

ORDINANCE NO. 13515

AN ORDINANCE AMENDING CHATTANOOGA CITY CODE, PART II, CHAPTER 11, ARTICLE XX, SHORT TERM VACATION RENTAL CERTIFICATE IN CONNECTION WITH AN ANNUAL REVIEW.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE:

SECTION 1. That Chattanooga City Code, Part II, Chapter 11, Sections 11-510 through 11-518, be amended by deleting same in its entirety and substituting in lieu thereof the following:

CHAPTER 11 - ARTICLE XX. - SHORT TERM VACATION RENTAL CERTIFICATE

Sec. 11-510. - Definitions.

Code compliance verification form: A document executed by a short-term vacation owner certifying that the short-term vacation rental unit complies with applicable zoning, building, health and life safety code provisions. No person shall allow occupancy or possession of any short-term vacation rental unit if the premises are in violation of any applicable laws including, but not limited to, zoning, building, health or life safety code provisions. No person shall be able to possess more than two (2) short-term vacation rental certificates for non-owner occupied premises in a multifamily dwelling.

Short-term vacation rental: Any house or other structure containing no more than nine (9) bedrooms within permissible zones which is used, advertised or held out to the public in part or its entirety to be a place where sleeping accommodations are supplied for pay and such accommodations are provided on a daily or weekly basis for not more than thirty (30) days for overnight stay. For the purposes of this definition, any short-term vacation rental on a site located in either the R-1 or R-2 Residential Zones, shall contain no more than five (5) bedrooms, and shall exclude hotels, rooming houses, bed and breakfast, and boarding houses, or other licensed multifamily dwelling units for rent or lease, as defined in Section 21-67 and/or Section 11-186 and/or Section 38-2.

Short-term vacation rental agent: A natural person designated to be responsible for daily operations by the owner of a short-term vacation rental on the short-term vacation rental certificate application. Such person shall be available for and responsive to contact at all times and someone who is customarily present at a location within the Hamilton County for purposes of transacting

the short term vacation rental business. The short term vacation rental agent must meet all other requirements set forth by state law.

Short-term vacation rental occupants: Guests, tourists, lessees, vacationers or any other person who, in exchange for compensation, occupy a short term vacation rental dwelling unit for lodging for a period of time not to exceed thirty (30) consecutive days.

Short-term vacation rental occupancy. There shall be two designations regarding the occupancy status of a short-term vacation rental.

- (i) Owner-occupied: A short-term vacation rental property which is the primary residence of the applicant.
- (ii) Non-owner occupied: A short-term vacation rental property which is not the primary residence of the applicant.
- (iii) Appeal: A short-term vacation rental certificate applicant has the right to appeal the denial from the Land Development Office to the City Council. The applicant also has the right to appeal a City Council denial or revocation to Chancery Court. Any appeal must be made within 30 days of the date of denial or revocation of any permit.
- (iv) Opposition: Those property owners or residents within 300 feet of the short-term vacation rental application address who submit a formal letter of opposition in writing to the Land Development Office against a specific application.

Short-term vacation rental district: That certain area of the City of Chattanooga as determined by the Chattanooga-Hamilton County Regional Planning Agency as the short-term vacation rental District and incorporated herein as Exhibit A to this Section as amended from time to time. Properties zoned R-3 or R-4 prior to October 1, 2017 and are still zoned as such shall not be subject to the Short-Term Vacation Rental District restriction.

(Ord. No. 13194, § 5, 7-11-17; Ord. No. 13286, § 1, 3-6-18)

SECTION 2. That Chattanooga City Code, Part II, Chapter 11, Sections 11-511 through 11-518, be amended by deleting same in its entirety and substituting in lieu thereof the following:

Sec. 11-511. - Certificate required.

(a) No person or entity shall operate a short-term vacation rental unless a short-term vacation rental certificate has been first obtained from the City of Chattanooga Land Development Office. To obtain a short-term vacation rental certificate, an eligible applicant must submit an application in compliance with Section 11-513 of this City Code. If approved, a legible copy of the short-term vacation rental certificate shall be posted within the unit. The City of Chattanooga

Land Development Office shall establish the information to be included upon the Short-term Vacation Rental Certificate.

(b) Short-term Vacation Rentals must be properly maintained and regularly inspected by the owner to ensure continued compliance with applicable zoning, building, health and life safety code provisions.

(Ord. No. 13194, § 5, 7-11-17; Ord. No. 13286, § 1, 3-6-18)

Sec. 11-512. - Minimum standards for short-term vacation rentals.

