

8/15/22 DRAFT

TOWN OF CHESTER, VERMONT

ORDINANCE TO REGULATE THE OPERATION OF SHORT-TERM RENTALS (STRs)

SECTION 1. AUTHORITY. Under authority granted in 24 V.S.A § 2291(29), the Selectboard of the Town of Chester hereby adopts the following civil ordinance requiring annual registration for the operation of short-term rentals within the town.

SECTION 2. PURPOSE. The purpose of this Ordinance is to promote and protect the public health, safety, welfare, and convenience of the town, to preserve residents' rights to quiet enjoyment of homes and properties, and to ensure the safety of occupants of short-term rentals.

SECTION 3. DEFINITIONS.

- A. "Host" means a person who operates a short-term rental. The host may be the property owner or a tenant.
- B. "Short-term rental" or "STR" means a dwelling unit rented 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, and is either:
 - 1. "Hosted" meaning a room or group of rooms located within a Host's primary residence or an accessory dwelling or cabin on the premises of the Host's primary residence; or
 - 2. "Unhosted" meaning a furnished house, condominium, apartment, or an accessory dwelling or cabin that is not the Host's primary residence or on the premises of the Host's primary residence.

"Tourist Lodging" as defined and permitted under the Chester Unified Development Bylaws is not a short-term rental and is not regulated under this Ordinance.

- C. "Dwelling unit" means a furnished house, condominium, apartment, room or group of rooms, or accessory building or cabin used as living quarters.
- D. "STR Administrator" means a person or persons designated by the Selectboard of the Town of Chester to administer and enforce this Ordinance.

SECTION 4. SHORT TERM RENTAL REGISTRATION.

- A. The short-term rental of a dwelling unit requires an annual Short-Term Rental Registration from the STR Administrator. A person shall not commence the use of a dwelling unit as a short-term rental unless and until the STR Administrator issues the requisite Short-Term Rental Registration.
- B. The dwelling unit capacity when registered as a short-term rental shall be two occupants for every bedroom plus an additional two occupants. For example, a three-bedroom dwelling unit shall have a dwelling unit capacity of eight persons ((3 bedrooms X 2) + 2) when used as a short-term rental.

- C. An application for Short-Term Rental Registration, for dwelling units with an occupancy of 8 or less, shall require the following:
1. The number of bedrooms to be rented and the requested dwelling unit capacity to be approved in the Short-Term Rental Registration.
 2. The Host's name, mailing address, email, and a cell phone number or other number (such as a property management company) that will be answered during the time that the short-term rental unit is being rented.
 3. The property owner's name, address, phone number, email, date of birth, driver's license and license state, and military status (active or not), and if the owner is a corporation, the registered corporate agent and president of the corporation and their name and address, and if the owner is a partnership, the registered partnership agent and the names and addresses of the general partners (information that is needed to enforce a municipal complaint before the Judicial Bureau).
 4. For property owners who do not live within Windsor or Windham County, a designated agent located in Windsor or Windham Counties for service of process.
 5. The Posting of Contact Information required by 18 V.S.A. § 4467.
 6. The education materials required by 18 V.S.A. § 4468(a), including without limitation the self-certification form pertaining to health and safety precautions that Hosts must take into consideration prior to renting a dwelling unit required by 18 V.S.A. § 4468(b).
 7. Confirmation of liability insurance of not less than \$1,000,000 to cover each short-term rental, unless such short-term rental is offered through a hosting platform that maintains equal or greater coverage, and that the liability insurance policy that covers the dwelling unit extends bodily injury and property damage insurance coverage that occurs during or as result of the use of the dwelling unit as a short-term rental.
- D. An application for Short-Term Rental Registration, for dwelling units with a capacity of greater than 8 occupants, shall require compliance with subsection C above, plus the following:
1. Confirmation that the sewer or septic capacity is at least equal to the requested short-term rental dwelling unit capacity as approved on a Town of Chester Sewer Connection Permit, OR, a State of Vermont Wastewater and Water Supply Permit for the property for dwelling units constructed or occupied after June 30, 2007, OR, the local zoning or septic permit for dwelling units constructed before July 1, 2007, OR, by the number of bedrooms indicated in the listers property database if a local zoning or septic permit does not exist for dwelling units constructed before July 1, 2007.

