

## Summary of Ord. 2023-15

**TITLE:** An ordinance amending the Development Standards Ordinance for the Town of Seabrook Island, South Carolina; Article 2, General Provisions; Section 2.1, General Compliance; so as to repeal subsection (e) pertaining to the placement and storage of trash, litter and junk on premises within the town; Article 9, Conditional Use Requirements; Section 9.4, Specific Use Requirements; so as to amend the conditional use provisions of subsection (O) pertaining to short-term rental units; and Appendix E, Fee Schedule; so as to update the schedule of fees to reflect changes relating to permitting requirements and procedures for short-term rental units within the town

### **SEC. 1 Amends the DSO to remove subsection 2.1(e).**

The proposed nuisance ordinance (Ord. 2023-14) consolidates regulations for various public nuisances into a single chapter (Chapter 18) of the Town Code. The new Sec. 18-33 includes language regulating the placement and storage of trash, litter and junk. Therefore, subsection 2.1(e) of the DSO will become redundant and has been recommended for deletion.

### **SEC. 2 Amends subsection 9.4(O) of the DSO to modify the conditions and requirements for short-term rental (STR) units operating within the town.**

Subsection 9.4(O) is broken up into seven paragraphs:

#### **Paragraph 1: Definitions**

- The purpose of this paragraph is to consolidate all definitions applicable to the STR ordinance in a single location.
- Significant changes from current STR ordinance:
  - Overnight hours: Defines “overnight” as 11:00 pm to 7:00 am.
  - Qualified local contact: Requires that the qualified local contact must be licensed by SCLLR as a property manager-in-charge or broker-in-charge.
  - Qualifying event: Establishes certain changes or events which qualify an existing STR permit to be modified.
  - STR permit cap: The maximum number of dwelling units which may be permitted as STR’s within the town at a given time.
  - Transfer, exempt/non-exempt: Clarifies an “exempt” transfer as one which is exempt from deed recording fees, pursuant to SC Code 12-24-40.

#### **Paragraph 2: General provisions**

- This paragraph outlines the general provisions for all STR’s operating within the town.
- Most of the language is carried over (and reorganized) from the existing STR ordinance.
- Subparagraphs (d), (e) and (f) clarify the responsibilities (and liabilities) of the property owner, authorized agent, and qualified local contact, respectively.

#### **Paragraph 3: Specific conditions**

- Subparagraph (a): General requirements
  - Most of the language is carried over (and reorganized) from the existing STR ordinance.

- New provisions are included to prohibit rental activities in unsafe structures and dwelling units which are under construction or renovation.
  - Item (vii) imposes a new **STR permit cap of 650 units** within the town.
- Subparagraph (b): License and tax requirements
  - Most of the language is carried over (and reorganized) from the existing STR ordinance.
  - Item (iii) was amended to add the Town of Seabrook Island's 1% local ATAX.
- Subparagraph (c): Occupancy limits
  - Item (i) standardizes the maximum overnight occupancy at  $2/BR + 2$  for all STR units. The provision allowing larger units to have  $2/BR + 4$  was deleted. A hard cap of 12 occupants is also imposed.
- Subparagraph (d): Parking requirements
  - Item (ii) includes a new provision limiting the number of vehicles at STR units during the overnight hours to no more than  $1/BR$ , with a minimum of 2. This matches the new SIPOA requirements for vehicles at STR units.
  - Because general parking requirements will be incorporated as a new section in the new nuisance ordinance, the language regarding parking requirements is recommended for deletion. Item (iii) now references the general parking provisions, which will be included in Sec. 18-33 of the Town Code.
- Subparagraph (e): Advertising, posting, and signage requirements
  - Most of the language is carried over (and reorganized) from the existing STR ordinance.
- Subparagraph (f): Safety requirements
  - Most of the language is carried over (and reorganized) from the existing STR ordinance.
  - Because property maintenance requirements will be incorporated as a new section in the new nuisance ordinance, the language regarding property maintenance is recommended for deletion. Item (v) now references the property maintenance provisions, which will be included in Sec. 18-32 of the Town Code.