(a) A short-term vacation rental, may include a primary dwelling unit and/or a secondary dwelling unit, but cannot include uninhabitable structures such as garages, barns or sheds.

(b) Dwelling unit must have functioning smoke detectors as determined by the Fire Marshal and other life safety equipment as required by local, state, and federal law.

(c) Dwelling unit must meet all applicable laws related to zoning, building, health or life safety.

(d) No on-site signage shall be permitted except for those short term vacation rentals that are at least five (5) acres and have a dwelling unit that is not visible from the public right-of-way, can have directional signs placed on the parcel that shall be at least fifty (50) feet from the public right-of-way. No off-site signage except for designated parking spaces to be used by occupants of the Short-Term Vacation Rental. Such spaces shall not be larger than four hundred thirty-two (432) square inches.

(e) There shall be no more than nine (9) bedrooms made available for rental. There shall be no more than five (5) sleeping rooms made available for a site located in the R-1 or R-2 Residential Zones.

(f) Maximum Occupancy: The maximum occupancy shall be determined by the total of:

(i) Two (2) persons per bedroom up to two hundred ten (210) square feet plus an additional two (2) persons.

(ii) For bedrooms over two hundred ten (210) square feet the occupant load will be determined by the area of the room divided by seventy (70) square feet plus an additional two (2) persons.

(iii) The occupancy maximum shall be conspicuously posted within the short-term vacation rental unit.

(g) The short-term vacation rental owner shall not receive any compensation or remuneration to permit occupancy of a short-term vacation rental property for a period of less than twenty-four (24) hours.

(h) The short-term vacation rental certificate holder shall be responsible for collecting and remitting all applicable room, occupancy, and sales taxes required by state law and the City Code of the City of Chattanooga.

(i) Adequate on-site parking shall be provided, as determined by the City after considering proposed number of guests, frequency of operations, and availability of on-street parking. As a general rule, parking shall not be allowed on any vegetated area of the premises on which the short-term vacation rental is located.

(j) All occupants shall abide by all applicable noise restrictions and all applicable waste management provisions of the City Code of the City of Chattanooga. As per Code Section 25-69, fifty-five (55) decibel level between 9:00 a.m. through 9:00 p.m. and fifty (50) decibel level between 9:00 p.m. through 9:00 a.m. or as otherwise controlled by Section 25-69 for the downtown amplified music district.

(k) The name and telephone number of the owner of the short-term vacation rental or the short-term vacation rental agent shall be conspicuously posted within the short-term vacation rental.

(l) The premises on which the short-term vacation rental has not been found to be in violation of any City Code provision within the six (6) months prior to submitting an application for a short term vacation rental certificate.

(m) The short-term vacation rental shall only be located within the Short-Term Vacation Rental District unless the property was zoned R-3 or R-4 prior to October 1, 2017 and is still zoned as such.

(n) A short-term vacation rental shall not be permitted to operate in any capacity on property or within structures that are part of an Affordable Housing PILOT Program. (Ord. No. 13194, § 5, 7-11-17; Ord. No. 13286, § 1, 3-6-18)

Sec. 11-513. - Certificate application; action on certificate application; certificate approval or appeals to city council [insert board].

(a) *Certificate applications.* The City of Chattanooga Land Development Office shall establish the information present on the short-term vacation rental certificate application as well as what information is required for the completion of said application. Any person or entity wishing to operate a Short-term Vacation Rental within the limits of the City of Chattanooga shall be required to submit, under oath, the aforementioned application to the Land Development Office for review.

(b) *Application fee.* The non-refundable application fee for all Short-term Vacation Rentals shall be one hundred fifty dollars (\$150.00) in addition to any applicable transaction related fees. This application fee shall be paid in full before any application is reviewed by the Land Development Office.

(c) *Application review.*

- (i) The City of Chattanooga Land Development Office shall review all applications for owner and non-owner occupied short-term vacation rentals. If additional materials are found to be required, a designated representative of the City may ask for them at any time. Upon completion of application requirements as set forth in this Chapter and as determined by the Land Development Office and upon approval of the complete application and tendering of the requisite application fee the certificate may be issued.
- (ii) Owner occupied and R-3/R-4 zoned properties applying for a short-term vacation rental certificate:
 - (A) Upon application for short term vacation rental, the Land Development Office shall review the application and provide comment where necessary.
- (iii) Non-owner occupied dwellings applying for a short-term vacation rental certificate:
 - (A) Upon application for short term vacation rental, the Land Development Office shall review the application and provide comment where necessary. At the same time, letters are mailed to any property owner (“adjacent property owner”) who owns land within 300 feet of the subject property. Adjacent property owners shall have thirty (30) days from the date of the letter to respond, in writing, with any concerns or objections about the application.
 - (B) RPA shall by mail or e-mail submit a copy of the application for short-term vacation rental to both the neighborhood association, if applicable, and the Council member representing the district in which the short-term vacation rental is located.
 - (C) The Land Development Office shall notify the Fire Marshal and a City Building Inspector to ensure the property and any associated structures on the property are in compliance with state and local laws.
 - (D) A sign furnished by the Land Development Office shall be prominently posted by the applicant on the site of the proposed short-term vacation rental that is the subject of the application of the

