

STR Work Session 12/09/25

- Annual Review of functional amendments to STR Ordinance.
- Request for 1st Reading.

Replacement Units

- Ordinance already allows rental licenses to be maintained when a unit is demolished and replaced with the same or fewer heated square feet and bedrooms.
- There is no explicit exemption from the 28 night minimum rental requirement.
- Amendment clarifies that properties that are permitted under this section are exempt.

GOOD STANDING. A license shall be considered in good standing if:

- (a) The license has not been denied, revoked, or suspended in the current license year. A license which has been denied, revoked, or suspended in the current license year shall not be renewed except upon successful appeal of the denial, revocation, or suspension.
- (b) The license has not expired. A license shall be deemed expired ten business days after the final day of the previous business license year.
- (c) The dwelling unit for which an ISTR license was issued was rented for a minimum of 28 nights in the business license year prior to renewal. Executed rental contracts and receipt of payment shall be required to establish compliance with minimum rental night requirements. The minimum rental night requirement shall be waived in the event that:
 1. A natural disaster or other Act of God renders the dwelling unit uninhabitable for a period of more than six months in the current business license year; or
 2. Work related to valid building permit, carried out to address life, safety, or health violations documented by the Building Official **or to replace the unit with a unit of the same or fewer square feet and bedrooms** renders the dwelling unit uninhabitable for a period of more than six months in the current business license year;

Renovations and Rental Licenses

- Ordinance requires a valid CO for renewal of licenses.
- Amendment clarifies that renovations that don't render a unit uninhabitable or trigger loss of CO do not trigger loss of licenses. This includes additions of bedrooms and heated square footage.

GOOD STANDING. A license shall be considered in good standing if:

....

(d) The dwelling unit for which an ISTR license has remained in a habitable condition, and the current certificate of occupancy has not been revoked for life, health, or safety issues or due to renovations or partial demolition.

Licenses Classified at Time of Application

- Licenses are classified as OSTR/ISTR when they are first issued.
- Licenses have been revoked at renewal for change of tax classification.
- Multiple owners have attempted to retroactively reclassify property taxes to argue for a license or against revocation.
- Amendment fixes the license classification for the duration of the license and clarifies that property tax changes can not be retroactively applied.
- ***INVESTMENT SHORT TERM RENTAL BUSINESS LICENSE (ISTR)***. A license issued for a dwelling unit, to be rented as a short term rental, that:
 - (a) Is not the ~~Legal~~ ~~Residence~~ of the owner **at the time the application for a license is submitted**; or
 - (b) Is not the ~~Legal~~ ~~Residence~~ of the owner **at the time the application for a license is submitted** and was inherited after February 7, 2023 from the person named as owner of record on February 7, 2023.
 - 1. Proof of inheritance shall be shown through a deed of distribution, court order, or similar document showing transfer of ownership to the applicant.
 - 2. Application for an ISTR for the rental of a dwelling unit inherited after February 7, 2023 must be made within 90 days of transfer of ownership except that an application for the rental of a dwelling unit inherited between February 7, 2023 and February 20, 2024 may be made at any time prior to May 1, 2025.

Licenses Classified at Time of Application

- Licenses are classified as OSTR/ISTR when they are first issued.
- On appeal, some owners who were classified as OSTRS upon passage of the cap successfully demonstrated that they have never actively applied for the 4% tax rating, and that the County assigned it in error.
- Amendment allows these owners, who have never claimed to be 4%, to apply be issued a 6% license.

LEGAL RESIDENCE. A dwelling unit assigned a 4% property tax ratio by the Charleston County Assessor's Office under the requirements of S.C. Code § 12-43-220 at the time the application for a license is submitted. **Retroactive changes of the properties' legal status by the County are not applicable unless the applicant has never submitted a Legal Residence Exemption Application and promptly applies for the change upon discovery of the classification.**

OSTR licenses and Military Exemptions to Property Tax Classification

- OSTR licenses are limited to 72 nights by ordinance.
- This restriction is based on the limits of the 4% property tax classification.
- State law allows certain members of the military who are deployed or reassigned to maintain 4% status while renting for more than 72 days.
- Amendment allows these owners to maintain an OSTR and rent more than 72 days.

OWNER-OCCUPIED SHORT TERM RENTAL BUSINESS LICENSE (OSTR). A license issued for a dwelling unit to be rented no more than 72 nights annually that:

- (a) That is the ~~Legal~~ ~~Residence~~ of the owner **at the time the application for a license is submitted.**
- (b) That is the ~~Legal~~ ~~Residence~~ of the owner **at the time the application for a license is submitted** but given a partial 6% property tax rate by Charleston County. The portion of a dwelling unit taxed at a 6% property tax rate which was licensed as a short term rental prior to February 7, 2023 is not subject to the 72-night annual rental limit.
- (c) **That is the Legal Residence of the owner at the time the application for a license is submitted and whose owner has qualified for the military service exemption as provide in S.C. Code Ann. § 12-43-220(c)(2)(v) allowing rental of a dwelling unit for more than 72 nights annually while maintaining the 4% special assessment rate.**

Emergency Phone Numbers

- Ordinance requires renters to be given an emergency number, but doesn't specify that it also must be posted in unit.
- Amendment requires the owner to certify that they have given the number as required and also that it is posted in the unit.
- Amendment also adds missing language in item (j).

(j) Certification that ~~a~~ **an emergency contact phone number**, a copy of the parking diagram provided to the city, ~~as well as~~ **and** a summary of rental rules and general regulations provided by the city **have been posted in the rental unit**.

(k) Certification that tenants listed on any rental agreement shall receive ~~a~~ **an emergency contact phone number**, a copy of the parking diagram provided to the city, ~~as well as~~ **and** a summary of rental rules and general regulations provided by the city.