

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 859

Short Title: Cities/Regulation of Vacation Rentals. (Local)

Sponsors: Senator Tarte (Primary Sponsor).

Referred to: State and Local Government.

May 28, 2014

1 A BILL TO BE ENTITLED
2 AN ACT RELATING TO MUNICIPAL REGULATION OF VACATION RENTALS AND
3 OTHER TRANSIENT OCCUPANCIES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 19 of Chapter 160A of the General Statutes is amended by
6 adding new section to read:

7 "**§ 160A-394. Zoning regulations for residential vacation rental or other transient**
8 **occupancy.**

9 (a) The General Assembly finds that, generally, short-term occupancy of houses in
10 residential neighborhoods can impact negatively on safety, sanitation, traffic, peace, tranquility,
11 and the public welfare of the neighbors. It is the intent of the General Assembly in adopting this
12 section to provide cities with ordinance authority to address these neighborhood impacts.

13 (b) A city may by ordinance establish and enforce zoning regulations for residential
14 dwellings occupied on a vacation rental or other transient occupancy basis. These zoning
15 regulations shall include, but not be limited to, (i) required permitting, (ii) prohibition in certain
16 residential zoning districts, (iii) limits on number of cars and occupants, (iv) signage, (v)
17 preserving residential character, (vi) location of trash containers, (vii) fire marshal inspection,
18 (viii) financial reports and payment of occupancy tax, (ix) minimum and maximum occupancy,
19 (x) time limits, (xi) use of amortizations for nonconforming transient occupancy dwelling, and
20 (xii) any other regulations reasonably necessary to mitigate potential neighborhood impacts.

21 (c) For the purposes of this section, the phrase "vacation rental or other transient
22 occupancy" means an occupancy intended to be temporary or that is offered or available by
23 short-term lease or otherwise for a time period or lease term of less than 90 days in a residential
24 dwelling unit. An owner of a residential dwelling unit may allow short-term occupancy by
25 another for up to three weeks per calendar year without it being considered a vacation rental or
26 other transient occupancy.

27 (d) Nothing in this section shall be construed to affect or repeal any ordinance that was
28 adopted under a city's general zoning authority prior to the enactment of this section."

29 **SECTION 2.** G.S. 160A-424 reads as rewritten:

30 "**§ 160A-424. Periodic inspections.**

31 ...

32 (c) In no event may a city do any of the following:
33 (i)(1) ~~adopt~~ Adopt or enforce any ordinance that would require any owner or
34 manager of rental property to obtain any permit or permission from the city
35 to lease or rent residential real property, except for those properties that have
36 more than three verified violations in a 12-month period or upon the



1 property being identified within the top 10% of properties with crime or
2 disorder problems as set forth in a local ~~ordinance~~; ordinance.
3 Notwithstanding the provisions of this subdivision, a city may regulate a
4 vacation rental or other transient occupancy as provided in G.S. 160A-394.
5 ~~(ii)(2) require~~ Require that an owner or manager of residential rental property
6 enroll or participate in any governmental program as a condition of
7 obtaining a certificate of ~~occupancy~~; or occupancy.
8 ~~(iii)(3) except~~ Except as provided in subsection (d) of this section, levy a special fee
9 or tax on residential rental property that is not also levied against other
10 commercial and residential properties.
11"
12 **SECTION 3.** This act applies to the Town of Cornelius only.
13 **SECTION 4.** This act is effective when it becomes law.