primary access door serving the unit. The owner or designated agent may not alter or modify the STR permit placard, except to include the location of the unit's fire extinguisher.

Once your STR permit is issued, you will also receive a copy of the town's "Short-Term Rental Information Packet" for 2023-24. This packet is prepared by the town and includes all information which is required by ordinance to be provided to rental guests. The packet must be provided prior to (or during) the check-in process, either in printed or electronic format. Alternatively, the information packet may be maintained within the rental unit at all times.

➤ **How is a STR unit's maximum occupancy determined?**

The maximum occupancy of a STR unit is set by town ordinance and is based on the unit's finished living area (heated square feet) and the total number of bedrooms according to current Charleston County tax records.

- For STR units with less than 2,500 square feet of total finished living area, the maximum occupancy of the unit shall be limited to two (2) occupants per code-compliant bedroom, plus two (2) additional occupants for the entire unit.
- For STR units with 2,500 square feet of total finished living area or more, the maximum occupancy of the unit shall be limited to two (2) occupants per code-compliant bedroom, plus four (4) additional occupants for the entire unit.
- NOTE: Children under the age of two (2) are not counted toward the maximum occupancy limit.

The number of beds within a unit, or the presence of bunk beds, sofa beds or lofts, will have no bearing on a unit's maximum occupancy.

Each unit's maximum occupancy will be listed on its STR Permit Placard. Please review the Permit Placard carefully and make sure that the maximum occupancy is correctly listed in all advertisements for the property. **Advertising a higher occupancy than that listed on the STR Permit is a violation of town ordinance.** Exceeding the maximum allowable occupancy is also a violation of town ordinance.

If you believe the heated square footage and/or bedroom count is incorrect, please contact the Charleston County Building Inspections Department for further assistance. If the county amends its records to increase the heated square footage and/or bedroom count, you may submit this documentation to the town along with an updated STR Permit application form and \$100.00 Permit Modification fee. Once the information has been verified, an updated STR Permit will be issued.

➤ **What if the property owner wishes to change the designated agent and/or 24-hour local contact?**

As long as there is no change in property ownership, a permit holder may change his or her designated agent and/or 24-hour local contact by submitting an updated STR Permit application form, making sure to check the box at the top next to "Change of Designated Agent or 24-Hour Contact." If the owner is designating a new agent to act on his or her behalf, the form must be signed by both the owner and the agent unless a copy of the fully executed management agreement is enclosed with the application form, in which case the form may be signed by either party. Applications to change the designated agent and/or 24-hour local contact are subject to a \$25.00 fee.

➤ **What will happen if I fail to remit state and/or local sales and accommodations taxes?**

The gross proceeds derived from the rental of accommodations to renters is subject to the following state and local taxes:

• State Sales Tax: 5%	5%	Reported and paid to SCDOR
• State Accommodations Tax:	2%	Reported and paid to SCDOR
• County Education Capital Improvements Tax:	1%	Reported and paid to SCDOR
• County Local Option Sales Tax	1%	Reported and paid to SCDOR
• County Transportation Sales Tax	1%	Reported and paid to SCDOR
• County Accommodations Tax:	2%	Reported and paid to Charleston County
• <u>Town Accommodations Tax:</u>	<u>1%</u>	<u>Reported and paid to Charleston County</u>
TOTAL	13%	

If a property owner fails to collect and remit the require state and/or local sales and accommodations taxes in a timely, the Zoning Administrator may suspend or revoke the unit's STR Permit.

➤ **What should I do if I sell my STR unit?**

If an existing STR unit is sold during the permit year, the permit holder (seller) or their designated agent should notify the town so that the STR Permit and Business License may be cancelled. If notification is not provided, the existing STR permit may be revoked by the Zoning Administrator.

Except in limited circumstances (as described above), a STR Permit is non-transferrable following the sale or transfer the property. Once the property has been transferred, the new owner of record must apply for and obtain a new STR Permit if they wish to continue advertising and renting the unit.

➤ **I bought a property that was already permitted as a STR unit. Can I continue to operate under the prior owner's permit?**

No. Except in limited circumstances (as described below), a STR Permit is non-transferrable following the sale or transfer the property. Once the property has been transferred, the new owner of record must apply for and obtain a new STR Permit if they wish to continue advertising and renting the unit.

An existing STR permit may be modified due to a change in ownership (subject to a \$25.00 fee) only under the following circumstances:

- Transfer of ownership to one or more individuals who are related by blood, adoption, or marriage to the current owner of record;
- Transfer of property ownership to a trust, partnership, corporation, or similar entity in which the current owner of record retains an ownership stake of at least fifty (50%) percent;
- Transfer of property ownership to the heirs of the current owner of record following their death; or Transfer of property ownership resulting from a court order.

➤ **What are the penalties if I fail to apply for and/or obtain a STR Permit?**

It is a violation of town ordinance to advertise and/or rent a residential dwelling as a STR unit without first applying for and obtaining a valid STR Permit and town Business License. Upon conviction, each violation is subject to fines of up to \$500.00 per day, plus applicable court fees and surcharges.

If a property owner fails to submit their renewal application by April 30, 2023, the property may no longer be rented as of May 1, 2023, and all rental listings must be removed. If a property owner continues to advertise and/or rent the STR unit without submitting a renewal application by the deadline, the application will be subject to the following late fees:

- If submitted between May 1 and May 31: Application Fee + \$150.00 Late Fee
- If submitted between June 1 and June 30: Application fee + \$300.00 Late Fee
- If submitted on or after July 1, 2023: Application Fee + \$450.00 Late Fee

The property owner is responsible for ensuring that all state and local sales and accommodations taxes are reported and paid in a timely manner. In addition to any penalties allowed by law, a STR Permit may be revoked or suspended if the property owner fails to collect and remit all required state and local sales and accommodations taxes.

➤ **Who should I contact if I have additional questions?**

Nichole Nettles
STR Compliance Manager

Phone: (843) 768-9121
Email: nnettl@townofseabrookisland.org