- 2. An inspection report with occupancy approved from the State of Vermont Division of Fire Safety for the requested short-term rental dwelling unit capacity.
- E. No registration for the short-term rental of a dwelling unit shall be issued unless the applicant has complied with subsection C above (for dwelling units with an occupancy of 8 or less) or has complied with subsection D above (for dwelling units with a capacity of greater than 8 occupants).
- F. Short-Term Rental Registrations shall expire on April 30 of each year and require renewal to continue use of a dwelling unit as a short-term rental.
- G. The number of lessees, guests, or other persons using a dwelling unit pursuant to the short-term rental lease or other agreement with the Host shall not exceed the approved dwelling unit capacity on the Short-Term Rental Registration.
- H. The use of a dwelling unit by a number of lessees, guests, or other persons in excess of the approved dwelling unit capacity on the Short-Term Rental Registration shall constitute a violation of this Ordinance.

SECTION 5. FEES. A fee shall be paid to the Town of Chester with the submission of any Short-Term Rental Registration application or annual renewal. The fee shall be in the amount of \$150 per year for Hosted short-term rentals and \$300 per year for Unhosted short-term rentals. The Selectboard may, from time to time, modify this fee and may establish and adopt other fees related to the administration and enforcement of this Ordinance, and may incorporate all such fees into a duly adopted fee schedule.

SECTION 6. ENFORCEMENT. Any person who violates a provision of this Ordinance shall be subject to the civil penalty of up to \$800 per day for each day that a violation continues. Each day the violation continues shall constitute a separate offense. The STR Administrator, Chester Police Officers, the Chester Zoning Administrator, and the Chester Town Manager shall all be designated and authorized to act as Issuing Municipal Officials to issue and pursue before the Judicial Bureau, or other court having jurisdiction, a municipal complaint.

SECTION 7. 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:

	1 st Offense	2 nd Offense	3 rd Offense	4 th Offense
Waiver fee for advertising a property for short-term rent (online or offline) without first having obtained a permit or complying with local listing requirements.	\$125 per day	\$250 per day	\$500 per day	\$650 per day plus revocation for twelve months before a new Short-Term Rental Registration application may be submitted. The revocation can be appealed.
Waiver fee for all other violations.	\$150 per day	\$350 per day	\$600 per day	

Offenses shall be counted on a twelve-month basis, beginning on May 1 and ending on April 30 of each year. An Issuing Municipal Official shall have authority 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.

SECTION 8. PENALTIES. An Issuing Municipal Official is authorized to recover civil penalties in the following amounts for each violation:

	1 st Offense	2 nd Offense	3 rd Offense	4 th Offense
Fine for advertising a property for short-term rent (online or offline) without first having obtained a permit or complying with local listing requirements.	\$200 per day	\$400 per day	\$650 per day	\$800 per day plus revocation for twelve months before a new Short-Term Rental Registration application may be submitted. The revocation can be appealed.
Fine for all other violations.	\$250 per day	\$500 per day	\$750 per day	

Offenses shall be counted on a twelve-month basis, beginning on May 1 and ending on April 30 of each year. An Issuing Municipal Official shall have authority 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.

SECTION 9. OTHER RELIEF. In addition to the enforcement procedures available under Chapter 59 of Title 24, the Chester Town Manager is authorized to commence civil action in the Civil Division of the Vermont Superior Court to obtain injunctive and other appropriate relief, to request revocation or suspension of any Short-Term Rental Registration on behalf of the Chester Selectboard, or to pursue any other remedy authorized by law.

