

**AN ORDINANCE AMENDMENT TO REGULATE SHORT-TERM RENTALS
IN THE PLANNING AND ZONING JURISDICTION OF
THE TOWN OF EDENTON, NORTH CAROLINA**

Section 1: Purpose.

WHEREAS, Section 160A-385 authorizes local governments to amend ordinances regulating land use within their jurisdiction;

WHEREAS, the Unified Development Ordinance specifies the restrictions for the short-term rental of dwelling units in the Edenton Town Limits and Extraterritorial Jurisdiction; and

WHEREAS, the purpose of this ordinance is to regulate short-term rentals (STRs), with the following goals recommended as key to preserving the health, safety, and general welfare of Town Citizens, protection of neighborhoods and property values:

1. To clearly define short-term rental.
2. To clearly identify where short-term rentals are permitted.
3. To establish basic safety regulations for visitors renting short-term properties.
4. To reduce liability of the Town.
5. To protect neighborhoods from unwanted short-term rentals and the problems that may arise as a result (~~parties, noise, parking, dogs, trash, etc.~~).
6. To maintain property values.
7. To have a local contact to quickly and effectively address issues that may arise during a rental stay.
8. To allow homeowners the opportunity to legally rent their dwelling units where permitted.
9. To regulate short-term rentals consistent with authority given by NC General Statutes.

WHEREAS, Town Council and ~~Board of Adjustment~~ **Planning Board** recommends this draft ordinance be adopted to properly regulate short-term rentals in the Town’s planning and zoning jurisdiction; and

WHEREAS, the Town Council and ~~Board of Adjustment~~ **Planning Board** agree that this ordinance amendment is consistent with the Unified Development Ordinance, and helps to promote the health, safety, and general welfare of the citizens of the Town of Edenton.

Section 2: Scope of Article.

Unless otherwise specified, the requirements and provisions of this section shall apply equally to owners and operators of homestays and/or whole-house short-term rentals, collectively called “short-term rentals” or “STRs” herein. This section does not apply to other types of transient lodging such as hotels, motels, rooming houses, or bed & breakfast establishments.

Except as provided in this section, nothing herein shall be construed to prohibit, limit, or otherwise supersede existing local authority to regulate the short-term rental of property through general land use and zoning authority. Nothing in this section shall be construed to supersede or

limit contracts or agreements between or among individuals or private entities related to the use of real property.

Section 3: Definitions.

Code Compliance Verification Form is a document to be executed by a short-term rental owner to certify that the property complies with applicable zoning, building, health and life safety code provisions.

Designated Responsible Party is the local contact person responsible for responding to complaints or issues stemming from the use of the dwelling unit as a short-term rental.

Homestay means the rental of a room(s) within a private residence for compensation not to exceed thirty (30) days while the permanent occupant resides on-site during the duration of the rental period.

Hosting Platform means an online platform that allows property owner(s) to advertise a dwelling unit as a short-term rental and facilitates the booking transaction for accommodations between a short-term rental owner and short-term rental guest, including, but not limited to, reservations and/or collection of payment for such accommodations on behalf of the short-term rental owner.

Incidental Vacation Rental is the listing and/or rental of a residential dwelling unit for fewer than fourteen (14) days per-year. If a dwelling unit is made available as a short-term rental for more than 14 days per-year, the owner is responsible for obtaining a short-term rental permit even if the property ends up being rented for no more than 14 days per-year.

Whole-House Short-Term Rental means the rental or lease of an attached or detached residential dwelling unit, including the rental of an accessory dwelling unit, for compensation to guests for a duration not to exceed thirty (30) consecutive days.

Guest means the person(s) renting a residential dwelling unit for compensation for fewer than thirty (30) consecutive days.

Operator means the owner of, or any natural person, company, or rental agency who advertises the property for rent and/or who otherwise facilitates the use of the property as a short-term rental.

Owner means the owner of record of the short-term rental property as recorded in the Chowan County Land Records Office. The owner shall be a natural person, or any form of business entity recognized by the State of North Carolina. If the owner is a form of business entity, the business entity shall maintain current registration with the North Carolina Secretary of State.

Short-Term Rental Zoning Permit (“STR permit”) is the authorization required to use the property as a whole-house or homestay short-term rental upon registration. The short-term rental zoning permit shall include a registration number. No person shall rent, lease, or otherwise exchange for compensation any portion of a dwelling unit intended for use as short-term rental without first registering the property and securing a short-term rental zoning permit.

Section 4: Permit Application.