short-term vacation rental. The sign shall be displayed for at least fifteen (15) consecutive days between the application and thirty (30) days thereafter. The sign shall meet the following requirements:

1. Sign(s) shall be posted at the right-of-way of primary street or road on which the property fronts, in the main entrance area in case of condominium buildings, and additional areas if required by the LDO.
 2. Sign may be mounted on a flat hard surface to prevent curling or bending of sign.
 3. Sign may be nailed or tied to a tree or mounted on stakes and shall be visually free from obstruction to said primary road.
 4. Signs improperly displayed may be ruled as a violation to the short-term vacation rental application procedure and may result in deferral of any action by LDO or the City Council.
 5. The applicant is responsible for replacing any sign which is damaged or lost.
 6. The applicant is responsible for removing the sign after the final governmental action.
 7. Failure of the applicant to remove the sign within thirty (30) days of either being granted or denied the short-term vacation rental certificate shall be subject to a daily fine not to exceed fifty dollars (\$50.00).
- (E) If no objections are received, and the application meets all of the requirements set forth in this Chapter, the Land Development shall issue to the applicant, a short-term vacation rental certificate.
- (F) If four or more written objections or appeals are made from those property owners or residents within 300 feet of the short-term vacation rental application address to the issuance of the short-term vacation rental certificate, the Land Development Office shall request that the application be forwarded to the City Council for its consideration on appeal. The City Council shall have a public hearing on the matter in a manner that it proscribes and shall determine whether to grant or deny the short-term vacation rental certificate based upon the minimum standards for review as set forth in Section 11-512 and any health, safety or nuisance concerns of any owner or agent of the short-term vacation rental. Such hearing shall

take place not later than one-hundred twenty (120) days after the application has been submitted to the Land Development Office.

- (G) Applicant must be present at the appeal hearing. Any applicant not present at appeal hearing shall result in denial of Short-Term Vacation Rental Certificate by City Council.
- (H) If certificate is denied after appeal hearing, applicant must wait 12 months before reapplying.

(d) Application lifetime. An application shall be valid for a period of sixty (60) days from the date of application submission. After sixty (60) days an application that has not received a certificate may be discarded. Should an application require a hearing before the City Council the sixty (60) day period shall renew the day after the City Council grants permission for continuance of the application.

(Ord. No. 13194, § 5, 7-11-17; Ord. No. 13286, § 1, 3-6-18)

Sec. 11-514. - Certificate approval, transferability, conditions, and revocation.

(a) *Certificate approval.* The Certificate shall be issued for the specific site location and/or address of the proposed short-term vacation rental provided in the application as set forth in Section 11-513 of this City Code. The Land Development Office reserves the right to condition the approval to a certain number of rooms, operating days/hours, signage, or other restrictions as may be deemed necessary to address impacts to bordering properties or to ensure safe operation of the property. Said conditions will be based on the recommendation of the Land Development Office.

Upon receipt of a short-term vacation rental certificate number, the applicant must display said number on any materials or platforms used to advertise the short-term vacation rental.

(b) *Grant or denial of application.* Review of an application shall be conducted in accordance with due process principles and shall be granted unless the applicant fails to meet the conditions and requirements of this Chapter, or otherwise fails to demonstrate the ability to comply with local, state or federal law. Any false statements or information provided in the application are grounds for revocation, suspension and/or imposition of penalties, including denial of future applications.

(c) *Transferability.* The certificate is non-transferable to another site, property, location or owner.

(d) *Revocation.* The City reserves the right to revoke a granted short-term vacation rental certificate at any time upon notice to the owner or the short-term vacation rental certificate Agent and after a public hearing once the property has three (3) documented violations of City Code or State Law as a direct result of the operation of the short-term vacation rental unit and no appeal rights of those violations remain. Such violations shall be evidenced by a finding of guilt or fault by court or an administrative officer or body designated by the City Council.

