

CITY OF FOLLY BEACH

Tim Goodwin, Mayor



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City Council Special Meeting

Tuesday June 28, 2022

Special Meeting 7:00 PM

City Hall
21 Center Street
2nd Floor Council Chambers
Folly Beach, SC 29439

1. **CALL TO ORDER/ROLL CALL**
2. **STAFF REPORTS**
 - a. Review of Mayor's Recommendations and Proposed Short Term Rental Ordinances.-
Aaron Pope
3. **CITIZENS' COMMENTS**
4. **NEW BUSINESS**
 - a. **ORDINANCE 026-22:** An Ordinance Establishing a Cap on The Number of Non-Restricted Rental Licenses Applicable to Properties Taxed as Non-Primary Residences.
 - b. **ORDINANCE 027-22:** An Ordinance Amending the Folly Beach Code of Ordinances Chapter 117 (Short Term Rentals) By Changing the Requirements for Business Licenses and Rental Registration Permits for Short Term Rentals, Amending the Violations Subject to Rental Strikes, And Lowering the Number of Strikes Required Prior To The Initiation of License Revocation.
5. **OLD BUSINESS**

6. CITY COUNCIL COMMENTS

7. ADJOURNMENT

PUBLIC NOTICE

ALL MEDIA WERE NOTIFIED PURSUANT TO STATE LAW

City Council will not vote on matters discussed during Work Sessions or Executive Sessions. However, matters discussed may be voted on during the evening City Council meeting.

In keeping with the Americans with Disabilities Act, persons needing assistance, alternative formats, ASL interpretation, or other accommodation, please contact the Municipal Clerk at 843-513-1833 during regular business hours at least 24 hours prior to the meeting. Hearing devices are available upon request for those with hearing difficulties.

The City of Folly Beach, in an effort to go green, will no longer have the Ordinances and Resolutions included in the agenda. Citizens interested in having a copy, please see the Municipal Clerk.

Additions and changes to Mayor's STR recommendations

- 1-Short term rentals classified as assessment restricted rentals and non-restricted rentals.
 - assessment restricted rentals are taxed at 4% property rate and have a maximum rental potential of 72 nights without penalty.
 - non restricted rentals are taxed at a 6% property tax rate and have and are eligible to be rented 365 nights with no penalty.
- 2-Destination Clubs, Time Shares, and House Exchange Programs defined.
- 3-Assessment restricted rentals are not subject to a cap. Assessment restricted licenses can be converted to non-restricted licenses if the property continuously maintains a 4% tax rate from the date of the ordinance to date of purchase and the new owner applies within 30 days of purchase.
- 4-Non restricted rentals are subject to a cap and the limit is lowered from 900 to 800 licenses. Non restricted licenses may only be transferred to eligible family members.
- 5-Annual rental permit fees set at \$360 per year for assessment restricted rentals and \$1,825 per year for non-restricted rentals.
- 6-Rental minimum of 7 days for all rental types in the Residential Single-Family District. Minimum of 2 nights in all other districts.
- 7-Parking spaces to be shown on site plan, not physically marked on site. Multifamily developments and properties with approved residential ROW parking exempt from 1 space per bedroom. Owner must certify that septic is protected from parking.
- 8-Owners, Attorneys, and brokers in charge added to realtors and SC licensed property managers as allowable designated agents.
- 9-Atax payment proof required for State as well as County.
- 10-STR number required to be posted in addition to the business license number.
- 11-Limit of 25 guests for events at rental houses vs. 49.
- 12-Failure to renew registration permit after 60 days is trigger for revocations proceedings (not a strike).

Issue #1: The number of short-term rentals in the City is increasing.

Recommendation 1.1: The Mayor recommends that rentals be classified according to the maximum rental nights allowed according to property tax assessment rates. Properties with a maximum of 72 rental days allowed (assessment restricted rentals) will not be subject to a cap.

Policy: All properties eligible for an assessment restricted rental licenses on will be allowed to obtain or transfer a license subject to the following:

- Assessment restricted licenses may be transferred to any new owner as an assessment restricted license.
- Assessment restricted licenses may be converted to a non-restricted license:
 - Upon sale of the property when the new owner applies within 30 days of closing, and the property was subject to the 4% tax assessment on both the date the ordinance passed and the date the property was sold.
 - Upon transfer of the property to an eligible family member.

