

# Summary of Ord. 2020-14

## *“Short-Term Rental Ordinance”*



**Short-Term Rental Ad Hoc Committee Recommendations**

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# Purpose & Intent

## Purpose & Intent of the DRAFT Ordinance

- **Maintain the ability to rent property to STR guests**
  - *Important to property owners and the town*
- **Protect the health and safety of rental guests**
- **Minimize adverse impacts to neighboring properties and the public**
- **Supplement SIPOA and regime regulations**
- **Implement “best practices” from neighboring communities**



# Ordinance Structure

## Structure of the DRAFT Ordinance

- The DRAFT Ordinance amends the following DSO sections:
  - *Section 2.10 (Definitions)*
  - *Section 5.20.30 (AG District – Conditional Uses)*
  - *Section 5.30.30 (SR District – Conditional Uses)*
  - *Section 5.40.50 (PDD District – Conditional Uses)*
  - *Section 8.70.30 (Time Sharing)*



# Summary of Changes

## Section 2.10 (Definitions)

- **Added Terms:**
  - *Dwelling, Accessory*
  - *Short-Term Rental Unit (<30 days)*
  - *Vacation Club Unit*
  - *Vacation Time Sharing Plan*
  - *Vacation Time Sharing Lease Plan*
  - *Vacation Time Sharing Ownership Plan*
- **Deleted Terms:**
  - *Dwelling, Rental*
  - *Guesthouse*
- **Amended Terms:**
  - *Family*



# Summary of Changes

## Section 5.20.30 (AG), 5.30.30 (SR) & 5.40.50 (PDD)

- **Amended Existing Conditional Uses:**
  - *Accessory Dwelling Unit (Formerly Guesthouses)*
- **Added New Conditional Uses:**
  - *Short-Term Rental Unit*
  - *Vacation Club Unit*

*Note: A “conditional use” is a use that is allowed by-right within a specified zoning district as long as it satisfies all conditions specified within the zoning ordinance.*



# Summary of Changes

## Section 8.70.30 (Time Sharing)

- **Clarified existing language to be consistent with state law:**
  - *Residential properties are prohibited from being used for, subject to, rented, leased, sold or otherwise operated as a "Vacation Time Sharing Plan" (More than 13 ownership interests)*
- **Deleted language regarding quarter-share ownership interests**



# Conditional Uses

**Accessory Dwelling Units (ADU)**

**Short-Term Rental Units (STR)**

**Vacation Club Units (VCU)**



# Accessory Dwelling Units

## Conditions for Accessory Dwelling Units (ADU)

- Lot must be at least 1.5 acres
- ADU's must be permanently attached to (or inside of) the principal dwelling
- No more than 1 ADU per parcel
- No larger than 50% of principal dwelling or 900 sq ft
- Construction plans and permits required
- May not be rented as a stand-alone STR



# Short-Term Rental Units

## General Requirements for STR's

- Annual STR Permit required (effective January 1, 2021)
- STR must be located within a conforming or legally non-conforming dwelling
- STR permits may not be issued for ADU's, accessory structures, vehicles, boats, RV's, storage units or non-residential structures
- STR must be rented as an entire unit (no individual bedrooms, etc.)



# Short-Term Rental Units

## General Requirements for STR's (Continued)

- Owner may designate an agent to act on his or her behalf, such as a property management company
- A local contact will be required if the owner or agent does not reside within 50 miles
- Annual town business license required
- SC retail license required if the unit rented is for more than 1 week in any calendar quarter



# Short-Term Rental Units

## General Requirements for STR's (Continued)

- State and local taxes must be collected and remitted if the unit rented is for more than 15 days in any calendar year
- Occupancy limit:
  - STR's with less than 2,500 sq ft: 2 per bedroom + 2 additional
  - STR's with 2,500 sq ft or more: 2 per bedroom + 4 additional
  - Children under 2 are excluded from the occupancy limit
  - Code compliant bedrooms and finished living area will be determined using current Charleston County tax records
  - Procedures for administrative appeals of code-compliant bedrooms and finished living area are included (inspections and appraisals)



# Short-Term Rental Units

## General Requirements for STR's (Continued)

- **Parking Requirements:**
  - *At least 1 off-street parking space required*
  - *On-street parking allowed, with limitations*
  - *Rental guests must park only within designated parking spaces; no parking in yards, landscaped areas, fire lanes, loading areas, medians, pathways, sidewalks, access driveways, etc.*
  - *STR guests may not park commercial vehicles, vehicles with more than 2 axles, trailers or heavy machinery at the STR*
- **Business license number and maximum occupancy must be clearly listed on all advertisements**



# Short-Term Rental Units

## General Requirements for STR's (Continued)

- Current business license number, maximum occupancy, fire extinguisher location and emergency contact must be posted inside the STR inside primary access door
- Information packets must be provided to all renters:
  - *24-hour emergency contact*
  - *Short-term rental rules*
  - *Community rules*
  - *Emergency contact list*
  - *Emergency resources*
  - *Temporary restrictions and requirements, when applicable*



# Short-Term Rental Units

## General Requirements for STR's (Continued)

- No signage allowed on the premises
- Dwellings may not be rented for 2 years if the owner has obtained an exemption pursuant to SC Code Sec. 40-59-260 to undertake work required to be completed by a licensed builder or contractor
- No commercial activities permitted at the STR; activities incidental to the residential use (e.g. remote services, remote meetings, electronic communications, etc.) and outside vendors/contractors are expressly permitted.



