

Agenda Summary
April 24, 2024

Item B-4

Selectboard Work Session – Short-Term Rental Ordinance Fact Sheet

Summary: Per the Selectboard's instruction, enclosed is a Short-Term Rental Ordinance fact sheet reviewed by legal counsel.

Town Plan Impact: N/A

Fiscal Impact: N/A

Recommendation: Discuss and advise.

Stowe Short-Term Rental Registration Ordinance Summary

April 24, 2024

STR Requirements

New Town Requirements: Beginning May 1, 2025, the Town of Stowe will require short-term rental (STR) owners, operators, property managers, and/or designated responsible persons to:

1. Register their STR(s) with the Town of Stowe.

While the property is being used as a short-term rental:

2. Respond in-person within 45 minutes of notification by a Stowe Firefighter or Police Officer regarding any issue or problem involving a Short-Term Rental when the property is being rented or leased as an STR.
3. Ensure that the Stowe Fire Department has year-round, 24-hour access to the STR through a [Fire Department approved lock box](#) or other reasonable means of providing immediate access authorized by the Fire Department.

Note that under State statute, rental properties that have rented fewer than 15 days within a calendar year are not STRs under 24 V.S.A. § 2291(29), and are therefore not required to register with the Town.

Short-Term Rental Definition

The definition of a Short-Term Rental, and the authority of Vermont municipalities to regulate them, comes from state law, specifically Chapter 61 of Title 24 of the Vermont Statutes Annotated, specifically 24 V.S.A. § 2291(29).

<https://legislature.vermont.gov/statutes/section/24/061/02291>

A Short-Term Rental is defined as any lease or rental of **residential** real property, including a **furnished house, condominium**, or other **dwelling room** or **self-contained Dwelling Unit**, or **a portion** thereof, to the transient, traveling, or vacationing public for a **period of fewer than 30 consecutive days** and for **more than 14 days per calendar year**.

The Town's definition of a Short-Term Rental expressly excludes commercial lodging establishments, etc. However, the definition includes residential real property located within a Commercial Lodging Facility that is held in separate and unaffiliated ownership from the Commercial Lodging Establishment itself, as in the case of individually owned rooms within a so-called condominium hotel, where said residential real property is rented to the transient, traveling, or vacationing public for a period of fewer than 30 consecutive days and for more than 14 days per calendar year.

Registration Process

Staff intend to launch the STR registration platform in late Fall 2024. STRs may begin to register for 2025 at that time.

Current STRs: STRs that exist prior to May 1, 2025 will need to register by May 1, 2025.

New STRs before May 1, 2025: The process and deadlines are the same as existing STRs.

New STRs after May 1, 2025: New STRs after May 1, 2025 will need to register prior to commencing with a rental period.

The registration form will be an online form, linked on the Town of Stowe website, and will include the following information:

- a) Physical (E-911) address(es) of all Short-Term Rental property offered for lease/rental.
- b) Contact information for the property Owner, including: the Owner's full name, mailing and/or physical address, telephone number and email address.
- c) Contact information for the Designated Responsible Person and other agent(s) of the Owner, including: Designated Responsible Person's/agent's full name, mailing and/or physical address, telephone number and email address.
- d) Whether the Short-Term Rental is the Owner's primary residence or, if the Owner is not a natural person, whether the Short-Term Rental is the primary residence of a member, director, or authorized representative of the Owner.
- e) The number of bedrooms in the Dwelling Unit being leased/rented as STR's.

Designated Responsible Person: The Ordinance defines a "Designated Responsible Person" as "a Person or Persons designated and authorized by the Owner to act as their agent, or that Person's employee or agent, capable of and responsible for responding to emergency situations and other issues related to the STR when the property is being rented or leased as an STR, including providing first responders with timely interior and exterior access to the Short-Term Rental. For the sake of clarity, the Designated Responsible Person may be the Owner of the STR."

After Submission: After submission of the completed form, the Owner(s) and Designated Responsible Person(s) will be emailed confirmation of its submission. They will again be emailed confirmation of its approval. The conditions of approval would be limited to the requirements in the Ordinance: the form is fully filled out and any required fees are paid.