Recommendation 1. 2: The Mayor recommends that rentals be classified according to the maximum rental nights allowed according to property tax assessment rates. Properties no assessment related limit on maximum rental days (non-restricted rentals) will be subject to a cap.

Policy: All existing non restricted rental licenses on the date of the ordinance will be allowed to remain and be renewed until transfer of ownership outside of eligible family, inactivity, or failure to renew.

- Non restricted licenses may be converted to assessment restricted licenses upon proof of property tax assessment status.
- Non restricted licenses may transfer to an eligible family member as a non-restricted license.
- Other license transfers shall make the license subject to the cap and, if the cap has been reached, put the license onto the waitlist.
- Any non-restricted license that is inactive (with no documented short term rental reservations within 12 months) without documented reasoning (including court order, condemnation letter, probate, etc.) will lapse and must be renewed under new limits. Any non-restricted licenses that does not document at least \$3,000 of income shall be considered inactive.

Recommendation 1.3: The Mayor recommends that the City limit future growth of rentals including within multifamily complexes.

Policy: Non-restricted short-term rentals in a property used as multifamily will be subject to the overall cap.

Recommendation 1. 4: The Mayor recommends that the City limit future growth by implementing a cap on the total amount of non-restricted STR licenses in Folly Beach.

Policy: The total number of non-restricted rental licenses shall be 800. No new non-restricted licenses will be issued until the number of licenses falls below the cap.

- Existing restricted licenses may be renewed until they are disqualified.
 - Late renewals (more than 30 days after license renewal due date) shall make an existing license subject to the cap.
 - Inactivity shall make the license subject to the cap.
 - Transfer of property ownership (except to eligible family members) shall make the license subject to the cap.
- Renewals of existing licenses shall be given first priority in determining the availability of new licenses.
- Once attrition lowers the total number of licenses to the allowable limit, a waitlist will be established to replace licenses within the limits of the cap. The waitlist renews annually.
- Additional license applications can be made at any time and will be added to a waitlist. When spots open under the cap, the City will give the oldest application first priority.
 - Destination Clubs, Times Shares, and Home Exchanges defined.

Issue #2: Fees charged for short term rentals do not provide enough support to City resources based on the demand brought by the STR population.

Recommendation 2.1: The Mayor recommends that the City increase the fees associated with Short Term Rentals.

Policy: The Mayor proposes a fee of \$360 annually for assessment restricted rentals properties and \$1825 annually for non-restricted properties. This is a separate fee from the business license cost.

Recommendation 2.2: The Mayor recommends increasing the fines and immediacy of penalties when there are rental related violations.

Policy:

- All rental violations subject to \$500 general penalty (civil tickets).
- Strikes to be based on convictions for offenses, not the initial ticket/warning.
- The number of strikes before a license revocation starts reduced from 4 in 6 months to 3 in one year (rolling time period).
- Add if local agents cannot respond to emergency notification within 30 minutes of an emergency, then that is a ticketed offense.
- Add if advertising for less than 7 nights in the RSF district, then that is a ticketed offense.
- Add if advertising for less than 2 nights in other zoning districts, then that is a ticketed offense.
- Add limit of 25 people at STR events.

Recommendation 2.3: The Mayor recommends adding City staff for short term rental

related issues.

Policy: Hire additional staff to administer the short-term rental ordinance and related tasks. The number of staff shall be suitable to manage enforcement, licensing, rental registration, and administration of the rental ordinance. This includes night and weekend enforcement.

Recommendation 2.4: The Mayor recommends that all applications for a rental license renewal include proof of paid accommodations tax accounts.

Issue #3: Short term rentals cause an unwanted atmosphere on the island for full time residents.

Recommendation 3.1: The Mayor recommends that the City require parking spaces on site for rental properties upon issuance of all new rental licenses.

Policy: All required parking spaces must be shown on a site plan at a rate of one parking space per bedroom. If a license cannot meet this requirement, it has an option to present an alternate parking plan to the Building Official for approval with reasoning. If a property does not have the required spots or approved plan, then no business license will be issued. Multifamily units and units with approved residential parking in the right of way shall exempt from the required number of spaces but must submit a site plan.

Recommendation 3.2: The Mayor recommends that the City use a more robust verification of local agents.

Policy: Require properties be managed by the owner or someone with a SC property manager, broker in charge, realtor, or attorney license. Require property agents to be able to respond within 30 minutes.

