



TOWN OF RUTLAND SHORT TERM RENTAL ORDINANCE

DRAFT

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Town of Rutland Municipal Town Hall
181 Business Route 4
Center Rutland, VT 05736

802-773-2528

HISTORY OF THE SHORT-TERM RENTAL ORDINANCE

AMENDED

EFFECTIVE

ADOPTED

EFFECTIVE

TABLE OF CONTENTS

Section 1. Authority.....	1
Section 2. Purpose.....	1
Section 3. Definitions.....	1
Section 4. Compliance with Applicable Laws.....	3
Section 5. Short Term Rental Registry and Fees.....	3
Section 6. Annual Report.....	4
Section 7. Regulatory Requirements and Prohibited Activities.....	5
Section 8. Waivers and Variances.....	6
Section 9. Enforcement and Penalties and Other Relief.....	7
Section 10. Severability.....	8
Section 11. Adoption and Effective Date	8

Section 1. Authority

This Ordinance is adopted pursuant to 24 V.S.A., Chapters 59 and 61, §2291(29). This Ordinance is designated a civil ordinance under Chapter 59 of Title 24, V.S.A.

Section 2. Purpose

The Town of Rutland is regulating short-term rentals to reduce or eliminate negative secondary effects it may have on residential areas. Adverse impacts may be noticed in parking, garbage, noise and outdoor / nighttime activities. These conditions, left unregulated, could injure and degrade the community and constitute a public nuisance for its residents.

The purpose of this Ordinance is to:

1. To promote the public health, safety and welfare of the Town, its residents, and visitors.
2. Balance the desire of property owners to rent their residential properties to short term rental guests with the desire of residents to preserve the traditional peace and quiet of their residential neighborhoods.
3. To preserve and protect residential neighborhood character and livability from the impacts that are often associated with short term rentals.
4. To limit or prevent long term rentals from being replaced with short term rentals.
5. To ensure the safety of occupants of short-term rentals and the well-being of the community / neighborhood.
6. To preserve the character of the neighborhood, guests shall not have an adverse effect on the character of the neighborhood the property is located in.

Section 3. Definitions

Adverse Affect / Impact – **NEEDS A DEFINITION**

Bedroom - A room in a Dwelling Unit planned and intended for sleeping and is separable from other rooms by a door. An area open to other parts of the Dwelling Unit, such as a Loft, may be used as a Bedroom provided it is

clearly marked on all plans and statements. A Loft used as a Bedroom shall count toward total Dwelling Unit Capacity.

Dwelling Unit - Any Structure or portion thereof used by one Family and providing housekeeping facilities for that Family.

Dwelling Unit Capacity - The number of Bedrooms in a Dwelling Unit shall determine the Dwelling Unit Capacity. A Dwelling Unit shall have one Bedroom for every two occupants for which the Dwelling Unit is intended to provide accommodations. For example, a three-bedroom Dwelling Unit shall have a Dwelling Unit Capacity of six persons. Dwelling Unit Capacity shall be stated in both number of Bedrooms and in number of occupants and labeled as such on documentation related to the Short-Term Rental.

NOTE: If there is a state or local wastewater permit which requires a different Dwelling Unit Capacity, then that permit shall determine the capacity of the Dwelling Unit. “Clean Slate” Permit Exemptions only pertain to wastewater systems constructed prior to July 1, 2007, that do not have either a local or state wastewater permit. Existing municipal wastewater permits issued prior to July 1, 2007, remain in effect.

When used as a Short-Term Rental, the Dwelling Unit Capacity shall be increased by an additional two occupants. For example, a three-bedroom Dwelling Unit shall have a Dwelling Unit Capacity of eight persons ((3 bedrooms X 2) + 2) when used as a Short-Term Rental. A Dwelling Unit subject to a Vermont Land Use (Act 250) Permit shall be limited to the Dwelling Unit Capacity stated on that permit and shall not be increased by an additional two occupants when used as a Short-Term Rental.

Occupant – **NEEDS A DEFINITION**

Public Building – As defined in 20 V.S.A. § 2730 (1)(D) a building in which people rent accommodations, whether overnight or for a longer term.

