

STR Work Session 11/12/24

- Waitlist Update.
- Annual Review of functional amendments to STR Ordinance.
- Draft implementation and 117.
- Request for 1st Reading.
- Further meetings as needed.

Waitlist Update

- Phase 1 finalized 10/1/24, available online.
 - 152 entries.
 - Applicants will be removed if convicted of renting without a license.
 - No licenses available in 2024.
-
- Phase 2 active and accepting entries.
 - 15 entries received as of 11/4/24.
 - List is ongoing and will be published at regular intervals.
 - Phase 2 licenses awarded after all Phase 1 applicants offered licenses.

Designated Local Agent

- “Agents” are referenced in multiple places with multiple terms.
- Single definition unifies all references.

DESIGNATED LOCAL AGENT. A local agent, identified through application for a rental registration permit, who shall be responsible for operating the rental dwelling in compliance with the law. Designated local agents may apply for a business license or rental registration on behalf the owner. Official notices may be served on the designated local agent and/or the owner, and any notice served on the designated local agent shall be deemed to have been served upon the owner of record. The designated local agent may be cited and served notice for any violation under this ordinance for which the owner may be cited or served.

Proof of Minimum Nights Rented

- Codifies required documents needed to prove minimum rental nights.
- Exempts first time licenses.

(c) The dwelling unit for which ~~the~~ **an ISTR** license was issued ~~has been~~ **was** rented for a minimum of 28 nights in the ~~current~~ 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** ~~except that the minimum nights rented~~ **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 renders the dwelling unit uninhabitable for a period of more than six months in the current business license year.
3. **The dwelling unit to be rented is being licensed for the first time or after a change in ownership and successful application for a new business license.**

Retroactive Inheritance ISTR

- Amendment to allow licenses based on inheritance was adopted in February 2024.
- Staff proposes amending the language to include those properties inherited between the referendum date and the amendment date.

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; or

(b) Is not the legal residence of the owner and was inherited **after February 7, 2023** from the person named as **owner** of record on February 7, 2023; ~~or~~.

1. Proof of inheritance shall be shown through a deed of distribution, court order, ~~will~~ or similar document **showing transfer of ownership to the applicant**.

2. Application for an ISTR ~~due to inheritance~~ **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.**

Standalone MISTR

- Medical Hardship ISTR licenses must be recertified annually and are outside of the cap.
- MISTR licenses are term limited (similar to a PISTR than an ISTR) and can be terminated through means other than the cap.

INVESTMENT SHORT TERM RENTAL BUSINESS LICENSE (ISTR). A license issued for a dwelling unit, to be rented as a short term rental, that:

~~(c) Is owned by the owner of record on February 7, 2023 upon certification that the owner no longer resides on the premises and is housed in a care facility, or requires care at another private location; or is no longer capable of performing at least three activities of daily living.~~

~~1. Activities of daily living are defined as personal hygiene tasks (bathing, grooming, oral, nail and hair care); medication management; walking independently; dressing; transferring in and out of bed; and maintaining continence~~

~~2. Certification that an owner can no longer perform activities of daily living shall be provided on a form approved by the city and completed by a licensed medical doctor, doctor of osteopathic medicine, physician assistant, or advanced practice registered nurse.~~

~~3. Proof of care shall be through a lease agreement or similar document, or a contract for in-home care.~~

~~4. Certification for an ISTR issued due to medical hardship shall be submitted annually.~~

~~5. No more than one ISTR may be obtained by any owner through hardship.~~

Standalone MISTR

MEDICAL HARSHIP INVESTMENT SHORT TERM RENTAL BUSINESS LICENSE (MISTR). A license issued for a dwelling unit, to be rented as a short term rental, that is owned by the owner of record on February 7, 2023 upon certification that the owner no longer resides on the premises and is housed in a care facility, or requires care at another private location; or is no longer capable of performing at least three activities of daily living.

- (a) Activities of daily living are defined as personal hygiene tasks (bathing, grooming, oral, nail and hair care); medication management; walking independently; dressing; transferring in and out of bed; and maintaining continence.
- (b) Certification that an owner can no longer perform activities of daily living shall be provided on a form approved by the city and completed by a licensed medical doctor, doctor of osteopathic medicine, physician assistant, or advanced practice registered nurse.
- (c) Proof of care shall be through a lease agreement or similar document, or a contract for in-home care.
- (d) Certification for an ISTR issued due to medical hardship shall be submitted annually.
- (e) No more than one MISTR may be obtained by any owner through medical hardship.

Standalone MISTR

- Cap and transfer language updated to reflect MISTR.

§ 117.02 SHORT TERM RENTAL BUSINESS LICENSES.

(A) The city shall issue investment short term rental business licenses, **medical hardship investment short term rental licenses**, owner-occupied short term rental business licenses, and provisional short term rental business licenses.