Recommendation 3.3: The Mayor recommends that the City utilize a notification more flexible and quicker than certified letters via mail.

Policy: The City will use email or an automated response to the local contact when a violation occurs, a process similar to what Turtle Patrol utilizes. This will require assistance from additional staff.

Recommendation 3.4: The Mayor recommends that the City make the noise ordinance easier to enforce.

Policy:

- Installation and maintenance of noise monitoring software in rentals at owners' expense with at least one noise violation.
- Change a noise violation from a criminal to civil violation (taking away jail time) and make it a true code enforcement issue which will allow enforcement by code officers versus law officers.

Recommendation 3.5: The Mayor recommends restricting the numbers of nights a rental can advertise.

Policy: Make a minimum 7 night requirement per rental reservation in the Single Family District and a minimum of 2 nights in all other districts.

Recommendation 3.6: The Mayor recommends adding the requirement that a building have a Certificate of Occupancy, or it is a habitable dwelling before a short-term rental business license is issued. No licenses shall be issued for properties under construction.

Policy: Require a CO be issued or proof that a dwelling is habitable before a license is issued.

Recommendation 3.7 The Mayor recommends adding the requirement that an annual third party inspection be completed for STRs to verify the property meets the 2018 Property Maintenance Code. All first time licenses will only be issued after a documented inspection.

Policy: Require an inspection report completed within last 12 months to be submitted with a STR application. The inspection will verify smoke alarms, carbon monoxide monitors, fire extinguishers, the # of bedrooms, the # of parking spaces, certain structural elements, the provision of trash receptacles, the posting of address and house numbers, and posting of rules and regulations, and, if present, that sprinklers are operational. This will require assistance from additional staff.

Recommendation 3.8: The Mayor recommends adding the requirement of septic tank capacity documentation must be provided as part of the STR permit application.

Policy: Provide a copy of a valid septic permit showing 120 GPD of capacity per bedroom to be rented. If no septic permit is available, certification from a licensed septic installer demonstration 120 GPD of capacity per bedroom to be rented shall also meet this requirement.

Recommendation 3.9: The Mayor recommends that the number of bedrooms be supported by data from the Charleston County assessor's office.

Issue #4: Short term rentals regulations are confusing and hard to find.

Recommendation 4.1: The Mayor recommends developing a robust communications plan addressing all stakeholders to provide information on short term rentals.

Policy: This could include a dedicated page on the website with a feedback form, a robust communication plan addressing all stakeholders to educate them on existing ordinances (STR and Noise) via the Sandspur and Folly Current, insert educational material into tax bills, how enforcement works with Public Safety, utilize TVPC to market beach as a family beach, and what tools they can appeal to Council for a Rezoning under a neighborhood preservation zoning overlay.



CITY OF FOLLY BEACH

1st Reading: June 28th, 2022
2nd Reading:

Introduced by: Mayor Goodwin
Date: June 28th, 2022

ORDINANCE 026-22

AN ORDINANCE ESTABLISHING A CAP ON THE NUMBER OF NON-RESTRICTED RENTAL LICENSES APPLICABLE TO PROPERTIES TAXED AS NON-PRIMARY RESIDENCES.

NOTE: Deleted material struck through, new material shown in red,

117.01 PURPOSE, APPLICABILITY, AND DEFINITIONS.

(A) The purpose of this chapter is to regulate the use **and number** of residential units **licensed** as short-term rentals in order to:

- (1) Protect the integrity of the **eCity's** neighborhoods and the quality of life of its citizens;
- (2) Establish a system to track the short-term rental inventory in the **eCity**;
- (3) To protect the health and safety of occupants of short-term rental units;
- (4) To ensure a level playing field for individuals in the short-term rental market; and
- (5) To protect the residential character of the residential districts of the **eCity**.

(B) The following definitions apply:

DESTINATION CLUBS. Destination or private vacation clubs ("destination clubs") are classified as private and/or exclusive membership organizations or commercial businesses primarily engaged in providing short-term overnight accommodations and related services for its club members with non-ownership interest who seek alternative options to standard vacation home rentals. Destination clubs typically own or lease properties from the owners on a long-term basis, provide those properties in a variety of locations to its members on a short-term basis, and model a membership access structure where its members purchase membership levels granting access to properties and personalized services. Properties offered by destination clubs to a member for less than 30 days are considered **SHORT TERM RENTALS** whether the destination club is an owner of record or a lessee. All references to "owners" in this chapter apply to destination clubs.

