

2026 STR Ordinance Review: May 14, 2026

- 1st in series of meetings for a comprehensive review of current short term rental regulations and possible technical and/functional amendments.
- Additional meetings to be scheduled to identify areas of concern, develop proposed solutions, set STR study parameters, analyze study results, and adopt final language.
- To be completed in advance of 2027 business license year to allow for education and internal process adaptation.

Review Structure and Timeline

- **History of STR Regulation on Folly.** May 14, 2026
 - General STR regulation evolution.
 - Status of previously identified areas concern.
- **Functional Concerns with Current Regulations.** TBD
 - Based on feedback from residents, owners, the general public, and staff.
 - Formalize a list of specific study areas to be addressed.
- **Policy/Ordinance Adjustment Proposals.** TBD
 - Identify changes in policy or ordinance to address each area of concern.
- **STR Study Bid Development.** TBD
 - Identify specific metrics used to measure the effects of proposed changes.
 - Study baseline set at 2026 conditions.
- **Presentation of Findings.** TBD
 - Evaluation of study findings.
 - Development and adoption of specific language.

STR Regulations 2010-2019

2010: Ord 19-10: Rental Registration

- Required a rental registration in addition to license and established a fee.
- Addressed need for emergency contact/designated responsible party.
- Required that owner and property management information be updated annually.
- Gathered basic information about the property being rented.

2017: Ord 26-17: Rental Strike System

- Developed through citizen committee to address growth in rental licenses and nuisance rentals.
- Stated purposes included protecting residential districts, integrity of neighborhoods, and tracking rentals.
- Broadened property information (occupancy, parking spaces, waste water systems., etc.)
- Established rules for special events at rental properties and created the strike system to target repeat offenders.
- Included specific requirement for notice of the noise ordinance.
- Amended zoning to allow STR in all districts subject to licensing.(Neighborhood Preservation Zoning District rejected)

2018: STR Helper: Rental Tracking Software

- Implemented to monitor rental activity and create database of registration information.
- City begins enforcing individual licenses for all units.

2019: Ord 31-19 +Ord 32-19: STR/LTR Classification Split

- Passed to distinguish STR licenses from LTR licenses (rental registration fee rolled into business license fee for ease of administration).

STR Regulations 2020-2022

2021

Ord 02-21: Individual Licenses Required

-Result of appeal of city's 2018 licensing interpretation.

Ord 17-21: First Proposed Moratorium (failed)

-Six month proposed due to increase in rental licenses, rental expansion into residential areas, nuisance complaints.

-329 to 990*=300% increase from 2015-2021. *total STR

-663 to 990*= 150% increase from 2018 to 2021.

-STR Committee formed.

2022

-STR Committee Recommendations + Mayor's Recommendations presented to Council.

Ord 26-22: Proposed Cap On STR Rentals (Fails)

-Proposed cap of 800 6% rentals (ISTR), no limit on 4% rentals (OSTR) based on 2021 STR numbers.

-Proposed purchase exemption for future buyers of 4% properties.

-Allowed unlimited transfers of 6% licenses to eligible family members (inheritance exemption)

Ord 27-22: Amending Licensing, Registration, and Operating Requirements.

-Revised strike system based on convictions.

-Required additional owner certifications and postings related to nuisance laws.

-Required additional property information.

-Lowered the size of events at short term rentals.

-Multiple requirements for documentation and notice.

STR Regulations 2023-2026

2023

STR Referendum and Cap

- Passed by public vote, city required to adopt as written.
- Split licenses into two types, set limit on 6% licenses.

Ord 03-23: First Technical Amendments

- Tied license type to property tax rate/status as legal residence.
- Specified waitlist to be established as soon as practicable.
- Defined dwelling unit.

Ord 04-23: Business License Appeals

- Amended timelines and notice content requirements for business license appeal.

2024

Ordinance 01-24: First Substantive Amendments

- Created a one time inheritance ISTR license.
- Created medical hardship licenses.
- Created minimum rental night requirement.
- Created 90 day license to address the SC Vacation Rental Act.
- Set deadlines for renewals of license and registration.
- Allowed new licenses for like for like replacement units.
- Defined property transfer.

STR Regulations 2023-2026

2025

Ord 18-25: Additional Amendments

- Waived 28 night minimum rental for major renovations that don't trigger loss of CO.
- Tied tax status to the date of application to prevent retroactive reclassification.
- Created military exemption for OSTR rentals of more than 72 days.
- Required emergency contact information to be posted in units.

Summary of Post Cap Review Items

- Provisional licenses for SC Vacation Rental Act.
- Requiring the number of bedrooms advertised to match rental registration.
- Licensing partial 6% rated structures (portions of homes that are not separate units).
- Grace period for annual renewals of business licenses.
- License loss related to demolition of structure.
- Defining allowable property transfers.
- Establishing minimum rental activity.
- Licenses for replacement units.
- Defining the scope of allowable renovations without losing licenses.
- Retroactive property tax class changes.
- Military exemptions.
- Creating a waitlist.

Summary of Post Cap Review Items

- Allowing heirs to obtain ISTR licenses.* one time for first generation post cap.
- Allowing existing 4% owners to convert to ISTR licenses (without changing ownership).* through medical hardship only.
- Allowing purchasers of licensed properties to apply for an ISTR license.
- Allowing purchasers of any property to apply for an ISTR license.
- Exempting multiunit buildings from the cap.
- Exempting commercially zoned properties from the cap.
- Exempting properties governed by an HOA from the cap.
- Allowing universal 72 day licenses.
- *Retroactive grace period for licenses that expired prior to moratorium.* no longer applicable*
- *Allowing licenses for properties under construction.* no longer applicable*

Next Steps

- **Functional Concerns with Current Regulations.** TBD
 - Based on feedback from residents, owners, the general public, and staff.
 - Formalize a list of specific study areas to be addressed.
 - New or previously identified.
 - STR Committee recommendations, Mayor's recommendations, post cap review items, prior ordinances.
 - Identifying areas of concern will lead to policy adjustment recommendations.