# Short-Term Rental Units

## General Requirements for STR's (Continued)

- All STR's are subject to inspection at any time with at least 2 hours' notice to verify compliance
- The Zoning Administrator may request copies of licenses, permits, receipts, reports or similar information which may be necessary to ensure compliance with the requirements of the ordinance



# Short-Term Rental Units

## Safety Requirements for STR's

- Working smoke alarms required in each bedroom, outside each sleeping area and at least 1 per level
- Fire extinguisher required
- Carbon monoxide detector required if the STR unit has:
  - Any heater or appliance powered by the burning of fossil fuels
  - Any generator powered by the burning of fossil fuels
  - Any fireplace or stove powered by the burning of wood or fossil fuels
  - An attached garage



# Short-Term Rental Units

## Safety Requirements for STR's (Continued)

- Sprinkler systems are not required; if the unit has a sprinkler system, it must be maintained in good order and inspected no less than annually
- Fire extinguisher required
- General maintenance required (including structural elements; mechanical, electrical and plumbing systems; safe ingress and egress; free of litter and debris)



# Short-Term Rental Units

## Permitting Requirements for STR's

- Annual application and fee (\$250 per unit)
- Due date:
  - New permits: May be submitted at any time; unit may not be advertised or rented until a permit has been issued
  - Renewal permits: Due on or before the deadline for renewing the annual business license
- Permit is good for the calendar year in which it was issued
- STR's in good standing as of December 31<sup>st</sup> may continue to operate after January 1<sup>st</sup> until the renewal deadline



# Short-Term Rental Units

## Permitting Requirements for STR's (Continued)

- **Criteria for approval:**
  - *Permit shall be approved if the STR unit meets all conditions*
  - *Zoning Administrator may inspect a STR unit prior to permitting*
  - *Zoning Administrator may require documentation or certification that the property satisfies any one or more conditions*
- **Decisions must be made within 30 days and communicated to the applicant in writing**
- **Permits expire December 31<sup>st</sup> (subject to grace period mentioned above)**



# Short-Term Rental Units

## Permitting Requirements for STR's (Continued)

- **Existing permits may be modified:**
  - *Transfer of ownership to a relative; trust, partnership or corporation; heirs of the former owner; or due to a court order*
  - *Changes to the maximum occupancy due to the addition or deletion of code-compliant bedrooms*
  - *Designation of a new agent*
- **Application for modification and fee (\$25-\$125)**
- **Decisions must be made within 30 days and communicated to the applicant in writing**



# Short-Term Rental Units

## Violations

- **The following are deemed violations of the ordinance:**
  - *Advertising and/or operating a STR without complying with the conditions and requirements of the DSO and Town Code*
  - *Falsifying or misrepresenting material facts on a permit application*
  - *Advertising a max. occupancy in excess of the number allowed*
  - *Increasing the max. occupancy without a permit modification*
  - *Advertising or renting an accessory structure as a stand-alone STR*
  - *Advertising or renting only a portion of a dwelling for STR purposes*
  - *Conducting non-permitted commercial activities*
  - *Failing to respond to the property within 2 hours*
  - *Advertising a STR after receiving notice of permit suspension, abandonment, revocation, or cancellation*



# Short-Term Rental Units

## Violations (Continued)

- Violations are subject to the enforcement and penalty provisions of Article 18 of the DSO
- Property owners are responsible for the actions of renters, guests, designated agents and local contacts
- Designated agents shall be jointly and severally liable for violations at STR units managed by the agent



# Short-Term Rental Units

## Suspension of STR Permits

- **The Zoning Administrator may suspend a STR permit if:**
  - *The owner or agent fail to possess a town business license*
  - *3 or more violations in any 12-month period (60-day suspension)*
- **STR may not be rented while the permit is suspended**
- **The owner or agent may apply for reinstatement if:**
  - All outstanding violations have been corrected
  - All fees and penalties have been paid in full
  - If suspended for 3 or more violations in a 12-month period, at least 60 days have lapsed since the date of suspension



# Short-Term Rental Units

## Revocation of STR Permits

- **The Zoning Administrator may revoke a STR permit if:**
  - *The permit is not modified within 30 days of transfer of ownership*
  - *The dwelling is destroyed, damaged beyond repair or condemned*
  - *The owner is prohibited from renting under SC Code Sec. 40-59-260*
  - *The owner or agent falsified or misrepresented material facts*
  - *The unit is advertised or rented while suspended*
  - *If a permit was suspended 2 or more times in any 24-month period*
  - *Violations which result in death, gross bodily injury, substantial damage or destruction of property, or which create a substantial threat to public health and safety.*



# Short-Term Rental Units

## Revocation of STR Permits (Continued)

- STR may not be rented after revocation of a permit.
- The owner or agent may not apply for a new STR permit within 12 months following the date of revocation



# Short-Term Rental Units

## Cancellation of STR Permits

- An owner or agent may request cancellation of a STR permit at any time and for any reason
- An owner or agent who cancels a permit while it is in good standing may reapply for a new permit at any time.



# Short-Term Rental Units

## Administrative Appeals

- Any person who is aggrieved by a decision of the Zoning Administrator to approve, deny, suspend or revoke a short-term rental permit may appeal the decision to the Board of Zoning Appeals, pursuant to Section 19.40 of the DSO.



# Vacation Club Units

## Conditions for Vacation Club Units (VCU)

- Club and owner (if different) must have a business license
- VCU must remit all state and local taxes if rented for more than 15 days per year
- Operator shall provide no other commercial services on the premises of the VCU
- VCU's shall meet all other requirements applicable to STR's

# Questions & Discussion

