Appendix C-Short-Term Rental Ordinance

Section 1. Purpose and Intent.

1.01. This ordinance establishes a framework to regulate short-term rental properties within the Town of Chincoteague. The purpose is to preserve the residential character of the community, protect the health, safety, and welfare of occupants and neighbors, ensure short-term rentals are appropriately managed and maintained, provide mechanisms for visitor tracking and occupancy tax collection, and balance the tourism economy with the long-term needs of local infrastructure and housing.

Section 2. Definitions.

2.01. *General Provisions*. For the purposes of this ordinance, terms or words used herein shall have the following meanings:

(a) Short-Term Rental (STR): The rental of a residential dwelling unit, or any portion thereof, for a period of less than thirty (30) consecutive days.

(b) Single-Family Dwelling: A detached residential building designed for and occupied by no more than one family.

(c) STR Operator: The individual or entity who owns, leases, manages, or otherwise controls the short-term rental.

(d) Local Contact Person: A person available 24~~/7~~ hours a day, 7 days a week to respond to complaints or emergencies related to the STR within 30 minutes.

(e) Hosted Unit: A short-term rental unit that is either occupied by the owner or otherwise served by a full-time, on-site attendant for the duration of the rental period.

(f) Unhosted Unit: A short-term rental unit that is not occupied by the owner for the duration of the rental period but is managed by a Local Contact Person.

(g) Host: The property owner or authorized agent responsible for the business and operations of the Short-term rental.

(h) Guest: Any person who rents or occupies a Short-term rental unit.

(i) Entity: Any natural person, corporation, LLC, partnership, trust, or combination thereof.

(j) Townhouse: At least three single-family dwellings that are connected to each other by common sidewalls, having individual ownership of unit and property, having fee simple title, and with open space on at least two sides and meeting setbacks as required.

(k) Condominium: Connected multiple-unit structures on a single parcel with the structure and parcel being jointly owned through an association or other legal vehicle.

(l) Duplex: A structure, located on a single lot, arranged or designed to be occupied by two families in two separate dwelling units, which meet all setbacks as required for a single structure; may be subdivided into separate ownership with less than the otherwise required square footage provided the front, side and rear setbacks are maintained as required, excluding any setback for the common center wall of the structure.

Section 3. Applicability

3.01. This ordinance applies to all ~~properties~~ residential units within the Town of Chincoteague that are used in whole or in part as short-term rentals. STRs are only permitted in single-family dwellings, townhouses, duplexes, and condominiums compliant with the Virginia Condominium Act.

Hotels, motels, bed and breakfasts, campgrounds, and other such commercial operations that contain more than one short-term rental unit, are served by a full-time, on-site attendant, and are regulated and inspected by County or State health and safety agencies are exempt from this ordinance.

Section 4. Zoning Compliance and Inspections.

4.01. *Zoning Approval*. STRs are permitted only in zoning districts as designated by the Town Council. Each STR unit must obtain a short-term rental license from the Town and a certificate of compliance before operating from the Zoning Administrator or his designee.

4.02. *Licensing Inspections*. A safety inspection by the Building Official, Code Enforcement Officer, or his designee is required at the time of License application and annually, including but not limited to:

(a) Working smoke and carbon monoxide detectors;
(b) Fire extinguishers;
(c) Egress from all sleeping areas;
(d) Verification of number of approved bedrooms from the Virginia Department of Health;
(e) Compliance with all applicable building, health, and safety codes.

4.03. *Payment of Annual Fees*. The annual inspection fee shall be included in the annual licensing fee and all fees associated with the licensing of short-term rentals shall be reviewed and set by Council during each budget cycle.

Section 5. Occupancy Limits.

5.01. *Maximum Occupancy*. Limited to two (2) persons per bedroom per Code of Virginia § 36-105.4. The total number of bedrooms shall be certified by a valid septic permit from the Virginia Department of Health. ~~plus 2 additional persons, not to exceed 10 guests total at any time.~~

5.02. *Parking Requirements*. A minimum of 1 off-street parking space per 2 guests must be provided on the parcel. Parking spaces must meet the minimum size and be separately identified by either stone, gravel, blacktop, shells, bumpers or signs as defined in Appendix A-Zoning, Article II.- Definitions, Section 2.122. of Town Code.

5.03. *Noise & Nuisance*. Quiet hours shall be observed from 10:00 PM to 7:00 AM daily. Noise levels shall comply with all regulations as stated in Chapter 22- Environment, Article II.- Noise of Town Code.

