

TOWN OF MONTGOMERY, VERMONT

SHORT TERM RENTAL ORDINANCE

QUESTIONS & ANSWERS

Q: Why does the town need a Short-Term Rental Ordinance?

A: The rapid growth of short-term rentals in the town of Montgomery has led to a number of incidents and conflicts between citizens of Montgomery and out-of-town renters of nearby properties. Multiple residents have asked the town to craft an ordinance that protects the rights of citizens to rent out rooms if they wish, but protect the property values, quality of life, and health and safety of residents.

Q: Is the town taxing short-term rentals?

A: No. The ordinance does require those operating short-term rentals to apply for a license (permit), and there will be a small fee (TBD) connected to that to cover administrative costs.

Q: Is the town trying to discourage short-term rentals?

A: No. Montgomery values the income-generating potential to owners of short-term rentals, and the increased visitor capacity that short-term rentals bring to our businesses. This Ordinance does not seek to limit the number of short-term rentals in the town.

Q: How many short-term rentals are there in Montgomery?

A: The last estimate received by the board was that there was over 230 short term rentals listed in the town (though some are multiple units within the same property).

Q: Does this mean I can't rent out a room in my house, or operate a vacation or rental property?

A: No. Your right to rent out a room or rooms through AirBnB, VRBO, Homeaway, or on your own is not being banned. The ordinance does require you to follow certain rules to ensure your rental doesn't adversely impact health and safety, or your neighbors.

Q: Do I need to apply for a zoning permit to operate a short-term rental?

A: Yes, *but you always did*. The town's Zoning Regulations always required a citizen with a residential zoning to receive a conditional use permit to operate a lodging establishment. That has not changed.

Q: Where do I apply for one?

A: You can get one from the Zoning Administrator, or download one from the Zoning Administrator page on the town website.

Q: Do I have to be present when I'm renting my house?

A: No, Short Term Rentals may have an on-site resident, or a designated local Property Manager

Q: Is the town going to be inspecting short-term rentals?

A: No. As part of the permit process, we will ask you for a signed copy of the self-certification for required by the state department of health, certifying that you have smoke detectors, CO2 detectors, etc., but we will not be doing physical inspections.

Q: Do I have to have insurance?

A: To get a permit, you will need to provide proof of insurance showing you have coverage for a short-term rental.

Q: How will this ordinance be implemented?

A: The Selectboard has had several meetings already where residents have addressed the need for an ordinance. The following draft was completed at the November 18th meeting of the board, and the board will subsequently schedule a public hearing to discuss the ordinance before any final version is voted on. After any ordinance is passed, there is a 60-day period before it goes into effect, with the right to petition by voters as defined in Statute.

DRAFT

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DRAFT – NOVEMBER 2019

Adopted by the Montgomery Selectboard: [Date]

Effective Date: [Date]

SECTION 1. PURPOSE

The purpose of this Ordinance is to:

- Recognize the desire of some property owners to rent their properties on a short-term basis,
- To ensure property owners have the option to utilize their properties for short-term rentals,
- To establish definitions and a permitting process,
- To establish appropriate regulations to protect the public health, welfare, and safety by regulating the operation of short-term rental operations,
- To reduce, control and prevent nuisance or dangerous lodging properties,
- To ensure an adequate supply of affordable housing in Montgomery, consistent with the Town Plan.
- To act consistent with the authority vested in the Town of Montgomery in 24 V.S.A. § 2291 and 1971, to the extent the provisions of that section requiring this designation are applicable.

SECTION 2. DEFINITIONS/EXEMPTIONS

2.1 For purposes of this Ordinance, the following words and/or phrases shall apply:

Building: A structure designed, built or used as a shelter for persons, animals, or property.

Host: A property owner who accepts money for the use of his property by transient visitors for an overnight stay.

Lodging Establishment: A building or buildings containing rooms which are rented for commercial purposes, such as sleeping units for transients, each sleeping unit consisting of at least a bedroom and use of a bathroom. Included are hotels, motels, inns, bed and breakfasts, tourist courts, cabins, motor lodges, short-term rentals, and the like.

Licensed Lodging Property: Any business that holds a License to Operate from the Vermont State Board of Health.

Parking Space: Off-street space used for the temporary location of one (1) licensed motor vehicle, which is at least eight (8) feet wide and eighteen (18) feet long, not including access driveways, and having direct access to a street, right-of-way or alley.

Property Manager: A designee of the Property Owner, authorized to act on the owner's behalf, who resides within the town of Montgomery, or within a town adjacent to Montgomery.

Short-Term Rental: A furnished house, condominium, or other dwelling room or self-contained dwelling unit rented to the transient, traveling, or vacationing public for a period of fewer than 30 consecutive days, and is not a Licensed Lodging Establishment by the State of Vermont.

SECTION 3. AUTHORITY

This ordinance is adopted under authority granted in 23 V.S.A § 1008, 24 V.S.A. § 2291 (4) and 24 V.S.A. Chapter 59.