TIME SHARES. "Vacation time sharing plans" as defined in South Carolina Code § 27-32-10(9) are not **SHORT-TERM RENTALS**. However, any "vacation time sharing lease plan" as defined in South Carolina Code § 27-32-10(8) that is less than three years is considered a

SHORT-TERM RENTAL. “Vacation multiple ownership interests” as defined in South Carolina Code § 27-32-250(1) are not **SHORT-TERM RENTALS**.

HOUSE EXCHANGE PROGRAMS are the occasional occupancy of a residential occupancy assessed by Charleston County at a 4% property tax rate by someone other than the owner of the residence while the owner is temporarily absent from the residence, and no monetary compensation is paid to the owners for such occupancy. **HOUSE EXCHANGE PROGRAMS** are not **SHORT-TERM RENTALS**.

ELIGIBLE FAMILY MEMBER. For the purposes of this Chapter, an eligible family member is a spouse, parent, stepparent, sibling, step sibling, sibling-in-law, child, stepchild, grandparent, or step grandparent.

INACTIVE LICENSE. A license issued to a **NON-RESTRICTED RENTAL** for which there are no documented bookings for short term rental in the preceding twelve-month business license year or for which receipts for at least three thousand dollars (\$3,000) of payment for short term rental bookings are not provided.

EXISTING LICENSE. Licenses issued to a **NON-RESTRICTED RENTAL** prior to July 6, 2022, and licenses for which an application deemed sufficient for approval was submitted prior to July 6, 2022.

RENTAL OCCUPANT. Any person who, in exchange for compensation paid, occupies a dwelling unit for less than 30 days.

SHORT TERM RENTALS. Residential dwellings, or any portion thereof, rented for less than 30 days and used in a manner consistent with the residential character of the dwelling. Tourist accommodations, including hotels, motels, inns, and bed and breakfasts, are not considered **SHORT TERM RENTALS**.

ASSESSMENT RESTRICTED RENTALS. Residential dwellings used as **SHORT-TERM RENTALS**, assessed by Charleston County at a 4% property tax rate, which may be rented for a maximum of seventy-two (72) days with no change to the property tax rate.

NON-RESTRICTED RENTALS. Residential dwellings used as **SHORT-TERM RENTALS**, assessed by Charleston County at a 6% rate, for which there is no maximum number of days the property may be rented with no change to the property tax rate.

117.02 SHORT TERM RENTAL CAP

(A) The City hereby establishes a cap of 800 business licenses for Non-Restricted Rentals and shall deny any application for Non-Restricted Rentals once the cap of 800 such licenses is reached.

(B) *Exemptions.* The following licenses are exempted from and not subject to the cap:

(1) *Assessment Restricted Rental.* A license issued to operate an Assessment Restricted Rental does not count toward the cap and is not subject to the cap.

(a) Current and future owners of residential dwellings assessed by Charleston County at a 4% property tax rate may apply for a license to operate an Assessment

Restricted Rental at any time and the application will not be denied based on the cap.

- (b) A license issued to operate an Assessment Restricted Rental shall be eligible for renewal if the license is in good standing with the City and considered active. Should the license be deemed inactive, a new license may be applied for.
- (2) *Residential Dwellings.* The purchaser of a residential dwelling may receive a license to operate a Non-Restricted Rental if and only if:
- (a) The residential dwelling was assessed by Charleston County at a 4% property tax rate continuously from July 6, 2022, to the closing date; and
 - (b) The purchaser applies for a Non-Restricted Rental license within thirty (30) days of the closing date; and
 - (c) The residential dwelling is otherwise in compliance with the requirements of this Chapter.

Although such licenses are not subject to the cap, they are included in the count toward the cap.