Short-Term Rental - A furnished house, condominium, apartment, or other dwelling room or self-contained dwelling unit 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. NOTE: The Short-Term Rental of a Dwelling Unit in or of a building may qualify the building as a “public building” subject to the jurisdiction of the State of Vermont Division of Fire

Safety pursuant to [20 V.S.A. §2730\(a\)\(1\)\(D\)](#). The renting of an entire Dwelling Unit does not constitute a lodging operation; however, such use may qualify as a Short-Term Rental depending upon the extent of use. A Short-Term Rental constitutes a “Hotel” for purposes of the State of Vermont Rooms and Meals Tax. See [32 V.S.A. §9202\(3\)](#).

Compliance Officer / Issuing Municipal Official - A person or persons designated by the Select Board to administer and enforce this Ordinance.

Section 4. Compliance with Applicable Laws

The owner of any Short-Term Rental property shall comply with all other requirements of Federal, State, and local law pertaining to rental housing, including, without limitation, relevant provisions of the Vermont Rental Housing Health Code. A building in which people rent accommodations, whether as a Short-Term Rental or for a term of 30 days or more, constitutes a “public building” under [20 V.S.A. §2730\(a\)\(1\)\(D\)](#) and may be subject to the authority of the State of Vermont Division of Fire Safety or its designee.

Section 5. Short Term Rental Registration and Fees

On or before November 1st of each year:

1. The owner of property proposed for use as a Short-Term Rental shall annually complete and submit a Short-Term Rental Registration form. Said form shall be approved by the Select Board and may be modified as needed.
2. Upon transfer of ownership of any property on the Short-Term Rental Registration, the new owner shall complete a new Short Term Rental Registration form with updated information and any prior Short Term Rental authorization shall be null and void.
3. Any owner of a Short-Term Rental property who fails or refuses to complete a Short-Term Rental Registration form as provided herein shall be in violation of this Ordinance.
4. Upon complete and proper submission of all required information, as determined by the Short-Term Rental Compliance Officer, the

Compliance Officer shall issue a Short-Term Rental Authorization and Registration Number authorizing lawful rental of the Short-Term Rental property.

5. All Short-Term Rental Authorization and Registration Numbers shall expire on October 31st of each year, with registration renewal forms submitted no later than November 1st of each year (even if actual rentals will occur later in the year).
6. All applicants shall pay a fee with their registration. The fee schedule is as follows.
 - a. The base fee for all applications is \$100.
 - b. There will be an additional \$100 fee per bedroom.

Section 6. Annual Report

The owner of a Short-Term Rental property shall annually complete and submit a report form to the Town. Said report form shall be approved by the Select Board and may be modified or amended from time to time with the approval of the Select Board. The following information shall be provided by the owner(s) of Short-Term Rental property on the annual report form:

1. Updated owner/on-site manager contact information.
2. Updated property manager contact information, if applicable.
3. Date, duration, and number of guests for each Short-Term Rental period/stay.
4. Photographic proof that the telephone number of the person(s) responsible for the Short-Term Rental and contact information for the Vermont Department of Health and the Vermont Division of Fire Safety is conspicuously posted in each dwelling unit of the Short-Term Rental.
5. Photographic proof that the Vermont Meals and Rooms tax license is conspicuously posted in each dwelling unit of the Short-Term Rental.

6. Copy of last inspection report by the Vermont Division of Fire Safety or its designee.
7. Identification of any municipal complaint tickets issued and/or fines paid in the preceding 12 months in connection with any Short-Term Rental property.

Section 7. Regulatory Requirements and Prohibited Activities

1. The Short-Term Rental of property that is not in compliance with this Ordinance is prohibited.
2. Providing false or materially misleading information on any Short-Term Rental Registry or Annual Report form shall be a violation of this Ordinance.
3. All Short-Term Rental property in the Town shall be Owner Occupied or, if not Owner Occupied, under the active management and control of a property manager, who shall:
 - a. Be located within a 30-minute drive of the Short-Term Rental property being managed.
 - b. Available and authorized to respond promptly to incidents involving the Short-Term Rental.
 - c. Capable of providing timely access to the Short-Term Rental property, on a 24/7 basis.
4. All Short-Term Rental properties shall conspicuously display within each dwelling unit the current and valid name, address and phone number of the Short-Term Rental operator (whether the owner, on-site manager, or property manager), the Vermont Department of Health, and the Vermont Division of Fire Safety. In addition, the contact information of the Town's Short Term Rental Compliance Officer shall be similarly displayed.
5. Advertising any Short-Term Rental without first obtaining a Town-issued Registration Number or not including the Registration Number in the advertisement to demonstrate that the STR is lawful shall be a violation of this Ordinance.

