

Agenda Summary

December 13, 2013

Agenda No. B-3

Draft Short-term Rental Ordinance

Summary: As requested, attached is a draft Short-term Rental Ordinance that requires a registry and other items the Selectboard directed the Manager to add into it, such as if the unit is not owner-occupied requiring a responsible person be available to respond within thirty minutes. With this being said, based on the review by Town Counsel, the Fees section of the draft STR Ordinance does not stipulate a tiered fee structure or anything beyond authorizing the Selectboard from "...time to time establish and adopt fees related to the administration and enforcement of this Ordinance and may incorporate all such fees into a duly adopted fee schedule." This permits the Selectboard to establish and amend fees without having to amend the Ordinance.

Town Plan Update: Conforms with Local Planning Process Goal "To ensure the widespread involvement of Stowe citizens and property owners at all levels of the local planning and decision-making process." Conforms with Housing Goal "To ensure the availability of housing for all Stowe residents and non-resident property owners that is of high-quality design, is energy efficient, and is compatible with the character of the community."

Fiscal Impact: The estimate the Town received for a host compliance registry was \$86,000+/- annually. The timing of the effective date to register is important, so that the date on which the expense is incurred is offset by the registration revenues. It will take time to issue an RFP, get the host compliance software up and running, and provide STR owners time to register. In order to save time, if acceptable to the Selectboard, Stowe's Purchasing Policy authorizes staff to obtain products/services through government consortiums that are available to municipalities. Government consortiums are bulk purchasing opportunities where bidding has occurred through them allowing for economies of scale and to save municipal staff time.

It is also important to understand that this is a significant undertaking to procure the services, develop the software to service Stowe, and allow people time to register. Enclosed is a flow chart from the presentation from Granicus. It is anticipated that it will take four months to build and install the registry software, then time to allow people to register.

Recommendations: Review the draft to let the Manager know if you desire any changes.

TOWN OF STOWE

SHORT-TERM RENTAL ~~REGISTRATION~~-ORDINANCE

- I. **Authority:** This Ordinance is adopted pursuant to the authority set forth in 24 VSA 2291(15) and (29) and § 204 of the Town of Stowe Charter.
- II. **Purpose:** The purposes of this Ordinance are to promote the public health, safety, welfare and convenience of the Town and to gather information on Short-Term Rental properties so that the Town may evaluate the impacts of Short-Term Rental properties and determine what further regulation of such properties, if any, is appropriate and consistent with the best interests of the Town, its residents and visitors.
- III. **Definitions:**
 - A. “Short-Term Rental” or “STR” or “Short-Term Rental property” means any rental of residential real property, including a furnished house, condominium, or other dwelling room or self-contained dwelling unit, or a portion thereof, to the transient, traveling, or vacationing public for a period of fewer than 30 consecutive days and for more than 14 days per calendar year, but specifically excluding commercial lodging establishments such as hotels, motels, inns and bed and breakfasts.
 - B. “Owner” shall mean that the person(s) in whom is vested ownership, dominion, or title to property. For the purposes of this ordinance, person shall have the meaning set forth in 1 V.S.A. § 128.
 - C. “Owner Occupied” shall mean a room or group of rooms located within an operator’s primary residence or an accessory dwelling on the premises.
 - B.D. “Non-owner occupied” shall mean a furnished house, condominium, apartment, or an accessory dwelling that is not on the operator’s primary residence or located on the premises or property of the operator’s primary residence.
 - E. “Compliance Officer” shall mean the person designated by the Town Manager to administer and enforce this Ordinance, who may serve as a representative of the Town in any associated legal proceedings.
 - C.F. Dwelling Unit: one or more rooms connected together, constituting a separate, independent housekeeping establishment for owner occupancy or rental or lease, and physically separated from any other rooms or dwelling units which may be in the same building, and containing independent cooking and sleeping facilities.

IV. Compliance with Law: The owner of any Short-Term Rental shall comply with all other requirements of federal, State and local law pertaining to rental housing, including, without limitation, relevant provisions of the Vermont Rental Housing Health Code and the Town of Stowe Zoning Regulations, as amended from time to time. A building in which people rent accommodations, whether as a Short-Term Rental or for a term of 30 consecutive days or more, constitutes a “public building” under 20 V.S.A. §2730(a)(1)(D) and may be subject to the authority of the State of Vermont Division of Fire Safety or its designee.

V. Short-Term Rental Registration

Annually, on or before December 31 of each year:

(1) The owner of property proposed for use as a Short-Term Rental shall complete and submit a Short-Term Rental Registration form to the Town for each STR unit they may separately rent prior to renting said unit. Said form shall be approved by the Town Manager and may be modified or amended from time to time by the Manager.

(2) The following information shall be provided by owner(s) of Short-Term Rental property on or in conjunction with the Short-Term Rental Registry form (note: proof of ownership may be required if the person submitting the Short-Term Rental Registry form is not the record title holder to the involved property, as indicated by documentation maintained in the Stowe Land Records:

(a) physical address(es) of all property advertised, offered for use, or used as a Short-Term Rental;

(b) contact information for property owner, including: name, mailing and/or physical address, telephone number, email address;

(c) contact information for any person present at and residing on the property and authorized to act on the owner’s behalf, including: name, mailing and/or physical address, telephone number, email address;

(d) contact information for any property manager, if any, including: name mailing address, telephone number, email address;

(e) If the Short-Term Rental is owner occupied or non-owner occupied.

(f) The number of bedrooms being rented in the dwelling unit.

