



MEMORANDUM
Town of Nags Head
Planning & Development Department

To: Planning Board
From: Kelly Wyatt, Planning Director
Date: January 14, 2022
Subject: Update on Short Term Rental Registrations

At the Planning Board's December 14, 2021, meeting, it was requested that staff provide a brief update on the status of the 2021 Short Term Rental Registration season. For the 2021 calendar year the Town received, reviewed, and approved 189 short term rental registrations. This is slightly down from the 233 registrations received in 2020. While we are unsure of the reason for the decline in registrations, it could perhaps be due to the newness of the program and/or the confusion in registration requirements and deadlines.

As of January 14, 2022, we have received 10 new registrations for the 2022-2023 season. Staff will plan on sending out a notification to all the short-term rentals included in our database in early June 2022 as a reminder for renewal if necessary.

As information, I have attached the pertinent portions of Chapter 12, Businesses and Licensing of the Town Code and relevant portions of the Unified Development Ordinance for your convenience.

Staff will be available to participate in the discussion and address any questions that arise.

Excerpts from Town Code and UDO re: Short Term Rentals

Chapter 12 - BUSINESSES AND LICENSING^[1]

ARTICLE VIII. - SHORT-TERM RENTALS^[8]

Sec. 12-251. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Operator means the proprietor or manager of any dwelling, lodging, or sleeping accommodations offered as a short-term rental, whether in the capacity of owner, lessee, sub-lessee, mortgagee in possession, licensee, or any other possessory capacity.

Residential property means an apartment, studio, condominium, single-family home, townhouse, cottage or other property devoted to residential use or occupancy by one or more persons for a definite or indefinite period.

Short-term rental means the rental of residential property for vacation, leisure, recreation, or other purposes for fewer than 30 days by a person who has a permanent residence to which he/she intends to return.

Sec. 12-252. - Regulations.

(a) *[Established.]* There is hereby established a short-term rental registry. Upon offering any short-term residential rentals, all operators shall register with the town. This shall be an annual registration for each property offered for short-term residential rental. After the initial registration of each short-term rental is complete, the annual registration and fee shall be paid by September 1st of each year. The registration shall require the operator to provide the following information:

- (1) Complete name and address of the operator and any local contact person that would be available to respond to issues related to the operation of the property as a short-term rental.
- (2) Address of each property in the town offered for short-term residential rental by the operator.
- (3) Disclosure of whether or not liability insurance coverage is in effect to operate the residential property as a short-term rental.
- (4) Signed acknowledgement that the owner is aware of all local and state laws pertaining to the operation of a short-term rental, including the North Carolina Vacation Rental Act, and the requirement to pay all sales and occupancy taxes.

(b) *Registry exemptions.* The following shall not be required to register pursuant to this section:

- (1) Lodging provided by hotels, motels, tourist camps, and other places subject to regulation under G.S. ch. 72.
- (2) Rentals to persons having no other place of primary residence.

(3) Rentals for which no more than nominal consideration is given.

(4) Rentals that are managed by a real estate broker as defined in G.S. 93A-2(a)

(c) *Penalties.* Failure to register a property within 30 days of being offered for short-term residential rental shall result in a civil penalty to be paid by the operator in the amount of \$100.00. Each additional day the property is listed or operated as a short-term rental without registering shall result in a civil penalty of \$50.00 per day. The town may waive such penalty if the failure to register was due to no fault of the operator. Until such time as the operator pays the penalty and registers such property, the operator may not continue to offer such property for short-term residential rental.

UNIFIED DEVELOPMENT ORDINANCE EXCERPTS

Section 6.6 – Table of Uses and Activities

Residential Use, Short Term Rental is a Permitted Use within the R-1, R-2, R-3, CR, C-1, C-2, C-4, SPD-20, SED-80, SPD-C, O&S, CO, HO and SRO Zoning Districts.

Section 10.16 – Required Parking by Use.

Residential	Short-term rental, partial house	One additional parking space beyond the minimum requirement for single-family dwelling.
Residential	Short-term rental, whole house	No additional parking beyond the minimum requirement for single-family dwelling.

Appendix A. – Definitions

Short-term rental means the rental of residential property for vacation, leisure, recreation, or other purposes for fewer than thirty (30) days by a person who has a permanent residence to which he/she intends to return.

Short-term rental, partial house means a resident occupied single-family dwelling that consists of the rental of up to two guest rooms for vacation, leisure, recreation, or other purposes for fewer than thirty (30) days. The partial house short-term rental should be subordinate and incidental to the principal residential use of the dwelling.

Short-term rental, whole house means the rental of an entire single-family dwelling to a group operating as one housekeeping unit for vacation, leisure, recreation, or other purposes for fewer than thirty (30) days.