6. Renting, using, or occupying a Short-Term Rental without first obtaining a Short-Term Rental Authorization and Registration Number shall be a violation of this Ordinance.
7. Short Term Rental guests shall not sublease, sublicense, or assign all or any portion of the Short-Term Rental to another person during the rental period.
8. Short Term Rental properties shall not exceed the dwelling unit capacity of the property.
9. Short Term Rental properties shall provide sufficient parking to ensure no vehicles are parked on a Town Highway in violation of the Parking Regulation section of the Town of Rutland Vehicle and Traffic Ordinance.
10. While it is recommended all short-term rental properties be inspected annually by the Division of Fire Safety to ensure the property meets safety guidelines, any property with a dwelling unit capacity of 6 or more shall have an annual inspection by the Division of Fire Safety.
11. It is recommended property owners notify their insurance carrier they operate a short-term rental property to minimize liability and risk.

Section 8. Waivers and Variances

To prevent undue hardship or delay, avoid injustice, or for other good cause shown, the Select Board, upon good cause shown, may waive or vary the requirements of this Ordinance upon such reasonable terms and conditions as it may require, unless precluded by the Ordinance itself or by other provisions of law. In considering any request for a waiver or variance, the Select Board shall at least consider: (1) the reason for the request, including its reasonableness, and the reason for the requirement at issue, (2) the risk to public health, safety, welfare and convenience in granting the request, (3) the danger of prejudice to the applicant and third parties if the request is granted, (4) the timeliness of the request, and (5) whether the person making the request is acting in good faith.

Section 9. Enforcement, Penalties, and Other Relief

1. Any person who violates a provision of this civil ordinance shall be subject to a civil penalty of up to \$800 per day for each day that such violation continues. Each day the violation continues shall constitute a separate offense. The Town of Rutland Compliance Officer, Police Officers, Constables, and Health Officer shall all be designated and authorized to act as Issuing Municipal Officials to issue and pursue before the Judicial Bureau, or other court having jurisdiction, a municipal complaint.
2. Civil Penalties. An Issuing Municipal Official is authorized to recover civil penalties in the following amounts for each violation:
 - a. Operating STR Without Authorization or Registration Number - \$400
 - b. All Other Violations:
 - First Offense - \$400
 - Second Offense - \$600
 - Third Offense - \$800
 - Fourth and Subsequent Offenses - \$800, plus automatic revocation for twelve months before a new Short Term Rental Authorization Application may be submitted.
3. Waiver Fees. An Issuing Municipal Official is authorized to recover waiver fees, in lieu of a civil penalty, in the following amount, for any person who declines to contest a municipal complaint and pays the waiver fee:
 - a. Operating STR Without Authorization or Registration Number - \$200
 - b. All Other Violations:
 - First Offense - \$200
 - Second Offense - \$300
 - Third Offense - \$400
 - Fourth and Subsequent Offenses - \$600
4. Offenses shall be counted on a twelve (12) month basis, beginning November 1st, and ending October 31st of each year. An Issuing Municipal Official shall have authority to issue a written warning, without recovering a waiver fee, for any First Offense violation other than Operating a Short-Term Rental Without Authorization or a Registration

Number. In such instance, the written warning shall be counted as a First Offense for calculating annual offenses.

Section 10. Severability

If any provision of this ordinance is deemed by a court of competent jurisdiction to be unconstitutional, invalid or unenforceable, that provision shall be severed from the ordinance and the remaining provisions that can be given effect without the severed provision shall continue in effect.

Section 11. Adoption and Effective Date

This Ordinance is hereby adopted by the Selectboard of the Town of Rutland on this the __th day of _____ 20__, and shall, unless a petition is filed as provided by law, become effective upon sixty (60) days from this date.

Town of Rutland Selectboard

Mary Ashcroft, Chair

Joseph Denardo, Clerk

Matt Getty

Sharon Russell

Kurt Hathaway