A. Terms of STR Permit

1. Short-term Rentals are hereby recognized as an appropriate land use given the residential/resort character of Edenton’s planning jurisdiction, provided that specific controls are in place for regulating these properties. STRs are a permitted use within the following zoning districts: Residential Districts, the Downtown Commercial District, and the Neighborhood Commercial District. R-5, R-10, R-14, R-20, R-40, RA, CD, CN. Properties that were previously operating short-term rentals prior to the date of this ordinance have a legal nonconforming status that provides the opportunity for the continuation of that use as a short-term rental under the terms of the previous ordinance (see Article VIII).
2. A STR permit shall be assigned to each residential dwelling unit used as a short-term rental.
3. On or after January 1, 2020, it shall be a violation of the Town of Edenton’s Unified Development Ordinance (UDO) to operate a short-term rental without having secured a valid STR permit.
4. Applications for STR permits shall be submitted with supporting documents and fees to the Town of Edenton Planning Department via delivery or U.S. Mail.
5. An STR permit shall be obtained for each residential dwelling unit that is to be rented for a period of fewer than thirty (30) days. Owners of properties with an accessory dwelling unit shall apply for one STR permit and may rent the primary residence and/or the accessory dwelling unit under one reservation. The simultaneous rental of the primary residence and accessory dwelling unit to more than one party under separate contracts is prohibited.
6. For the purposes of this ordinance, authorized applicants are referred to as “owners” and are those persons authorized in Article IV, Section 48 of the UDO to submit applications for zoning, special use, conditional use, or sign permits.
7. In the event of a sale or other transfer of any residential dwelling unit holding a valid STR permit, the permit shall automatically expire. If the STR use is discontinued for a consecutive period of 180 days, or any period of time without a present intention of resuming the rental activity, the permit shall automatically expire.
8. There is no requirement that a property owner must apply for an STR permit for incidental vacation rentals.

B. Application Process

(a) *Application.* In order to obtain a STR permit, the owner shall submit an application along with the required supporting documentation and non-refundable application fee. The application

shall be furnished ~~under oath~~ on a **signed and notarized** form specified by the administrator. The application shall contain the following information:

1. Name and contact information of the property owner, including telephone number, mailing address, and email address. If the owner is a corporation, firm, partnership, association, organization or other group acting as a unit, the owner shall provide the name of the entity set forth exactly as shown on **its** articles of incorporation, mailing address, telephone number, and email address of an individual who is the statutory agent, president, or managing individual, the state in which the company is incorporated or registered, and the entity or corporation number;
2. The address of the residential dwelling unit to be used as a short-term rental;
3. The addresses of each short-term rental property located within the Town of Edenton's planning jurisdiction for which the owner already holds an **n** STR permit;
4. Applicants for whole-house STR permits who are not permanent residents of the Town of Edenton shall provide the name, address, telephone number, and email address of the designated responsible party for the short-term rental, which shall constitute his or her 24-hour contact information. Homestay permit applicants are excluded from this requirement;
5. A site-plan showing the number of bedrooms and the location of the on-site improved parking area; and
6. A signed acknowledgment of the maximum occupancy requirements for short-term rental properties **(see Section 5, Operational Requirements)**.

(b) *Supplemental Documentation*. Attached to and concurrent with the submission of the application described in this section, the owner shall provide:

1. A ~~sworn~~ **signed and notarized** Code Compliance Verification Form.
2. **Proof of liability insurance coverage indicating the property is used as a short-term rental.**
3. Proof that the owner is authorized to use the dwelling unit as a short-term rental. This may include: a copy of one of the following in the owner's name: (a) the deed to the property, (b) a recent mortgage statement (issued within previous two months), or (c) the previous year's property tax assessment.
4. ~~Sworn~~ **A signed & notarized statement** by the STR owner attesting that the property owners within 100 feet of the STR were notified of the intended STR use. The sworn statement shall include a list of the names and addresses of the property owners who received notice. The notice from the STR owner to nearby property owners shall include:
 - a. Street address of proposed short-term rental;
 - b. A statement that the owner is applying for an **n** STR permit.
 - c. Name and contact information for the owner;

- d. Name and contact information for the designated responsible party if the owner is not a permanent resident of Edenton; and
- e. Maximum allowable occupancy for the property.

(c) *Grounds for Denial.* The administrator may deny an application for an STR permit if any of the following has occurred:

1. The owner submitted an incomplete application; or
2. The proposed short-term rental fails to meet a specified standard.

The owner may appeal the denial of an STR permit to the Board of Adjustment in accordance with the provisions set forth in Article V, Section 91 of the UDO. Owners have thirty (30) days from the date the denial was issued to appeal.

