

Local Law No. 4 - 2017

AMENDMENTS TO CHAPTER 133, ZONING, RE SHORT TERM RENTALS

Be it enacted by the Town Board of the Town of Shelter Island, as follows:

SECTION 1. Legislative Intent.

The Shelter Island Town Board has determined that with the advent of Internet based "for rent by owner" services, there has been a dramatic increase in residential homes being rented for short periods of time. The Town Board finds that such transient rentals threaten the residential character and quality of life of neighborhoods in which they occur. These concerns are best addressed through appropriate legislation.

Additionally, the Town Board has determined that a short-term rental, as being potentially more lucrative, will necessarily decrease the inventory of available long-term affordable rentals. Therefore, the Town Board, in order to protect the health, safety and welfare of the community, requires the regulation of these transient rental properties.

Regulation of rentals will preserve and protect the Island's neighborhoods, provide standards and procedures for rentals, allow owners and residents continued quiet enjoyment of their residential properties, as well as educate prospective renters on the Town's regulations and expected behavior through the Good Neighbor Brochure for Vacation Renters that is part of the owner's lease agreement with the renter.

SECTION 2. Amend Chapter 133-1 Definitions by adding the following definitions:

**ADVERTISING.** Any and all advertising or any other form of communication for marketing that is used to encourage, persuade, or manipulate viewers, readers, or listeners into contracting for goods and/or services as may be viewed through various media, including but not limited to newspapers, magazines, flyers, handbills, television commercials, radio signage, direct mail, websites, emails, or text messages by owner and/or owner's agent or representative.

**CONVENTIONAL BEDROOM.** A room designed principally as a sleeping area. Rooms having other purposes, such as dens, living rooms and hallways are not to be interpreted as a conventional bedroom.

**GOOD NEIGHBOR BROCHURE.** A document prepared by the Town that summarizes the general rules of conduct, consideration, and respect, including but not limited to provisions of the Town Code of the Town of Shelter Island applicable to renters.

**LOCAL CONTACT PERSON.** An individual designated by the owner or owner's agent or representative who resides on Shelter Island and is available 24 hours per day, seven (7) days per week for the purpose of responding by telephone or in-person to complaints regarding the condition or conduct of occupants of the residential rental and who is authorized by the owner to take remedial action.

**OWNER.** The legal owner of any property.

**OWNER OCCUPIED.** Premises where owner is simultaneously domiciled on the same or adjacent premises with tenant or tenants during a rental term.

**RENTAL LICENSE.** An annual license issued by the Town to the owner to allow the use or occupancy of a vacation rental, pursuant to this Chapter.

**RENTAL NOTIFICATION.** Notification of a confirmed rental made by the owner of a vacation rental to the Town.

**RENTAL REGISTRY.** A registry maintained by the owner of a vacation rental showing the dates of rental and tenant names and contact information.

RENTAL TERM. The period of time a tenant rents or leases a portion or all of a premises.

TENANT. A person to whom an owner or owner's agents and/or representatives grant temporary use of land or a part of a building, usually in exchange for rent.

VACATION RENTAL. A dwelling unit which is used as a temporary residence by persons other than the owner or owner's immediate family and for which money or other consideration or compensation is paid by the tenant to the owner or owner's agent and/or representative, directly or indirectly, for the use and enjoyment of all or a portion of the dwelling unit. Vacation rentals include, but are not limited to one-family dwellings, two-family dwellings, apartments, and any other buildings or structures, whether attached or detached to a primary structure.

For the purposes of this Chapter, Vacation Rentals shall **not** include:

- a. Any premises or portion of premises rented to a tenant as a fixed and permanent home; or
- b. Any premises, or portion of premises, that is owner occupied; or
- c. Any premises used exclusively for non-residential commercial or non-profit purposes; or
- d. Any legally operating commercial hotel/motel or bed-and-breakfast establishment; or
- e. Rental of property for more than fourteen consecutive days; or
- f. Rental of premises located in the B-Business zone; or
- g. Short-term rentals by Taylor's Island Foundation, The Nature Conservancy Mashomack or Sylvester Manor that are used as fund-raisers for these non-profits.

SECTION 3. Amend Chapter 133 by adding a new section 133-14.1, Vacation Rental Regulation, to read as follows:

A. License requirements. Vacation rentals shall be permitted subject to issuance of a vacation rental license, renewable annually and subject to the following requirements:

- 1) Submittal of a completed, fully-executed Vacation Rental License Application or Vacation Rental License Annual Renewal Application, with applicable license fee(s) as established by resolution of the Town Board.
- 2) The vacation rental shall have a valid and current certificate of occupancy or certificate of compliance and shall be in compliance with the Town Building and Zoning Codes. There shall be no more than one vacation rental on a property.
- 3) The total number of conventional bedrooms in a premises shall not exceed the number indicated on a certificate of occupancy or certificate of compliance and the filed building plans for all structures on the premises.
- 4) Occupancy of a vacation rental shall not exceed two (2) persons per conventional bedroom.
- 5) The owner of a vacation rental shall maintain a copy of the rental agreement on premises, and the rental registry for examination by the Town, if requested. Rental registry records and rental agreements shall be preserved a minimum of three (3) years.
- 6) The Town shall provide a Good Neighbor Brochure to owner in digital, PDF format, made available for downloading and printing on the Town of Shelter Island website. Good Neighbor Brochures may be updated and revised from time to time, and it is the owner's responsibility to ensure that a current version is provided to tenants.
- 7) The Owner must print and provide a Good Neighbor Brochure to each tenant prior to commencement of the rental term. Owner is required to have each tenant sign a Good Neighbor Brochure, and it shall be made a part of the lease agreement with the owner.
- 8) No signs advertising a vacation rental shall be allowed.

9) All vacation rentals must maintain a local contact person. Owner shall provide to the Town, current contact information of the local contact person, including the name, address, phone number, and email address. Owner must also certify that owner has provided the immediate property neighbors with owner's personal cell phone number to call in event of problems with the vacation rental.

10) The vacation rental license may not be transferred or assigned upon death or transfer of the named licensee. The license does not authorize any person, other than the person named therein, to operate the vacation rental license on the property.

11) A writing, promulgated by the Office of the Town Attorney, executed by the owner(s) of the rental property, which designates either:

- (a) A person, firm or corporation with an actual place of business, dwelling place, or usual place of abode located within the boundaries of the Town of Shelter Island; or
- (b) The Town Clerk of the Town of Shelter Island as agent for service for criminal and civil process pursuant to CPLR Section 318. Every owner shall insure that the address for delivery of such process is current and shall advise the Town Clerk whenever the address is changed. The designated agent, upon receipt of service of process under this designation shall forthwith transmit by regular and certified mail to the owner(s) of the rental property at the address included on the owner(s) application.

#### B. Advertising

1) The following applies to all advertising of vacation rentals:

- a) The current vacation rental license number assigned by the Town for the advertised vacation rental must be displayed; and
- b) The listed occupancy of the advertised vacation rental must not exceed the maximum allowed by the vacation rental license; and
- c) The minimum rental period shall not be less than fourteen (14) days.

2) Failure to include the required information in advertising shall be a violation of this Chapter.

#### C. Vacation Rental Timing

1) No property owner may allow their vacation rental to be rented more than once in any fourteen day period.

#### D. Penalties for Violations.

1) License required. It shall be unlawful and a violation of this Chapter for any person or entity owning, renting or leasing a vacation rental within the Town to rent, lease or permit the occupancy of such vacation rental property without having first licensed the property as a vacation rental property and paying the license fee established by the Town Board.

2) Use prohibited. It shall be unlawful and a violation of this Chapter for any person or entity to allow use or occupancy of a vacation rental without that property being validly licensed as a vacation rental property with the Town.

3) Violation of this Code shall result in fines as set forth below. The vacation rental license may be suspended or revoked for any violation deemed appropriate by the Town Board, subject to a due process hearing prior to the action.

- a. For the first violation, a minimum fine of \$500, not to exceed \$1,500.
- b. For the second violation within the next 12 months, a minimum fine of \$750, not to exceed \$2,500, and/or suspension of the vacation rental license for a period up to six (6) months, and during said time the premises shall not be utilized for a vacation rental.

- c. For the third violation within the next 12 months, a minimum fine of \$1,000 not to exceed \$4,000, and suspension of the vacation rental license for a period of twelve (12) months, and during said time the premises shall not be utilized for a vacation rental.
- d. The Town Board shall be the body to suspend a vacation rental license pursuant to the section above, and shall offer the permittee a reasonable opportunity to appear and be heard on the suspension prior to imposing the suspension.

E. Applicability.

This law applies to all properties which are used as vacation rentals, regardless of whether such activity occurred prior to adoption of these regulations. Short term vacation rentals are a commercial use which has never been allowed by residential zoning, and this legislation provides guidelines to allow it, subject to limitations. The licensing requirement is a ministerial act which does not significantly change previous rights, privileges, or practices regarding the property.

F. Review Board.

The Town Board will be the review board for issues associated with implementation of this law. The Town Board reserves the right to amend this law to add or change restrictions and license terms as it deems necessary.

**SECTION 4. SEVERABILITY.** In the event that any portion of this Chapter is hereafter found to be invalid, such invalidity shall not affect the remaining portions of this Chapter.

**SECTION 5. EFFECTIVE DATE.** This law shall become effective immediately upon filing with the Secretary of State. Implementation of this law shall be as follows:

- a. All vacation rentals owners shall obtain a vacation rental license prior to July 1, 2017.
- b. The limit on rentals more than once in a fourteen day period may be temporarily waived if the property owner submits written proof to the Town that the rental agreement was signed prior to adoption of this ordinance.
- c. However, after December 31, 2017, all vacation rentals, regardless of date entered into, must comply with the limit on rentals to once in a fourteen day period.