A short-term vacation rental certificate which is revoked shall prevent its certificate holder and specific property from applying for a new certificate for short-term vacation rental for a period of one (1) year from the date of revocation. Prior to any revocation, the owner or the short-term vacation rental agent shall be cited to City Court, or a body designated by the City Council, for a hearing to establish proof of violations.

(Ord. No. 13194, § 5, 7-11-17; Ord. No. 13286, § 1, 3-6-18)

Sec. 11-515. - Short-term vacation rental annual fee.

(a) There shall be a short-term vacation rental certificate renewal fee to be paid annually in the amount of one hundred fifty dollars (\$150.00) in addition to any applicable transaction related fees and any taxes required by the State of Tennessee related to the operation of a short-term vacation rental.

(b) A certification may only be renewed if all information provided in and relating to the original short-term vacation rental application has not changed within the previous certification period.

(c) A certification more than thirty (30) days beyond its expiration date shall not be renewed.

(Ord. No. 13194, § 5, 7-11-17; Ord. No. 13286, § 1, 3-6-18)

Sec. 11-516. - Short-term vacation rental agent.

(a) The owner of a short-term vacation rental shall designate a short-term vacation rental agent on its application for a certificate for a short-term vacation rental. A property owner may serve as the short-term vacation rental agent. Alternatively, the owner may designate a person as his or her agent who is over age eighteen (18) and meets all local and state regulatory requirements to fulfill the duties of a short-term vacation rental agent.

(b) The duties of the short-term vacation rental agent are to:

- (i) Be reasonably available to handle any problems arising from use of the short-term vacation rental unit;
- (ii) Appear on the premises of any short-term vacation rental unit within two (2) hours following notification from the City of issues related to the use or occupancy of the premises. This includes, but is not limited to, notification that occupants of the short-term vacation rental unit have created unreasonable noise or disturbances, engaged in disorderly conduct or committed violations of the City Code or other applicable law pertaining to noise, disorderly conduct, overcrowding, consumption of alcohol, or use of illegal drugs. Failure of the agent to timely appear to two (2) or more complaints regarding violations may be grounds for penalties as set forth in this Chapter. This is not intended to impose a duty to act as a peace officer

or otherwise require the agent to place himself or herself in a perilous situation;

- (v) Receive and accept service of any notice of violation or notice of hearing related to the short-term vacation rental; and
- (vi) Monitor the short-term vacation rental for compliance with laws.
 - (a) An owner may change his or her designation of a short-term vacation rental agent temporarily or permanently; however there shall only be one (1) such agent for a property at any given time. To change the designated agent, the owner shall notify the Land Development Officer in writing of the new agent's identity, together with all information regarding such person as required by the applicable provisions of this Chapter.

(Ord. No. 13194, § 5, 7-11-17; Ord. No. 13286, § 1, 3-6-18)

Sec. 11-517. - Failure to obtain certificate; penalties.

Any violation of this Article, including failure to obtain a Certificate, shall be punishable by a fine of fifty dollars (\$50.00) per violation per day. Each day that the violation continues shall be a separate offense punishable by an additional fifty dollars (\$50.00) per day. There shall be a rebuttable presumption a person or entity is in violation of this Chapter if they list or hold out a property as a short-term vacation rental without first obtaining a short-term vacation rental certificate. This rebuttable presumption also applies to those dwellings featured on websites whose primary purpose is business related to short-term vacation rental reservations.

(Ord. No. 13194, § 5, 7-11-17; Ord. No. 13286, § 1, 3-6-18)

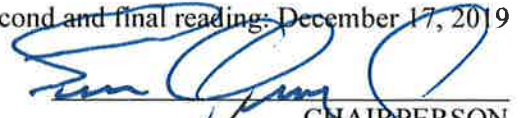
Sec. 11-518. - Invalidity of part; private agreements and covenants.

Should any court of competent jurisdiction declare any section, clause, or provision of this Article to be unconstitutional, such decision shall affect only such section, clause, or provision so declared unconstitutional, and shall not affect any other section, clause or provision of this Article. Additionally, this Chapter shall in no way be used to supersede any privately created agreements or covenants by any homeowner associations or developers restricting certain uses.

(Ord. No. 13194, § 5, 7-11-17; Ord. No. 13286, § 1, 3-6-18)

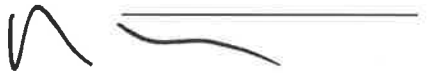
SECTION 3. BE IT FURTHER ORDAINED, That this Ordinance shall take effect two (2) weeks from and after its passage.

Passed on second and final reading: December 17, 2019



CHAIRPERSON

APPROVED: DISAPPROVED:



MAYOR

/mem/v6/Amended