- (3) *Existing Short Term Rental Licenses.* Valid short term rental licenses issued to operate a Non Restricted Rental prior to July 6, 2022 shall count toward the cap but be exempted from the cap and shall be eligible for renewal by the owner if the license is not inactive, is in good standing with the City, and the property has not been transferred, subject to the exceptions specifically provided herein.
- (C) *Loss of exemption.* A license issued to operate a Non-Restricted Rental shall lose any exemption from the cap if:
- (1) The property is sold, subject to the exceptions specified herein.
 - (2) The license is deemed inactive for failure to provide documentation of at least one short term rental booking in the previous 12-month business license year and at least \$3,000 of payments received for short term rental use in that period.
 - (3) If the license is no longer in good standing.
 - (4) If the license is not renewed within thirty (30) days of the business license renewal deadline.
- (D) *Non-transferable.* A license issued to operate a Non-Restricted Rental is not transferable except in the following manner:
- (1) A license issued to operate a Non-Restricted Rental may be transferred to an eligible family member.
 - (2) A license issued to operate a Non-Restricted Rental may be converted to a license to operate an Assessment Restricted Rental but shall otherwise not be transferred to a new owner.

(E) *Priority.* Except as otherwise provided herein, no new licenses to operate Non-Restricted Rental shall be issued until such time as the number of such licenses falls below the cap. New licenses that are not exempt from the cap shall be granted on a first- come, first-served basis beginning on June 1 of each year.

(1) Properties holding a valid prior year license to operate a Non-Restricted Rental will have first preference if the license is active, in good standing, and renewal is complete prior to June 1.

(2) Once the cap on licenses to operate a Non-Restricted Rental is reached, applicants will be placed on a waiting list until a license becomes available. When a license becomes available, applications shall be given priority in the order in which they are received.

(3) The waiting list shall expire each year on May 31. Any license application on the waiting list must be resubmitted beginning June 1 for consideration in the following year.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Folly Beach, South Carolina, hereby ratifies and approves a cap on the number of non-restricted rental licenses applicable to properties taxed as non-primary residences

RATIFIED this ___ day of ____ 2022, at Folly Beach, South Carolina, in City Council duly assigned.

ATTEST:

Municipal Clerk

Tim Goodwin, Mayor



CITY OF FOLLY BEACH

1st Reading: June 28th, 2022
2nd Reading:

Introduced by: Mayor Goodwin
Date: June 28th, 2022

ORDINANCE 027-22

AN ORDINANCE AMENDING THE FOLLY BEACH CODE OF ORDINANCES CHAPTER 117 (SHORT TERM RENTALS) BY CHANGING THE REQUIREMENTS FOR BUSINESS LICENSES AND RENTAL REGISTRATION PERMITS FOR SHORT TERM RENTALS, AMENDING THE VIOLATIONS SUBJECT TO RENTAL STRIKES, AND LOWERING THE NUMBER OF STRIKES REQUIRED PRIOR TO THE INITIATION OF LICENSE REVOCATION

117.023 LICENSE, REGISTRATION, AND TAX REQUIREMENTS.

Any owner wishing to operate 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.

(A) *Business license.* ~~A B~~business licenses must be **obtained and** renewed annually by the submittal of a form and fee as established by the ~~e~~**City for each residential dwelling unit or portion thereof offered as a short-term rental.**

(1) **No business license shall be issued for rental until a Certificate of Occupancy is issued for the residential dwelling unit to be rented.**

(2) **A business license shall only be issued to owners of a residential unit. Lessees of residential dwelling units may not apply for a business license to rent the unit.**

(3) **A designated agent may apply for a short-term rental business license on behalf of an owner. An application for a business license submitted by a designated agent must provide the correct taxpayer identification and contact information for the owner including name, address, phone number, email, and any other information as required on the application form.**

~~The business license account number and the maximum occupancy for each short term rental must be prominently displayed in the rental unit, as well as in any advertisement for the rental of the unit, excluding signs posted on the rental property.~~

(B) *Rental registration permit.* ~~Each new short term rental license application must be accompanied by an application form provided by the city and must be renewed on an annual~~

~~basis.~~ 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.

(1) *Annual registration.* The rental registration permit application shall be completed prior to June 1 of each year.

(a) No new business license to operate a short-term rental shall be issued prior to the approval of a rental registration permit.

(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 thirty (30) days of the business license renewal date shall be grounds for revocation of the license.

(2) *Annual fee.* The fee for an Assessment Restricted Rental registration permit shall be \$360 annually. The fee for a Non-Restricted Rental registration permit shall be \$1,825 annually.

(3) A rental registration permit shall only be issued to owners of a residential unit. Lessees of residential dwelling unit may not apply for a rental registration permit.

(4) A designated agent may apply for a short-term rental business license on behalf of an owner. An application for a rental registration permit submitted by a designated agent must provide the correct taxpayer identification and contact information for the owner including name, address, phone number, email, and any other information as required on the application form.

