

TOWN OF CHESTER, VERMONT

ORDINANCE TO REGULATE THE OPERATION OF SHORT-TERM RENTALS

Draft amendments of 2/21/24

SECTION 1. AUTHORITY. Under authority granted in 24 V.S.A. § 2291(29) and 24 V.S.A. § 1971 *et seq.*, the Selectboard of the Town of Chester hereby adopts the following civil ordinance requiring the annual registration of all short-term rentals operating 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. "Operator" means a person who operates or manages a short-term rental. The operator may be the property owner, a tenant or a designated agent identified by a host pursuant to Section 4 (c)(4) .
- 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 Operator's primary residence or an accessory dwelling or cabin on the premises of the Operator's primary residence; or
 - 2. "Non-hosted" ~~"Unhosted"~~ meaning a furnished house, condominium, apartment, or an accessory dwelling or cabin that is not the Operator's primary residence or located on the premises or property of the Operator'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 the annual issuance of a 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 of a short-term rental shall be a maximum of 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 operator shall provide the following information in an application for Short-Term Rental Registration for dwelling units with an occupancy of 8 or less, on a form provided by the town:
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 Operator's name, mailing address, email, and a cell phone number or other number (such as a property management company) that will be answered 24 hours a day during the time that the short-term rental unit is being rented.
 3. The property owner's and, if applicable, tenant'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. Property owners who do not live within Windsor or Windham County shall designate and provide the name and contact information of a designated agent located in Windsor or Windham Counties who shall be responsible for responding to emergency situations occurring at the Short-term rental dwelling unit.
 5. The Posting of Contact Information required by 18 V.S.A. § 4467 within the Short - term rental dwelling unit.
 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 Operators 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 a result of the use of the dwelling unit as a short-term rental.
 8. Proof, satisfactory to the town, that the Operator has obtained and performed all necessary licensing and registrations with the State of Vermont Department of Health, Division of Fire Safety and Department of Taxes necessary to operate 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 or wastewater and water supply systems constructed, modified 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 Operator 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 6. LIMITATIONS

- A. Waiting Period.** Any property that has changed ownership after the effective date of this ordinance shall not be qualified to apply for and receive a Non-hosted Short-Term Rental Registration for a minimum period of one (1) year following the date of transfer of ownership of the property in question. Hosted Short-Term Rental Registrations are not subject to the Waiting Period.
- B. Registration Cap.** The maximum number of Non-hosted Short-Term Rental Registrations allowed throughout the town shall be 60. If the number of existing Non-hosted Short-Term Rental Registrations exceeds 60, new Non-hosted Short-Term Rental Registration applications shall be placed on a waiting list. Hosted Short-Term Rental Registrations are not subject to the Registration Cap.
- C. Density Limit.** Upon the effective date of this ordinance, all new Non-hosted Short-Term Rentals shall be subject to a 1000-foot zone of exclusion from any Registered Short-Term Rental. The zone of exclusion shall be drawn along a horizontal plane from the nearest edge of a proposed Non-hosted Short-Term Rental dwelling unit to the nearest edge of any Registered Short-Term Rental dwelling unit. A dwelling unit shall be ineligible to receive a Non-hosted Short-Term Rental Registration if any part of the dwelling unit is within the zone

of exclusion from a Registered Short-Term Rental. Hosted Short-Term Rental Registrations are not subject to the Density Limit.

- D. Owner Limit.** An individual or entity may only register up to two (2) short-term rentals in the town, including non-hosted and hosted short-term rentals, in any one calendar year. For purposes of this section, short-term rental units registered by an entity in which the registrant has an ownership interest shall be counted toward this limit.
- E. Prohibition of Corporate Ownership.** Dwelling units that qualify to apply for and receive a Short-Term Rental Registration must be owned by a natural person. A natural person may include a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person.

SECTION 6 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 (April 1 to March 31) for Hosted short-term rentals and ~~\$600~~ \$300 per year (April 1 to March 31) for Non-hosted ~~Unhosted~~ short-term rentals regardless of date of registration. 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 7 6. ENFORCEMENT. Any person who violates a provision of this Ordinance shall be subject to a 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 complaints before the Judicial Bureau, or other court having jurisdiction.

SECTION 8 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 for the purpose of calculating waiver fees 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 9 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 for the purpose of calculating penalties 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. Failure to timely pay a penalty upon entry of judgment under 24 V.S.A. § 1981 shall result in the automatic suspension until paid of any approved Short-term rental registration(s) registered to the person against whom the civil judgment has been entered including registrations for any other Short-term dwelling units owned or operated by the person and located within Chester.

SECTION 10 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 Criminal 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 11 10. OTHER AUTHORITIES NOT PREEMPTED. This Ordinance is not intended to preempt or be exclusive with regard to any other permitting or regulatory law or authorities that pertain to the ownership, operation, management or use of property or dwelling units engaged in Short-term rentals.

SECTION 12 11. 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 13 12. 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:
