

ORDINANCE NO. 23/24-22

AN ORDINANCE TO ADOPT TITLE 14 CHAPTER 7 SECTION 701 THROUGH SECTION 722 OF THE DANDRIDGE MUNICIPAL CODE AND FURTHER BEING AN ORDINANCE TITLED SHORT TERM RENTALS

WHEREAS, the Board of Mayor and Aldermen of The Town of Dandridge, Tennessee desires to adopt ordinance 23/24-22; and

WHEREAS, it is appropriate and in the best interest of the citizens of the Town of Dandridge to adopt the requirements for ordinance **14-701** through **14-722** titled **Short Term Rentals**; and

NOW, THEREFORE, BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Dandridge, Tennessee, that:

SECTION 1: Section **14-701** through **14-722** titled **Short Term Rentals** shall be adopted as follows:

14-701 Short-Term Rentals in the R-1,R-2,R-3,B-1,B-2and B4 Zone. The Town has determined that regulation of Short-term Rental Units is necessary in the **R-1,R-2,R-3,B-1,B-2 and B4 Zone** District in order to protect the health, safety, and welfare of the public, as well as to promote the public interest by regulating the methods of operation. To meet these ends, the Town has determined that all persons eligible to operate Short-Term Rental Units in the **R-1,R-2,R-3,B-1,B-2and B4 Zone** District within the Town must be issued a permit pursuant to the requirements of this section. Short-term Rental units only apply to single family residential units or a duplex residential unit and being a legal or legal non-conforming use in the zones listed above.

14-702 Eligibility to Obtain a Permit in the R-1,R-2,R-3,B-1,B-2and B4 Zone District. Only those property owners located in **R-1,R-2,R-3,B-1,B-2and B4 Zone** are eligible to utilize their property for short-term rentals.

14-703 Operating Permit Required. Once thirty (30) days have passed from the passage of this Ordinance it shall be unlawful to operate or advertise any Short-term Rental Unit within the **R-1,R-2,R-3,B-1,B-2and B4 Zone** District without a Short-term Rental Unit Operating Permit issued under this section. Exceptions will be made for qualifying property owners who are eligible to utilize their property as a short-term rental and have applied for a permit within the thirty-day timeframe but have steps to take in order to meet the permitting requirements. A reasonable time will be provided to the owner to allow the remaining requirements for a permit to be met.

14-704 Application Requirements. Every qualifying property owner desiring to operate a Short-term Rental Unit shall submit an application for an Operating Permit to the Town of Dandridge Building Department or his/her designee. In addition to the information required by the application itself, the Town of Dandridge Building Department or his/her designee may

request other information reasonably required to allow the Town to process the application. The permit application shall not be considered complete until the Town of Dandridge Building Department has all information as required by the application or otherwise. Each application shall contain at the least all of the following information:

1. Applicant must acknowledge that they have read all regulations pertaining to the operation of a Short-Term Rental Unit within the **R-1,R-2,R-3,B-1,B-2and B4 Zone** District, including this Section, the Town's business license requirements, the Town's occupancy privilege tax requirements, any additional administrative regulations promulgated or imposed by the Town to implement this Section, and acknowledging responsibility for compliance with the provisions of this article.
2. Applicant must submit an Affidavit of Life Safety Compliance acknowledging that during each Short-term Rental Unit Occupancy, the Rental Unit shall have on the premises, and installed to manufacturer specifications: (i) a smoke alarm meeting Underwriters Laboratory (UL) 217 standards inside each sleeping room, outside of and within fifteen feet of sleeping rooms, and on each story of the dwelling unit, including basements; (ii) a carbon monoxide detector within 15 feet of all bedrooms; and (iii) a fire extinguisher. Every smoke and carbon monoxide alarm must function properly with the alarm sounding after pushing the test button and the fire extinguisher must be operational. It shall be unlawful to operate a Short-term Rental Unit without a smoke alarm, carbon monoxide detector, and fire extinguisher as required by this section. The Affidavit must also specifically include the number, locations, and operation of the required life safety equipment for the Short-term Rental Unit. This equipment will be subject to verification or inspection before the initial permit is issued, at all other reasonable times upon reasonable notice, and such other times as any safety incident concerning the Rental Unit is reported to the Town.
3. If a lessee is operating a Short-term Rental Unit, the lessee shall provide the full legal name of the owner of the Short-term Rental Unit; (ii) the mailing address, email address, and telephone number(s) of the owner; and (iii) the owner's signature acknowledging the owner's understanding of all Town Short-term Rental Unit rules and verifying the owner's agreement that they are legally responsible and liable for compliance by the lessee and all occupants of the Short-term Rental Unit with all provisions of this Section and other applicable ordinances of the Town.
 - i. Applicant must designate a person who shall be available twenty- four (24) hours per day, seven (7) days per week for the purpose of: (i) being able to physically respond, as necessary, within forty-five (45) minutes of notification of a complaint regarding the condition, operation, or conduct of occupants of the Short-term Rental Unit; and (ii) taking any remedial action necessary to resolve any such complaints. This contact person may be the owner, a lessee, or the owner's agent.
 - ii. Applicant must provide the full legal name, street and mailing addresses, email address, and telephone number of the owner of the Short-term Rental Unit, and in cases where a business entity or trust is the owner of the property, the individual who has responsibility for overseeing the property on behalf of the business entity or trust, including the mailing address, email address, and telephone number of

the individual having such responsibility. If the owner of a Short-term Rental Unit is a business entity, the business must submit documentation to demonstrate that the business is in good standing with the Tennessee Secretary of State.

- iii. A site plan and floor plan accurately and clearly depicting the size and location of the existing dwelling and the approximate square footage in the dwelling, the number and location of designated off-street parking spaces and the maximum number of vehicles allowed for overnight occupants. The floor plan shall also describe the use of each room in the dwelling, the number, location and approximate square footage of all bedrooms, and any accessory buildings, including but not limited to garages and accessory dwelling structures or units.
- iv. Applicant and owner (if different), must acknowledge in writing that in the event a permit is approved and issued, Applicant and owner (if different) assume all risk and indemnify, defend and hold the Town harmless concerning the Town's approval of the permit, the operation and maintenance of the Short-term Rental Unit, and any other matter relating to the Short-term Rental Unit.
 - v. Applicant must provide a valid business license and vacation lodging services license, if applicable, along with proof that Applicant remitted taxes due on renting the Short-term Rental Unit, pursuant to Title 67, Chapter 6, Part 5 of the Tennessee Code for filing periods that cover at least six (6) months within the twelve-month period immediately preceding the date this Ordinance is adopted.

14-705 Types of Operating Permits. There are three (3) types of permits available under this Section.

1. Owner Occupied. This type of permit is available to owner's who utilize the property as their principal residence, except in the instance of duplexes as further described in this section. A person can only hold one (1) Owner Occupied Operating Permit in the Town, and it is only available to natural persons. The owner is not required to remain or be present at the Short-term Rental Unit during the period when it is used as a short-term rental.

- a. If there is an accessory dwelling structure on the property, this type of Operating Permit can be used for either the primary dwelling or the accessory structure, but not for both. If the property houses a legal duplex and an owner owns both sides of the duplex, this type of Permit is available to the owner for either side of the duplex so long as the owner's principal residence is on one side of the duplex.
- b. Proof of ownership and residency is required for this type of Permit and shall be established by the deed for the property as recorded in the Sevier County Register of Deeds Office. Residency shall be established by at least two (2) of the following documents, which must list the address of the Short-term Rental Unit on the document: 1) owner's motor vehicle registration; 2) a valid driver's license or TN identification card for owner; 3) the address used for the school registration of owner's children; 4) the owner's voter registration card; or 5) owner's W-2 form reflecting the property address.

- c. At least one owner listed on the deed for the Short-term Rental Unit must establish residency at the Short-term Rental Unit.

2. Non-Owner Occupied. This type of Permit is available to an owner or lessee of the property and is available to a natural person or a business entity. Upon application for a Non-Owner-Occupied Permit, if a lessee is applying, they must provide the owner's signature as set forth above.

3. Unoccupied. This type of permit is available to a non-occupant owner of premises where the premises are only occupied when used as a Short-term Rental Unit and are available to natural persons and business entities. These permits may also be held by an owner's agent, such as a rental company, with the rental company providing the same information and guarantees as is required of a lessee of property.

- a. If there is an accessory dwelling structure on the property, the Permit can be used for the primary dwelling or accessory dwelling structure, but not for both. If a property houses a legal duplex and an Owner owns both sides of the duplex, only one side of the duplex can be used.

14-706 Fees. An application for an Operating Permit under this article shall be accompanied by a fee of Three Hundred (\$300.00) Dollars. Said fee is designed to reimburse the Town for the cost of processing the application and inspecting the Short-term Rental Unit. There shall be no proration of fees, and once paid, they are non-refundable.

14-707 Issuance of Permit. Once the Town of Dandridge Building Department or his/her designee has determined that the application is complete, a permit shall be issued or denied within fourteen (14) business days. If the Town of Dandridge Building Department is satisfied that the application and the Short-term Rental Unit conform to the requirements of this Section and other applicable laws and Ordinances, a permit shall be issued to Applicant. If the application or Short-term Rental Unit does not conform to the requirements of this Section or other pertinent laws or ordinances, the permit shall not be issued, but the Applicant will be advised in writing of the deficiencies and be given a reasonable opportunity to correct them. If not corrected within a reasonable period of time, the application will be permanently denied and written notice of the denial given. The Operating Permit shall be valid for one (1) calendar year from the date of issuance, unless the Operating Permit is revoked pursuant to this article or terminated by Ordinance or otherwise.

14-708 Permit Renewal. Unless suspended or revoked for a violation of any provision of this Section or other law, Town ordinance or rule, a permit may be renewed annually upon payment of a renewal fee of One Hundred (\$100.00) Dollars, unless one of the conditions set forth in Section 501.14 are applicable. As with the application fee, this fee is designed to compensate the Town for the cost incurred in processing the application and taking any other action necessary to attempt to ensure the Applicant's compliance with this Ordinance. The renewal fee shall be paid no later than fourteen (14) business days prior to the expiration date for the current permit. A renewal application shall be submitted to the office of the Community Development Director. A renewed Operating Permit shall be good for one (1) calendar year from the date of issuance.

14-709 Permit Non-Transferable. A permit issued under this Section is non-transferable, and any attempt to transfer it shall render the Permit void. A transfer of the ownership interest in the property itself shall also render the Permit void, whether the transfer is voluntary or involuntary and whether by deed, court order, foreclosure, by law, or otherwise.

14-701 No Vested Rights. Except in instances where constitutional principles or binding state or federal laws otherwise provide, the provisions of this article and any ordinances or other measures concerning Short-term Rental Units are not a grant of vested rights to continue as a Short-term Rental Unit indefinitely. Any Short-term Rental Unit use, and permits for Short-term Rental Units, are subject to provisions of other ordinances, resolutions, or other Town measures concerning Short-term Rental Units that may be enacted or adopted at a later date, even though such ordinances, resolutions, or other Town measures may change the terms, conditions, allowance, or duration for Short-term Rental Unit use, including but not limited to those that may terminate some or all Short-term Rental Unit uses, with or without some period of amortization. While this recitation concerning vested rights is implicit in any uses permitted by the Town, this explicit recitation is set forth to avoid any uncertainty or confusion.

14-711 Compliance with Town and State Laws. It shall be unlawful to operate a Short-term Rental Unit in a manner that does not comply with all applicable Town and State laws, and any violation shall subject the violator to a fine of Fifty (\$50.00) Dollars for each violation. For any violation, each day that the violation exists shall constitute a separate offense.

14-712 Operation without Permit. Any Short-term Rental Unit operating or advertising for operation without a valid permit shall be deemed a public safety hazard. The Town may issue the operator, the owner, and the local contact person a civil citation for operating a Short-term Rental Unit or advertising one for operation without a permit and the penalty for such is Fifty (\$50.00) Dollars per day per Unit.

14-713 Public Nuisance. It is unlawful and a violation of this article and is hereby declared a public nuisance for any person to commit, cause, or maintain a violation of any provision of this Section or to otherwise fail to comply with any requirement contained in this Section. The operation or maintenance of a Short-term Rental Unit in violation of this article or any other Town Ordinance may be abated or summarily abated by the Town in any manner permitted by this Code or otherwise provided by law for the abatement of public nuisances. The Town may issue civil citations to the operator, owner, occupants, and local contact person for any violation of this article or any other Town ordinance by the operator, owner, local contact person, or occupants of the Short-term Rental Unit, and the penalty for such is Fifty (\$50.00) Dollars per day for each offense.

14-714 Complaints. All complaints regarding Short-term Rental Units shall be filed with the Town of Dandridge Building Department or his/her designee. Those making complaints are specifically advised that any false complaint made against a Short-term Rental Unit owner or provider is punishable as perjury under T.C.A. § 39-16-702. For any complaint made, the Town shall provide written notification of the complaint by regular mail to the operator and owner (if different) of the property at the address(es) provided on the application on file. The Town shall investigate the complaint, and within thirty (30) days of the date notice was sent to

the operator, the operator shall respond to the complaint, and may present any evidence they deem pertinent, and respond to any evidence produced by the complainant or obtained by the Town through its investigation. If, after reviewing all relevant material, the Town finds the complaint to be supported by a preponderance of the evidence, the Town may take, or cause to be taken, enforcement action as provided in this Section or otherwise in the Zoning Ordinance, Municipal Code, or the generally applicable law.

14-715 Revocation of Permit. The Town may permanently revoke an Operating Permit if the Town discovers that: 1) an Applicant obtained the permit by knowingly providing false information on the application; 2) the continuation of the Short-Term Rental Unit presents a threat to public health or safety; 3) the owner ceases to own the property; 4) the property is not used as a Short-Term Rental for a period of thirty (30) months or more; 5) there has been a violation of a generally applicable local law three (3) or more separate times arising as a result of the operation of the property as a Short-Term Rental Unit and all appeals from the violations have been exhausted.

14-716 Appeal of Denial or Revocation. If a permit is revoked, the Town of Dandridge Building Department shall state the specific reasons for the revocation. Any person whose application has been denied or whose Operating Permit has been revoked may appeal such denial by submitting a written request for a hearing to the Town of Dandridge Building Department within ten (10) days of the denial or revocation. A hearing shall be conducted by the Town's Planning Commission at its next regularly scheduled meeting, and the Applicant or Permit Holder must be present for the appeal to be heard. The Planning Commission shall consider whether the denial or revocation was justified and whether good cause exists to issue or reinstate the permit. The decision of the Planning Commission shall be issued verbally during the course of the meeting and the Applicant or Operating Permit Holder shall be given the opportunity to address the Planning Commission. Should the Applicant or permit holder fail to appear, the appeal shall be dismissed. The decision resulting therefrom shall be final and subject only to judicial review pursuant to state law.

14-717 Additional Remedies. The remedies provided in this section are not exclusive, and nothing in this section shall preclude the use or application of any other remedies, penalties or procedures established by law.

14-718 Town Shall Not Enforce Private Agreements. The Town shall not have any obligation or be responsible for making a determination regarding whether the issuance of an Operating Permit or the use of a dwelling as a Short-term Rental Unit is permitted under any private agreements or any covenants, conditions, and restrictions or any of the regulations or rules of the homeowners' association or maintenance organization having jurisdiction in connection with the Short-term Rental Unit, and the Town shall have no enforcement obligations in connection with such private agreements or covenants, conditions and restrictions or such regulations or rules. If the Short-term Rental Unit operator is a lessee, the owner of the Short-term Rental Unit shall provide written acknowledgement and agreement to the Short-term Rental Unit, but the Town shall not have any obligation or be responsible for verifying the ownership information.

14-719 Taxes. All Short-term Rental Unit Operators are responsible for applicable taxes, including, but not limited to, Hotel Occupancy Privilege Tax, local option sales tax, and gross receipts tax to the Town's sales tax to the State of Tennessee, and gross receipts tax to the State of Tennessee.

14-720 Advertising. It shall be unlawful to advertise any Short-term Rental Unit without the Operating Permit number clearly displayed on the advertisement. For the purposes of this section, the terms "advertise," "advertising" or "advertisement" mean the act of drawing the public's attention to a Short-term Rental Unit in any forum, whether electronic or non-electronic, in order to promote the availability of the Short-term Rental Unit.

14-721 Maximum Occupancy. The number of transients in a Short-term Rental Unit shall not exceed the sum of two (2) transients per bed plus two (2) additional transients.

14-722 Severability. The Town hereby declares that should any section, paragraph, sentence, phrase, term or word of this ordinance be declared for any reason to be invalid, it is the intent of the Town that it would have adopted all other portions of this Ordinance independent of the elimination of any such portion as may be declared invalid. If any section, subdivision, paragraph, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 2: This ordinance shall take effect immediately after its passage, the public welfare requiring it.

APPROVED: *Nenge Bantz*
MAYOR

ATTEST: *Johnny Row*
TOWN RECORDER

Passed First Reading: March 12, 2024
Passed Second Reading: May 14, 2024