(25) *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. There shall be no additional fee upon change of registration information except that a new owner of a registered dwelling, upon application for a new business license, shall re-register the dwelling and pay the appropriate fee within 60 days of assuming ownership.

(36) *Information required.* Application for a rental registration permit shall contain the following information:

(j) The street address of the rental dwelling unit;

(b) The number of rental dwelling units unit number if applicable;

(c) The number of bedrooms in each rental dwelling unit;

(d) The number of parking spaces provided on site for each rental dwelling as well as a site plan showing the location of all onsite parking spaces. One onsite parking space must be provided for each bedroom being rented. This requirement shall not apply to multifamily housing or residential units approved by the City for resident only parking signs in the right of way.

(e) The maximum overnight occupancy of each rental 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\(C\)](#);

(f) The type of wastewater system (septic or sewer). **If the property is serviced by a septic system, the owner must certify that the system is protected from parking.**

(g) The names, mailing addresses, business phone numbers, personal phone numbers, and business addresses of the owner and local agent;

(h) The **physical address and email address** where the owner and/or local agent will accept notices and orders from the eCity **and acknowledgement that service by U.S. Mail and/or transmission to the provided email addresses will constitute acceptable service of any notice, notice of violation, ordinance summons, or ticket;**

(i) Certification that the owner has read applicable eCity ordinances, including, but not limited to, regulations regarding noise, trash, parking, alcohol, animals, litter, surfing, dune protection, sea turtles and golf carts;

(j) Certification that ~~that the owner has prominently posted within the property~~ a summary of applicable eCity ordinances, including, but not limited to, regulations regarding noise, trash, parking, alcohol, animals, litter, surfing, dune protection, sea turtles and golf carts **is prominently posted within the residential dwelling unit to be rented;**

(k) Certifications that tenants listed on any rental agreement shall receive a summary of eCity ordinances, including, but not limited to, regulations regarding noise, trash, parking, alcohol, animals, litter, surfing, dune protection, sea turtles and golf carts. The summary of applicable ordinances shall be in a form determined by the eCity, and made available to all owners of rental property.

(l) A valid Charleston County Accommodations tax account number along with receipts for payment of prior year taxes due.

(m) A South Carolina Department of Revenue account number with receipts for payment of prior year sales and accommodations taxes due.

~~(n) Certification that the owner is aware that, upon receiving four or more notifications that occupants or guests have received a written warning or citation for noise, trash, turtle lighting, requirements for special events, or exceeding maximum occupancy during any rolling six month period, penalties may be assessed, including business license revocation or non-renewal.~~ **short term rental licensees shall be subject to strikes issued against the license when the owner, agent, occupant, or guest has been convicted of any violation of the requirements of this Chapter or other City ordinances related to use of the property as a short-term rental, and that three strikes during any rolling twelve month period can result in suspension, revocation, or non-renewal of the license.**

(o) An inspection report completed within the last twelve months verifying that the property meets the requirements of the 2018 Property Maintenance Code including but not limited to the presence of smoke alarms, carbon monoxide monitors, fire extinguishers, the number of bedrooms, the number of parking spaces, certain structural elements, the provision of

trash receptacles, the posting of address and house numbers, and posting of rules and regulations, and, if present, that sprinklers are operational.

(p) A valid SCDHEC permit showing an approved septic system with a capacity of 120 gallons per day for each bedroom advertised for rent. Certification by a licensed septic installer may also meet this requirement. No permit is required if the property to be rented is served by sewer.

(q) Documentation in the form of Charleston County property records or a certificate of occupancy confirming the number of bedrooms offered for rent.

~~(4) Inaccurate or incomplete registration information. It shall be a violation of this chapter for an owner to provide inaccurate information for the registration of rental dwellings, or to fail to provide information required by the application form.~~

(57) *Designation of local agent.* The owner of a rental dwelling shall designate a responsible agent who shall be responsible for operating the rental dwelling in compliance with the law. Official notices may be served on the responsible local agent and/or the owner, and any notice served on the agent shall be deemed to have been served upon the owner of record.

(a) Nothing shall prevent the owner of rental property from designating himself or herself as the agent.

(b) Non owner agents must be licensed by the State of South Carolina as an attorney, real estate agent, broker in charge, or property manager.

~~(b c)~~ The agent shall be required to be able to physically respond to notification from the City the site within 30 minutes in case of emergency or need by the eCity for entry into the property.