Section 5: Operational Requirements: The following operational requirements apply to all short-term rental properties:

1. **Maximum Overnight Occupancy.** The overnight occupancy of an STR shall not exceed two (2) persons per bedroom plus two (2) additional persons. The maximum number of guests in a short-term rental is limited to fifteen (15) persons, excluding children under three (3) years of age. Bedrooms used in calculating occupancy shall be taken from the permit application as affirmed by the owner. For homes on a conditional or non-standard septic system, the maximum overnight occupancy shall be equal to the design load of the septic system. The occupancy limit shall be posted prominently within the short-term rental unit and the owner shall ensure that all online listings and advertisements clearly set forth the maximum number of overnight guests.
2. **Special events, including weddings, receptions, and large gatherings, are not permitted in STRs.** Operators of properties that have an overnight capacity of greater than fifteen (15) guests, or operators who seek to advertise and use a dwelling unit for large events are required to apply for a special use permit with the Board of Adjustment.
3. **Display of Permit Number:** The operator shall prominently display the STR permit number in all online advertisements.
4. **Designated Responsible Party:** A property owner who is operating a whole-house STR within the Town's planning jurisdiction, but who is not a permanent resident of the Town of Edenton, shall designate a local responsible party who is available to respond to complaints or other issues arising from the STR use with 24-hour availability during all times that the property is rented or used on a transient basis. The name, telephone number, and email address of the designee shall be conspicuously posted within the short-term rental unit. The designee shall reside within twenty (20) miles of the short-term rental property and be available to respond to complaints within forty-five (45) minutes of their receipt. A designee's repeated failure to timely respond to complaints may result in the revocation of the STR permit. This provision does not apply to homestay operators.

5. Noise: The amount of noise generated by the STR use shall not disrupt the activities of the adjacent land owners. Guests shall abide by all noise ordinance rules and regulations set forth in Section(s) 130.10 of the Town Code, which shall be posted prominently within the STR.
6. Trash and Recycling Disposal: The dates and instructions for trash and recycling collection shall be posted prominently within the STR. Trash receptacles shall be the size and number authorized by existing refuse contracts. The STR operator shall ensure that all receptacles are set out for collection on the proper collection day and removed from the street or alley on the scheduled collection day. Waste may not be placed in trash bags at the curb; all trash is required to fit into trash receptacles.
7. Parking: The owner shall provide adequate on-site parking, to include a minimum of one (1) parking spot for every two (2) bedrooms on an improved parking surface. The owner may request satellite parking should there be a need for additional parking [of more than that provided on-site and one on-street space]. Vehicles may not be parked on the lawn or on other non-designated parking areas. No recreational vehicles, buses, or trailers shall be parked on the adjoining street or visible on the property in conjunction with the short-term rental use. Guests shall abide by all parking rules and regulations set forth in Section(s) 72.01-72.11 of the Town Code.
8. Age Limitation: The principal guest of a whole-house short-term rental of an entire dwelling unit shall be at least twenty-one (21) years old. The principle guest in a homestay shall be at least eighteen (18) years old.
9. Minimum Duration: The operator shall not make the residential dwelling unit available to short-term rental guests for a period of less than overnight.
10. Simultaneous Rental Contracts: The simultaneous rental to more than one party under separate contracts shall be prohibited.
11. Food: The STR operator shall not prepare or serve food to guests.

Section 6: Miscellaneous Requirements

1. Records Required. The operator shall retain a log book dating back three (3) years and, upon request, make it available to the local tax office. The log shall include the dates of the rental periods and the nightly rate charged during each night of a rental stay.
2. Advertisements. All advertisements or rental listings on online hosting platforms shall include the following information:
 - a. Maximum occupancy requirement;
 - b. On-site parking availability; and
 - c. STR permit number.

3. Taxes. Short-term rental owners are responsible for paying the state sales tax, personal property taxes, and the transient occupancy tax as established by state and local law.
4. Inspections. Before an STR permit will be granted, the Town of Edenton Fire Safety Inspector shall certify that the residential dwelling is safe and habitable for guests. Owners shall install a minimum of one operable smoke and carbon monoxide detector located on each floor of the dwelling unit.

Section 7: Enforcement and Review.

1. Enforcement. The procedures for the enforcement of this ordinance are set forth in Article VII, Section(s) 111-113 of the UDO.
2. Penalties and Remedies for Violations. The penalties and remedies for violations of this ordinance are set forth in Section Article 114 of the UDO.
3. Permit Revocations. The procedures for STR permit revocations, including the appeals process, are set forth in Article VII, Section(s) 115-116 of the UDO.
4. Operating Without a Permit. Any person who operates a short-term rental property without having been issued an STR permit shall be in violation of Article VII, Section 114 of the UDO.
5. Action for Recovery of Civil Penalty. If payment of a civil penalty is not made, or if violations are not cured or corrected, within the time specified in the citation, then the matter may be referred to the Town Attorney for institution of a civil action before a court of competent jurisdiction.