(B) There will be no limit on the number of **medical hardship investment short term rental licenses**, owner-occupied short term rental business licenses, or provisional short term rental licenses issued.

(C) The maximum number of investment short term rental business licenses issued shall be 800, henceforth referred to as the cap.

(1) No new investment short term rental business licenses shall be issued unless the total number of investment short term rental business licenses are below the cap unless the ISTR license is issued ~~due to hardship~~ or after inheritance as defined in § [117.01](#).

.....

(D) *Non-transferable.*

(1) Investment short term rental license wait list status terminates upon transfer of property and is non-transferable.

(2) Investment **and medical hardship investment** short term rental business licenses terminate upon transfer of property and are non-transferable.

(3) Owner-occupied short term rental business licenses terminate upon transfer of property and are non-transferable.

(4) Owner-occupied short term rental business licenses terminate upon loss of 4% property tax assessment status and are non-transferable.

(5) **Medical hardship investment short term rental licenses terminate upon death, termination of qualifying lease, or end of qualifying care.**

(6) Provisional short term rental business licenses terminate 90 days after the date of issuance or upon the completion of the last eligible rental period if earlier than 90 days and are not transferrable.

Partially Rated Structures

- Several units that are taxed partially at 6% percent were licensed prior to 2023 and are operating under policies enacted post cap.
- Future partially rated structures will be subject to a 72 night limit.

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.

(b) That is the legal residence of the owner but given a **partial** 6% property tax rate by Charleston County. ~~and is licensed after February 7, 2023.~~ **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.**

Rental Rules and General Regulations

- Repeated lists of rules and regulations are cumbersome.
- Single definition unifies all references.

RENTAL RULES AND GENERAL REGULATIONS. Regulations regarding noise, trash, parking, alcohol on the beach, animals, litter, surfing, dune protection, sea turtles, smoking on the beach, requirements for special events, maximum occupancy, and golf carts.

Advertising Equals Operating

- Advertising has been interpreted and upheld by court to be included under rules regulating operation.
- Explicit references added throughout for additional notice and emphasis.

Any owner ~~wishing to operate~~ **advertising or operating a dwelling unit** as a short term rental must maintain a current business license, comply with rental registration permit requirements, and make proper payment of local, county, and state taxes.

Final Certificate of Occupancy Needed to Rent

- Ordinance requires certificate of occupancy for licensing.
- In some cases, temporary certificates have been used to apply for licenses.

(a) A license issued for the rental of an existing ~~residential~~ **dwelling** unit may be renewed, or a new license issued for the rental of a replacement **dwelling** unit on the same site, upon issuance of a new **final** certificate of occupancy and satisfaction of all other requirements for short term rental licenses.

Maintaining Licenses For Replacement Units

- An ISTR can be issued for an onsite replacement dwelling unit that has the same amount of heated square footage and the same number of bedrooms.
- Amendment clarifies that the license must be maintained throughout construction.

(a) A license issued for the rental of an existing ~~residential~~ **dwelling** unit may be renewed, or a new license issued for the rental of a replacement **dwelling** unit on the same site, upon issuance of a new **final** certificate of occupancy and satisfaction of all other requirements for short term rental licenses.

(i.) The replacement **dwelling** unit must be under the same ownership, contain the same or fewer heated square feet, and contain the same number or fewer bedrooms as the original structure.

(ii.) The license has been maintained in good standing and, if necessary, timely renewed during the entire period of construction beginning with demolition and lasting through issuance of a final certificate of occupancy.

Relocation of Existing Units

- An ISTR can be issued for an onsite replacement dwelling unit that has the same amount of heated square footage and the same number of bedrooms.
- There is no allowance to relocate existing structures and maintain a license.

(b) A license issued for the rental of an existing dwelling unit may be renewed, or a new license issued for the rental of the same dwelling unit after relocation, upon issuance of a new final certificate of occupancy and satisfaction of all other requirements for short term rental licenses.

(i.) The relocated dwelling unit must be under the same ownership, contain the same or fewer heated square feet, and contain the same number or fewer bedrooms as the original structure.

(ii.) The license has been maintained in good standing and, if necessary, timely renewed during the entire period of construction beginning with relocation and lasting through issuance of a final certificate of occupancy.

Failure to Timely Renew License is Grounds for Denial

- Council established has a two week grace period for late licenses.
- Amendment clarifies that missing the deadline is a grounds for denial.

(a) To remain in good standing, an application to renew an existing license must be submitted no later than ten business days after the final day of the previous business license year. **The failure to timely submit an application for the renewal of a short term rental license shall result in denial of the application.**

OSTR Exempt from Minimum Nights Rented

- There is no cap on OSTR licenses.
- Minimum night requirement meant to eliminate inactive ISTRS and allow new licenses.