~~(68) More than one owner or ownership by entity.~~ Where more than one person has an ownership interest in a short-term rental, the required information shall be provided for each owner. In those cases, in which the owner is not a person, the information required for the register shall be provided for the organization owning the rental dwelling, and for the president, general manager, or other chief executive officer of the organization.

(C) *Taxes.* Owners of short-term rentals are subject to local, county, and state taxes, including, but not limited to, sales, use, and accommodations taxes, and are liable for the payment thereof as established by state law and the city code of ordinances.

(D) *Violations and penalties.*

~~(1) Violations. It shall be a violation of this chapter to~~ Violations of this Chapter include but are not limited to:

(a) ~~Operate~~ Operating a short-term rental without complying with the requirements of this eChapter and the eCity code of ordinances;

~~(e b) Advertise~~ Advertising a property as being available as a short term rental without first complying with the requirements of this chapter;

- (c) Operating a short-term rental without a business license, registration permit, and accommodations tax account;
- (d) Advertising a short-term rental without listing the business license number and rental registration permit number;
- (e) Operating a short-term rental in such a manner that individual rooms are rented at the same time under separate rental contracts.
- (~~e~~ f) ~~Advertise~~ **Advertising** a short term rental as being available for more overnight occupants than have been permitted pursuant to this chapter;
- (~~b~~ g) ~~Expand~~ **Expanding** the allowable occupancy of a short term rental without obtaining a new permit;
- (~~e~~ h) ~~Advertise~~ **Advertising** more short term rental units on a property than have been permitted pursuant to this ~~e~~Chapter. **For example, advertising a single-family dwelling as accommodating multiple short term rentals is not permitted;**
- (~~f~~ i) ~~Advertise~~ **Advertising** a property as a short-term rental or “event house” for events or parties with more than ~~49~~ **25** people in attendance; ~~or~~
- (j) Offering a short-term rental in the Residential Single Family District for fewer than seven (7) consecutive nights;
- (k) Offering a short-term rental in any zoning district other than Residential Single Family for fewer than two (2) consecutive nights;
- (l) Failure to post the business license number, rental registration permit number, allowable overnight occupancy, and City approved beach rules prominently within a rental unit;
- (m) 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;
- (n) Failure to complete a new rental registration permit application within 60 days of a change in ownership;
- (o) Failure of the designated agent listed on the rental registration permit to respond to the property within thirty (30) minutes of notification from the City of an emergency.
- (p) Failure to maintain, and provide to the City, any and all information required in 117.04.A.
- (q) Failure to provide tenants listed on any rental agreement information as required under 117.04.B.
- (r) Operating a business out of a short-term rental or otherwise using a short-term rental for non-residential use.
- (s) Failure to install or otherwise maintain a noise monitoring system in a short-term rental after being required to do so.

~~(g t) Operate~~ **Operating** a short term rental that has received four or more notifications of occupant or guest violations of noise, trash, turtle lighting, requirements for special events, or exceeding maximum occupancy during any rolling six month period. **that has received three strikes within any twelve month rolling period.**

1. The number of allowable notices and violations **strikes** shall be reset upon a change of ownership that results in no overlap with prior common ownership.

2. For the purpose of determining the total number of notifications to the owner **strikes**, all written warnings and **convictions stemming from** violations occurring within a single rental contract period shall be considered one instance. In no case shall notifications to the owner **strikes** exceed one per rental contract period.

(2) *Penalties.*

~~—(a)—~~ No permit may be issued or approved unless the requirements of this chapter, or any ordinance adopted pursuant to it, are complied with. A violation of this chapter ~~can~~ **may** result in the following penalties:

(a) ~~a civil penalty pursuant to § 110.99,~~ Any person violating any provision of this Chapter shall be deemed guilty of a civil offense and shall be subject to a fine of up to \$500 upon conviction. Each day of violation shall be considered a separate offense. Punishment for violations shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided for in this Chapter.