Section 6. Minimum Stay Requirement.

6.01. *Minimum Rental Period.* The minimum rental period shall be two (2) consecutive nights for any short-term rental.

6.02. *Minimum Stay Variance.* Shorter stays may be permitted only in commercial or resort zoning districts through a Conditional Use Permit (CUP) process.

Section 7. Ownership and Transferability.

7.01. *Disclosure of Ownership.* All beneficial ownership interests, including members of LLCs or trustees, must be disclosed on the License application. Failure to do so may result in denial or revocation of the STR License.

7.02. *License Transferability*. STR Licenses are non-transferable and shall automatically expire upon the sale or transfer of the property.

Section 8. License and Fees.

8.01. Purpose and Intent. The purpose of this section is to establish fees necessary to administer, monitor, and enforce the Town's short-term rental regulations. Fees collected pursuant to this section are intended to recover the reasonable costs incurred by the Town in processing applications and renewals, conducting required inspections, maintaining licensing and tracking systems, responding to complaints, monitoring compliance, and enforcing applicable provisions of this Code.

8.02. *License Required*. All STR operators must apply for and receive a Short-Term Rental License, renewable annually.

8.03. *Application and Proof of Insurance.* All required information and supplementary documentation, including proof of Liability Insurance in the amount of $1,000,000, must be submitted at the time of application before the application for a short-term rental license will be reviewed and processed.

8.04. *Fee Structure*.
A non-refundable annual license base fee of $200, plus $1/per night/per bedroom shall be paid to the Town at the time of application and renewal. ~~A non-refundable annual permit fee of $250 shall be paid to the Town at the time of application or renewal.~~
The total number of rental nights per year shall be determined by monthly TOT reports from the previous fiscal year submitted by the short-term rental owner or operator.

8.05. *Denial or Revocation*. Licenses may be denied or revoked for failure to comply with this ordinance, with notice and appeal rights outlined in Section 11.

Section 9. Visitor Tracking and Reporting.

9.01. *Occupancy Tax*. All STR operators must collect and remit the Transient Occupancy Tax (TOT) in accordance with Town Code.

9.02. *Visitor Logs*. Each STR must maintain a log of:
(a) Total number of guests above age 16 and total number of guests under age 16; and
(b) Duration of stay.

Logs must be retained for two (2) years and made available to the Town upon request.

9.03. *Display of License Number*. The Town shall issue a license number to each unit which shall be included in any advertisement for rental, whether digitally or in print. Failure to do so may result in penalties or revocation, as outlined in Section 11 of this ordinance.

9.04. *Annual Summary Report*. The Town Manager shall prepare an annual public report summarizing:
(a) Number of STR Licenses issued;
(b) Total occupancy taxes collected;
(c) Visitor trends and neighborhood distribution;
(d) Community impacts and enforcement actions.

Section 10. Local Contact Requirements.

10.1. *Local Contact Person*. Each STR must designate a local contact person, available 24/7 and capable of responding on-site within 30 minutes to complaints, code violations, or emergencies.

10.02. *Information Required.* Contact information for the Local Contact Person must include the name and phone number of the designated contact, list the license number for the short-term rental, and be both:
(a) Filed with the Town Office and Chincoteague Police Department;
(b) Clearly posted outside the rental unit in a visible location, in a font visible from the right-of-way.

Section 11. Enforcement and Penalties.

11.01. *Violations.*

(a) First Violation: Written warning

(b) Second Violation: $250 fine

(c) Third Violation: $500 fine and revocation of STR license

11.02. *Unlicensed Rentals*. Operating an STR without a valid license is subject to a fine of up to $1,000 per day.

11.03. *Failure to Respond to Complaints.* Failure to respond to complaints within the 30-minute window by the designated Local Contact Person will result in an additional $150 fine and will count towards the regular violation policy.

11.04. *Exceeding Occupancy Limitations*. In addition to the penalties outlined in Section 11.01., exceeding occupancy limits will result in a 30-day suspension of the STR license.

11.05. *Complaint Resolution.* Three (3) verified complaints resulting in a violation as outlined within Section 11.01 of this ordinance within a 12-month period may result in License revocation.

11.06. *Appeals Process.* Decisions may be appealed in writing to the Board of Zoning Appeals within 30 days of notice.

Section 12. Severability.

12.01. If any portion of this ordinance is found to be invalid or unconstitutional by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

Section 13. Effective Date.

13.01. This ordinance shall take effect on January 1, 2027.