(b) To remain in good standing, **an ISTR** license must be used for at least 28 nights annually except when affected by natural disaster, Act of God, or critical repairs as defined in § [117.01](#).

Order of Application for License and Rental Registration

- As written, ordinance requires license to be issued prior to rental registration.
- In practice license comes first.

(a) No new business license to operate a short term rental shall be issued prior to the approval of a rental registration permit. An application for a rental registration permit, along with all documentation required by this Chapter, must be submitted within 30 days of the issuance of a new short term rental business license.

Rental Registration Refunds

- Business licenses are not refundable once paid, even if business operations cease.
- Similar language omitted for rental registrations.

(B) *Rental registration permit.* A rental registration permit must be obtained ~~and renewed annually~~ by the submittal of a form and fee as established by the city for each residential dwelling unit or portion thereof offered as a short term rental.....

(2) *Annual fee.* The fee for a rental registration permit shall be set by City Council and shall be reviewed periodically. **No refund shall be issued for a rental registration permit should the registered dwelling unit ceased to be rented after issuance.**

Rental Registration Information Changes

- Clarifies that the responsibility to update contact information and agent changes lies with the owner/agent.
- Brings the requirement for new owner registration in line with requirement to obtain registration 30 days after license.
- Specifies that not getting a rental registration with new license is a violation.

(B) *Rental registration permit.* A rental registration permit must be obtained and renewed annually by the submittal of a form and fee as established by the city for each residential dwelling unit or portion thereof offered as a short term rental.....

(5) *Change in registered information.* ~~The owner or designated agent of a rental dwelling already registered with the city shall re-register within 60 days after any change occurs in the registration information.~~ **It is the duty of the owner to notify the city of changes to the name, address, email address, or phone number of the owner and designated agent listed on the annual rental registration.** There shall be no additional fee upon change of registration information except that a new owner of a **previously** registered dwelling, upon **successful** application for a new **short term rental** business license, shall re-register the dwelling and pay the appropriate fee within **30 days of obtaining a license.**

(D) *Violations and penalties.*

(l) Failure to obtain a rental registration permit within 30 days of renewing a business license; ~~failure to provide accurate information for the registration of rental dwellings, failure to provide information required by the application form;~~

(m) Failure to complete a new rental registration permit application within ~~60 days of a change in ownership~~ **30 days of obtaining a new short term rental license;**

Rental Registration Requirements

- Updates to rental registration requirements to match documentation needs.

- (a) The street address, **Charleston County Parcel Identification Number, and unit number, if applicable,** of the ~~rental~~ dwelling unit;
- (b) ~~The unit number if applicable~~ **A property tax bill or other documentation from Charleston County showing the current property tax classification;**
- (e) The **advertised and, if different, the allowable** maximum overnight occupancy of ~~each rental~~ **the** dwelling unit, which shall not exceed two persons per bedroom, plus two additional people per ~~rental~~ dwelling unit, except as allowed under an exception under § [164.03](#)-01(C);
- (l) ~~Proof of payment from the owner or designated agent for payment of local, county, and state taxes due on short term rental accommodations~~ **Certification that the owner is aware that misrepresentation of any required information on the application for a business license or rental registration permit shall be considered grounds for the denial of the application and subsequent revocation of the license or rental registration permit;**
- (o) ~~Documentation in the form of Charleston County property records or a certificate of occupancy confirming the number of bedrooms offered for rent~~ **Certification that a dwelling unit licensed as an OSTR may not be rented more than 72 nights annually;**
- (q) **The number of nights the unit was rented in the previous business license year. Proof of the 28 night minimum rental requirement shall be established through executed rental contracts and associated receipts for payment.**

Lack of Timely Rental Registration Permit

- The ordinance currently classifies failure to renew or obtain a rental registration as both a revokable offense and a strike.
- Amendment would make this violation a strike only.
- 41 licenses currently under threat of revocation would be issued strikes.

(b) Renewals of valid prior year business licenses shall be allowed prior to the approval of a rental registration permit. ~~Failure to complete a rental registration permit application within 30 days of the business license renewal date shall be grounds for revocation of the license.....~~

(l) Failure to obtain a rental registration permit within 30 days of renewing a business license; ~~failure to provide accurate information for the registration of rental dwellings, failure to provide information required by the application form;~~

(m) Failure to ~~complete~~ **submit** a ~~new~~ rental registration permit application, **along with all documentation required by this Chapter,** ~~within 60 days of a change in ownership~~ **30 days of obtaining a new short term rental license, or submit an annual rental registration permit renewal application, along with all documentation required by this Chapter, prior to June 1;**

Organizational Changes

- Parking requirements relocated to general requirements for rentals (with septic tank language added).
- Strike language added as separate section under violations and penalties.