Renewal Process

STR registration is subject to annual renewal, which would require the STR owner or operator to log into the registration platform, confirm or update their previously submitted information, and pay any required fees. Renewal for the following year would open in mid-Fall of the current year – for example, 2026 STR registration would open on November 1, 2025 with a due date of December 31, 2025. Renewal reminders and notifications would be sent via mail and email.

Fees

The Selectboard has yet to determine fees for this ordinance.

The ordinance gives the Selectboard the option to establish and adopt fees related to the administration of the ordinance, and incorporate the fees into a fee schedule, which may be amended at the discretion of the Selectboard.

The general rule in Vermont is that administrative fees must be reasonably related to the cost of the governmental function. The Vermont Supreme Court has applied this rule since at least the early 1970s in the context of evaluating fees related to municipal ordinances.

Enforcement

Any Person who violates a provision of this civil ordinance shall be subject to a civil penalty for each such violation. Each day the violation continues shall constitute a separate offence; provided, however, that liability for continuing violation(s) shall not accrue unless and until seven (7) days have expired after notice of the violation.

In the context of failing to register, this means that if the STR Compliance Vendor (i.e. the company running the registration platform) identified an unregistered STR after May 1, 2025, a letter will be sent to that property reminding them of the registration requirement. The owner would have seven days after the delivery of the letter to register before civil penalties begin to accrue past the first offence.

The Ordinance gives Town officials the discretion to issue a written warning, for good cause, without a fine for a first offence. The number of offences is counted on an annual basis, meaning the number of offences is reset back to zero on January 1st.

The Ordinance authorizes the Stowe Fire Chief, the Stowe Police Chief, and the Town Manager or their designees to issue civil penalties.

A municipality's ability to enforce civil penalties is defined by state statute – Chapter 59 of Title 24 of the Vermont Statutes Annotated, specifically 24 V.S.A. §1974(a), §1977, §1979, and §1981.

<https://legislature.vermont.gov/statutes/fullchapter/24/059>

Anticipated Process Dates

If the ordinance is not rescinded, staff intend to follow the general timeline below:

Spring 2024: Issue an RFP for an STR registration and compliance vendor.

Early Summer 2024: Select vendor approval by the Selectboard.

Early Winter 2024: Launch the STR registration platform and begin accepting registrations for 2025. The deadline for registering for 2025 is May 1, 2025.

Ordinance Adoption Process

The authority and process to adopt and enforce Ordinances is outlined in the Town of Stowe Charter (App. § 153-101, 202, 203, 204. Ordinances).

Step 1 – Ordinance is Written

An Ordinance is introduced in writing at a Selectboard meeting.

Step 2 – Public Hearing is Scheduled

The Selectboard adopts the Ordinance for public hearing purposes at a first reading, arranges for the Ordinance to be published (as discussed below) and schedules a public hearing.

Step 3 – Public Hearing is Advertised

The ordinance or a concise summary of it is published in a newspaper, along with the official warning of the public hearing, including the time, date, and location, at least 7 days prior to the public hearing. Per 24 VSA 1972(a), the same warning is physically posted in at least five places within the Town.

Step 4 – Public Hearing

At the public hearing, the Ordinance is read in full and all members of the public who are interested are given the opportunity to speak.

If amendments are made, another public hearing is scheduled. The amended ordinance or a concise summary of it is published in a newspaper, along with the official warning of the public hearing, including the time, date, and location, at least 3 days prior to the second public hearing.

If amendments are not made, the Selectboard may adopt the ordinance.

Step 5 – Filing

The adopted Ordinance is signed by the Selectboard and recorded by the Town Clerk.

Notes

- All steps of the ordinance adoption process are subject to Open Meeting Law (1 V.S.A. § 312)
- Ordinances are amendable. The process for amending an ordinance is the same as the process for adopting a new ordinance, except that the public hearing notice must be published in a newspaper three (3) days in advance, rather than seven (7).
- Per the Stowe Selectboard Meeting Policy, no action of the Selectboard shall be valid or binding unless adopted by the affirmative vote of three (3) or more members of the Selectboard in a public meeting.
- A list of ordinances adopted by the Town of Stowe may be found here: <https://www.townofstowevt.org/documents>