(4) Upon the conveyance of title in fee simple (or any lesser legal interest), as evidenced by a lawfully executed deed or other legal instrument, of any property (or portion thereof) on the Town’s Short-Term Rental Registry (or that is

required to be on such Registry), the new owner shall complete a new Short-Term Rental registration form with updated information.

(5) Any owner of a Short-Term Rental property who fails or refuses to complete a Short-Term Rental Registration form as provided herein shall be subject to civil penalties and other enforcement action under this Ordinance.

(6) Upon complete and proper submission of all required information, as determined by the Short-Term Rental Compliance Officer, the Compliance Officer shall issue a Short-Term Rental Authorization and Registration Number authorizing lawful rental of the Short-Term Rental property.

(7) All Short-Term Rental Authorization and Registration Numbers shall expire on December 31 of each year, with registration renewal forms submitted no later than February 1 of each year (even if actual rentals will occur later in the year).

VI. Regulatory Requirements and Prohibited Activities.

- A. Short-Term Rental property that is not registered in accordance with this Ordinance is prohibited.
- B. Providing false or materially misleading information on any Short-Term Rental Registration shall be a violation of this Ordinance.
- C. Advertising any Short-Term Rental without first obtaining a Town-issued STR Registration Number or not including the Registration Number in the advertisement to demonstrate that the STR is registered with the Town shall be a violation of this Ordinance and subject to enforcement action.
- D. Renting, using or occupying a Short-Term Rental without first obtaining a Short-Term Rental Authorization and Registration Number shall be a violation of this Ordinance.
- E. All Short-Term Rental property in the Town shall be Owner Occupied or, if not Owner Occupied, under the active management and control of a property manager, who shall: (i) be located within a 30 minute drive of the Short-Term Rental property being managed, (ii) available and authorized to respond promptly to incidents involving the Short-Term Rental, and (iii) capable of providing timely interior and exterior access to the Short-Term Rental, on a 24/7/365 basis. Failure to respond within 30 minutes of notification by the Stowe Firefighter or Police Officer of an issue involving a Short-Term Rental shall be considered a violation of this Ordinance.
- F. An inspection report with occupancy approved from the Vermont Division of Fire Safety is required for STR's that advertise an occupancy of greater than 8 guests. For STRs that advertise an occupancy of 8 or fewer, the owner must complete the "Sort Term Rental Safety, Health and Financial Obligations" form found on the

Vermont Division of Fire Safety website and certify under penalty of perjury that the facts stated are true.

D.G. The “Short Term Rental Safety, Health and Financial Obligations” form found on the Vermont Division of Fire Safety website must be completed and posted within all STR’s. See “Short-term Rental Checklist” under [https://firesafety.vermont.gov/buildingcode/codesheets.](https://firesafety.vermont.gov/buildingcode/codesheets)”

- VI. **Fees.** The Selectboard may, from time to time may establish and adopt fees related to the administration and enforcement of this Ordinance and may incorporate all such fees into a duly adopted fee schedule.
- VII. **Enforcement.** Any person who violates a provision of this civil ordinance shall be subject to a civil penalty for each day that such violation continues. Each day the violation continues shall constitute a separate offense. Representatives of the Stowe Fire Chief, the Stowe Zoning Administrator, and the Stowe Town Manager (or their designee) shall all be designated and authorized to act as Issuing Municipal Officials to issue and pursue before the Judicial Bureau, or another court having jurisdiction, a municipal complaint under this Ordinance.

A. Waiver Fees. An Issuing Municipal Official is authorized to recover waiver fees, in lieu of a civil penalty, in the following amount, for any person who declines to contest a municipal complaint and pays the waiver fee:

(a) Operating STR Without Authorization or Registration Number:

First Offense -	\$
Second Offense -	\$
Third Offense -	\$
Fourth and Subsequent Offenses	\$

Offenses shall be counted on a twelve (12) month basis, beginning January 1 and ending December 31 of each year. An Issuing Municipal Official shall have authority, but shall not be required, to issue a written warning, without recovering a waiver fee, for any First Offense violation. In such instance, the written warning shall be counted as a First Offense for calculating annual offenses.

B. Civil Penalties. An Issuing Municipal Official is authorized to recover civil penalties in the following amounts for each violation:

(a) Operating STR Without Authorization or Registration Number:

First Offense - \$

Second Offense - \$

Third Offense - \$

Fourth and Subsequent Offenses - \$, plus automatic revocation for twelve months before a new Short-Term Rental Authorization Application may be submitted.

Offenses shall be counted on a twelve (12) month basis, beginning January 1 and ending December 31 of each year. An Issuing Municipal Official shall have authority, but shall not be required, to issue a written warning, without recovering a civil penalty, for any First Offense violation. In such instance, the written warning shall be counted as a First Offense for calculating annual offenses.

VIII. Record of Compliance. The Compliance Officer or his/her designee shall maintain a written record of violations of this Ordinance during the calendar year, including the owner of the STR, the location of the property and nature of the violation.

IX. Severability. If any provision of this ordinance is deemed by a court of competent jurisdiction to be unconstitutional, invalid or unenforceable, that provision shall be severed from the ordinance and the remaining provisions that can be given effect without the severed provision shall continue in effect.

X. Effective Date. This Ordinance shall take effect upon passage.

ADOPTED at Stowe, Vermont, this ___ day of _____, 2023, and to be effective upon adoption.

Stowe Selectboard

Received and Recorded: _____

Clerk: _____