#### Paragraph 4: Permitting requirements and procedures

- Subparagraph (a):
  - Most of the language regarding the permitting requirements, due dates, and permit year is carried over (and reorganized) from the existing STR ordinance.
  - Due to the imposition of a new STR permit cap, new permitting procedures are set forth in item (iv):
    - Permit renewals will receive first priority. Renewals will be issued without regard to the cap (even if the total number exceeds 650), as long as the renewal application is received by the renewal deadline and the application meets all other criteria.
    - All other applications will be processed as new permit applications. After completing the renewal process, new permits will be issued until the cap is reached.
    - If the cap is reached at any point during the permit year, all remaining applications will be added to a waiting list.



- Unpaid taxes
- Unsafe conditions
- Voluntary suspension due to reconstruction or renovation
- Item (vi) authorizes the BZA to grant time extensions in the event of extraordinary and exceptional conditions which are outside the control of the property owner.
- Subparagraph (b) expands the purposes for which a STR permit may be revoked:
  - Advertising and/or renting while suspended
    - Grounds for immediate revocation (1-year waiting period)
  - Destruction, damage beyond repair or condemnation
    - After suspension, the STR permit may be revoked if the owner fails to obtain permits within 6 months (12 months if after a declared emergency) or if the permits expire prior to completion.
  - Falsification or misrepresentation of material facts
    - Grounds for immediate revocation
  - Gross violation
    - Grounds for immediate revocation (1-year waiting period)
  - Multiple (3+) violations in any 12-month period
    - Grounds for immediate revocation (1-year waiting period)
  - Non-reported change of authorized agent or qualified local contact
    - After suspension, the STR permit may be revoked if the host fails to update the permit within 30 days.
  - Non-reported sale or transfer of the STR unit
    - Grounds for immediate revocation
  - Unlicensed business
    - After suspension, the STR permit may be revoked if the host fails to obtain a valid business license within 30 days.
  - Unpaid fines, fees, or penalties
    - After suspension, the STR permit may be revoked if the host fails to pay all required fines, fees, or penalties within 30 days.
  - Unpaid taxes
    - After suspension, the STR permit may be revoked if the host fails to pay all required taxes within 30 days.
  - Unsafe conditions
    - After suspension, the STR permit may be revoked if the owner fails to obtain permits within 90 days or if the permits expire prior to completion.
  - Work by an unlicensed residential builder or specialty contractor
    - Grounds for immediate revocation (2-year waiting period)
  - Failure to obtain permits or complete work following a voluntary suspension
    - After voluntary suspension, the STR permit may be revoked if the owner fails to initiate construction within 90 days or if the work is not completed within 24 months.
- Subparagraph (c) retains the right of a property owner to appeal any decision to suspend or revoke a STR permit to the BZA.
- Subparagraph (d) retains the ability of any host to cancel their STR permit at any time and for any reason, as long as the permit is in good standing.

**Paragraph 7: Special provisions applicable during states of emergency**

- The final paragraph incorporates special provisions which may be imposed on STR activities during an emergency situation.
- This paragraph cites instances where rental activities may be restricted or suspended, including by order of the mayor (during a state of emergency) or by an emergency ordinance of council (to meet public health emergencies).
- In such instances, the zoning administrator shall provide notification to all hosts and qualified local contacts using the most efficient and effective means possible, and all hosts must immediately comply with the emergency provisions.
- Lastly, this paragraph requires that renters must evacuate when state or local authorities order a mandatory evacuation order.

**SEC. 3 Amends the DSO to update the fee schedule in Appendix E.**

**Appendix E: Fee Schedule (Short-Term Rental Permit Fees)**

- The fee amount for temporary STR permits is set at \$150.00.
- The permit modification fee is standardized at \$25.00 for all types of modifications.
- The reinstatement fee for suspended permits is reduced from \$225.00 to \$100.00.

**SEC. 6 Establishes an effective date for Ord. 2023-15.**

If adopted, the provisions of the new ordinance will go into effect for the permit year beginning May 1, 2024. The town typically begins accepting permit renewal applications in late March. Permit renewal applications are due by April 30<sup>th</sup>. Each permit year runs from May 1<sup>st</sup> to April 30<sup>th</sup>.