SECTION 4. SHORT-TERM RENTAL REGULATIONS

4.1 Permit Required: Any person desiring to rent their home or other property as a Short-Term Rental must make application and receive a Short-Term Rental Permit, and pay the administrative fee.

4.2 Local Contact: Short Term Rentals must provide either an On-Site Resident or a Property Manager.

4.2.1 Contact information for the on-site resident or Property Manager shall be posted both inside and on the outside of the property, and kept on file with the town.

4.3 Additional Restrictions

4.3.1 Short-Term Rentals shall not infringe upon the right of neighboring residents to reasonable peaceful occupancy of their homes.

4.3.2 No recreational vehicle, travel-trailer, tent or other temporary shelter may be used as a short-term rental.

4.3.3 Short-term rentals are not allowed in structures not intended for residential occupancy, including barns, auxiliary structures without running water or heat.

4.3.4 Signage pertaining to a short-term rental must follow the rules and regulations governing signage in any district as defined in the latest iteration of the Zoning Bylaws for the town of Montgomery.

4.3.5 Permitted Short-Term Rental properties located in the Village I district shall not be used for other purposes incidental to its use for lodging or sleeping purposes, including but not limited to weddings, receptions (indoor or outdoor) or other formal or commercial events. All occupants of Short-Term Rentals shall be notified of the prohibition against these activities prior to the reservation, rental or lease, and said prohibition shall be a part of any rental or lease agreement.

4.3.5.1 These restrictions do not pertain to the use of the subject property by the owner, rather are subject to use by the renter(s) in the capacity of a Short Term Rental

4.3.6 All Short-Term Rentals must have a valid wastewater permit from the Vermont Department of Environmental Conservation (DEC), certifying that the potable water and wastewater disposal systems are adequate for loads created by the Short-Term Rental's maximum occupancy. Demonstration that application for said permit has been made will meet this requirement while review is pending by the DEC.

4.3.7 All Short-Term Rentals must have a conditional use permit from the Zoning Administrator and Development Review Board (DRB) for the parcel to be operated as a lodging property if such a requirement exists in the most current iteration of such bylaws. Demonstration that application for said permit has been made will meet this requirement while review is pending by the DRB.

4.4 **Emergency:** This ordinance does not apply during times of a declared emergency where short-term rentals are offered at no cost to individuals displaced from their homes as a result of a disaster.

4.5 **Occupancy:** The maximum occupancy of any Short-Term Rental is two persons, plus two additional persons per bedroom. Any host whose property occupancy exceeds this limit, either knowingly or unknowingly, is in violation of this ordinance.

4.6 **Parking:** The property must have one designated off-street parking space, plus one additional parking space for each bedroom offered for rent.

SECTION 5. REGISTRATION

5.1 To obtain a Short-Term Rental Permit, the applicant must:

- Submit the name and the contact information of the on-site resident or Property Manager.
- List the maximum occupancy of the listing, as determined in section 4.5 of this ordinance.
- Maintain on file with the town a current certificate of insurance documenting that the property is insured as a short-term rental.
- Include the applicant's Vermont state Rooms & Meals Tax account number.
- Signed copy of self-certification health and safety form required by state of Vermont for Short-Term Rental operators by VSA 18 VSA 4466.
- Conditional use permit approved by the town Development Review Board.
- Valid Wastewater Permit from the Vermont Department of Environmental Conservation

5.2 Short-Term Rental Permits may not be transferred and do not constitute the conferring of a property right. Changes in ownership will require new owners apply for and receive a Short-Term Rental Permit before operating a Short-Term Rental.

5.2 Short-Term Rental Permits shall be valid for one year.

SECTION 6. PENALTY AND ENFORCEMENT

6.1 The fine for violating any provision of this Ordinance shall be \$100.00 for the first offense; and \$250.00 for subsequent offenses. Each additional day the property fails to be in compliance with this ordinance shall be considered a subsequent offense

6.2 The Selectboard has the authority to revoke a Short-Term Rental permit due to violations of this ordinance, or repeated complaints by neighboring property owners. Prior to revocation, the permit holder shall be granted a public hearing where evidence may be presented by all involved parties.

SECTION 7: ADJUDICATION

7.1 The Town Clerk shall be authorized to resolve questions regarding this ordinance, and to review, approve or deny applications for a permit. Appeals of the Clerk's decision will be heard by the

Montgomery Selectboard. Applicants have the right to appeal Selectboard decisions to the Judicial Bureau.

SECTION 8. REPEAL OF PRIOR CONFLICTING ORDINANCES, SEVERABILITY

8.1 The enactment of this Ordinance shall repeal all other ordinances of the Town of Montgomery that regulate the topics addressed herein.

8.2 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 Ordinances.

SECTION 9. EFFECTIVE DATE

This ordinance shall become effective no earlier than sixty (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.

Board of Selectman Town of Montgomery

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