SECTION 10. SEVERABILITY. If any section of this Ordinance is held by a court of competent jurisdiction to be invalid, such finding shall not invalidate any other part of this Ordinance.

SECTION 11. EFFECTIVE DATE. This Ordinance shall become effective 60 days after its adoption by the Selectboard. If a petition is filed under 24 V.S.A. § 1973, that statute shall govern the taking effect of this Ordinance.

Date of adoption by the Selectboard: _____

Signatures of Selectboard members:



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August 15, 2022

Dear Chester Selectboard:

The Planning Commission is focusing on the topic of Short-Term Rentals (STRs). STRs have become a highly visible and debated topic across many towns in Vermont as well as across the country.

Strategies for STR regulation vary widely from simple registration programs to very strict and limiting policies regulating how and where STRs are allowed. Some of the most common concerns about STRs are related to health and safety, diminished neighborhood character, and impact on housing affordability, yet at the same time STRs can provide an important source of revenue helping people afford their properties and increasing tourism.

Chester currently does not regulate STRs. Chester has approximately 80 STR listings which represents about 8% of the housing stock. The majority are single family homes where the entire house is rented. In the past two years STR growth has increased by 58%.

Given the increasing popularity of the STR business model combined with the trends in Chester, the Planning Commission feels a "do nothing" approach is no longer in the Town's best interests, nor is an approach that would create a high degree of regulation. The Planning Commission recommends a crawl, walk, run approach where the first step is to create an annual STR registration process to better understand how STRs are operating within the community and to promote and protect the public health, safety, and welfare.

Attached please find a draft Short-Term Rental Ordinance that embodies the Planning Commission's recommendations for your consideration as well as a document outlining additional regulations, not included in the draft ordinance, for your reference. Administration of the ordinance could be budget neutral through the charging of annual fees and contracting with an STR compliance monitoring provider.

Sincerely,

Hugh Quinn

Planning Commission Chair

Short Term Rental Regulation Landscape

Purpose:

Strike a balance between the following competing goals & objectives

1. Promoting and protecting the public health, safety, and welfare as well as the safety of STR occupants
2. Allowing STR's to provide supplemental income to residents who live and work in the community.
3. Allowing STR's to encourage tourism and support the local business community.
4. Preventing STR's from eroding neighborhood character, straining long term housing stock, and reducing affordability

Short Term Rental Regulation Options:

Regulation	Description	Impact Assessment
Basic Registration	Require annual STR registration and attestation to State of Vermont health and safety regulations	<ul style="list-style-type: none"> • Improved STR transparency & tracking • Improved STR health & safety • Minimal impact to most STR Operators • Straight forward STR Administration
Owner Limit	Limit the # of STR registrations for property owners & corporations	<ul style="list-style-type: none"> • Reduce income for STR owners with multiple listing • Discourage Investors & Corporations • More complex STR Administration •
Day Limit	Limit the # of days per year a STR can be rented	<ul style="list-style-type: none"> • Reduce income for 2nd homeowners • Discourage Investors & Corporations • More complex STR Administration
Residency Requirement	Require minimum residency requirement (days) or require STR be owners' primary residence	<ul style="list-style-type: none"> • Eliminate or reduce STR income for some 2nd homeowners • Eliminate Investors & Corporations • More difficult to enforce
STR Capacity Limit	Limit the total number of STR's allowed. Implement a lottery system for granting registrations	<ul style="list-style-type: none"> • Cap the growth of un-hosted STR's • Discourage Investors & Corporations • Feasibility of Lottery System
Zoning Limit	Limit which zoning districts STR are allowed	<ul style="list-style-type: none"> • Selective geographic impact to existing STR Operators • Reduce total number of STR's
STR Waiting Period	Prohibit STR registration within 2 – 3 years of property sale	<ul style="list-style-type: none"> • Discourage property flipping for STR • Discourage Investors & Corporations
Fees & Taxes	Increase fees and taxes to fund construction of workforce housing	<ul style="list-style-type: none"> • Increase cost to STR Operators