(b) ~~Revocation, or suspension, or non-renewal~~ of a business license pursuant to §§ 110.14 or 110.15 and in accord with the appeal procedures set forth in § 110.16. ~~110.17, or the non-renewal of the license.~~

~~(b)(c)~~ Short term rental licensees shall be subject to graduated penalties as the licensee receives notifications that an occupant or guest has received a written warning or citation for noise, trash, turtle lighting, requirements for special events, or exceeding maximum occupancy during any rolling six month period. **Revocation, suspension, or non-renewal of the short term rental business license, in accord with the appeal procedures set forth in § 110.16, for three strikes during a rolling twelve month period. The license will be assessed a strike when the owner, agent, occupant, or guest of the property has been convicted of any violation of the requirements of this Chapter or any other City ordinances related to the use of the property as a short-term rental and when the registered agent of the property is given notice of the strike as set forth herein.** For the purpose of determining the total number of **strikes**, notifications to the owner, all written warnings and **all convictions** violations occurring within a single rental contract period shall be considered one **strike**. instance In no case shall notifications to the owner **strikes** exceed one per rental contract period. ~~The licensee may respond within ten days of receiving the certified notice with evidence that demonstrates that the notice was issued in error.~~ **Strikes will re-set upon the sale of the property. The City will provide notice of each strike to the registered agent of the property as follows** ~~The graduated penalties are:~~

1. First ~~strike violation:~~ a description of the violation committed by the tenant **and resultant conviction**, and a warning that progressive action shall be taken by the ~~e~~City in the case of further violations.

2. Second **strike violation**: a description of the violation committed by the tenant and resultant conviction, and a second warning that progressive action shall be taken by the city the City shall initiate revocation of the rental license in the case of further violations.

3. Third **strike violation**: a description of the violation committed by the tenant and resultant conviction, a civil penalty of \$500, and a third warning that progressive action shall be taken by the city in the case of further violations and notice of the initiation of license revocation procedures.

(d) Any violation of a noise ordinance that occurs on the property will result in the requirement that noise monitoring equipment must be installed within the unit.

(Ord. 19-10, passed 9-28-10; Am Ord. 26-17, passed 1-9-18; Am. Ord. 32-19, passed 11-12-19; Am. Ord. 033-21, passed 11-9-21)

§ 117.034 ADDITIONAL REQUIREMENTS FOR SHORT TERM RENTALS.

(A) All owners and/or agents responsible for the leasing of short term rentals shall be required to keep the following for city inspection and copying for a period of one year:

(1) The name, address, and other contact information of each signatory on the rental agreement;

(2) A document signed by the owner and/or agent responsible for renting the dwelling, certifying the number of persons intended to occupy the dwelling.

(3) The information required by this section shall be updated by the owner and/or agent for each rental to different tenants or occupants.

(B) The owner and/or agent shall provide the following for each person signing a rental agreement as a responsible party for a short term rental:

(1) The address of the short term rental and emergency contact numbers;

(2) The name and contact information for the owner or designated agent; and

(3) A copy of the city's rules and regulations regarding noise, trash, parking, alcohol on the beach, litter, dune protection, sea turtles, requirements for special events, maximum occupancy, and golf carts.

(C) Each residential dwelling unit, whether licensed as an Assessment Restricted rental or Non Restricted rental, may contain only one short term rental. Individual rooms in short term rentals may not be rented under separate contracts at the same time. For example, a single family home or individual multifamily unit may only be rented as a single short term rental under one contract.

(D) Any events held on the premises of a short term rental shall meet the following requirements:

(1) Must follow any applicable special event notification rules established by the city in § [153.05](#) for events on private property;

(2) Shall be subject to all applicable provisions of the noise regulations in §§ [131.30](#) through [131.35](#); and

(3) May not feature mobile food trucks, carts, or other outdoor retailers offering products for sale or in exchange for donations. Caterers are allowed at events on the premises of short term rentals.

(E) All special events held after August 1, 2018, on the premises of a short term rental shall meet the following requirements:

(1) May not exceed ~~49~~ 25 people; and

(2) May not include outdoor amplified music, including bands, deejays, music broadcast through speakers and electronic musical instruments.

(3) These requirements do not apply to events hosted by the owner of the property for which the owner is on site for the duration the event, the owner has completed the required special event notification, and for which no compensation has been paid for the event or the use of the house.

(Ord. 26-17, passed 1-9-18)

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Folly Beach, South Carolina, hereby ratifies and approves the amending of Chapter 117 (short term rentals) by changing the requirements for business licenses and rental registration permits for short term rentals.

RATIFIED this ____ day of ____ 2022, at Folly Beach, South Carolina, in City Council duly assigned.

ATTEST:

Municipal Clerk

Tim Goodwin, Mayor