

SUBSTITUTE ORDINANCE BL2017-937

An ordinance amending Title 6 and sections 17.04.060, 17.08.030, 17.16.250, and 17.16.070 of the Metropolitan Code of Laws ~~to add a new Chapter 6.83 pertaining to a short term rental properties advisory committee~~ and to establish regulations regarding short term rental properties and to establish distinct land uses for "Short term rental property – Owner-Occupied" and "Short term rental property – Not Owner-Occupied." (Proposal no. 2017Z-024TX-001).

NOW, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1: Section 1 of Ordinance No. BL2017-937 is deleted in its entirety.

~~Section 1. That Title 6 of the Metropolitan Code of Laws is hereby amended by adding a new Chapter 6.83 as follows:~~

~~Chapter 6.83 – Short Term Rental Property Advisory Committee.~~

~~There is hereby established a Short Term Rental Property (STRP) Advisory Committee composed of a representative of the Mayor's Office, the Metropolitan Council, the Metropolitan Police Department, the Department of Codes Administration, and the Metropolitan Planning Department. Each respective agency representative is to be selected by the head or presiding officer of that respective entity or agency. The purpose of the Advisory Committee is to meet on a quarterly basis to review reports on (i) the permitting of all STRP applications, (ii) the status of existing complaints filed against STRP properties, and (iii) the most up-to-date reports on the status of any STRP properties operating without proper permits. After each quarterly meeting, the Committee is to submit a report, based upon the information provided at the quarterly meeting, to the members of the Metropolitan Council.~~

Section 2: Section 2 of Ordinance No. BL2017-937 is deleted in its entirety and the following is substituted therefore:

~~Section 2. The Metropolitan Clerk is directed to send a copy of this Ordinance to the Office of the Mayor, the Director of the Codes Administration, the Chief of the Metropolitan Police Department, and to the Director of the Planning Department.~~

Section 2. That Section 17.04.060 (Definitions of general terms) of the Metropolitan Code of Laws is hereby further amended by deleting the definition for "Short term rental property (STRP)" therein and substituting the following in lieu thereof:

"Short term rental property (STRP) – Owner-Occupied" means an owner-occupied residential dwelling unit containing not more than four sleeping rooms that is used and/or advertised through an online marketplace for rent for transient occupancy by guests.

"Short term rental property (STRP) – Not Owner-Occupied" means a residential dwelling unit that is not owner-occupied containing not more than four sleeping

rooms that is used and/or advertised through an online marketplace for rent for transient occupancy by guests.

Section 3: Section 3 of Ordinance No. BL2017-937 is deleted in its entirety and the following is substituted therefore:

~~Section 3. This Ordinance shall take effect from and after its enactment, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.~~

Section 3. That section 17.08.030 (District land use tables) of the Metropolitan Code of Laws is hereby amended by deleting "Short term rental property (STRP)" in its entirety.

Section 4: A new Section 4 is added to Ordinance No. BL2017-937 as follows:

Section 4. That section 17.08.030 (District land use tables) of the Metropolitan Code of Laws is hereby further amended by adding "Short term rental property (STRP) – Owner-Occupied" as an accessory (A) use in AG, AR2a, RS80 through RS3.75, R80 through R6-A, RM2 through RM20-A, RM40 through RM100-A, MHP, MUN and MUN-A, MUL and MUL-A, MUG and MUG-A, MUI and MUI-A, ON, OG, OR20 through OR40-A, ORI and ORI-A, CN and CN-A, CL and CL-A, CS and CS-A, CA, CF, DTC-North, DTC-South, DTC-West, DTC- Central, SCN, SCC, SCR, IWD, IR, and IG.

Section 5: A new Section 5 is added to Ordinance No. BL2017-937 as follows:

Section 5. That section 17.08.030 (District land use tables) of the Metropolitan Code of Laws is hereby further amended by adding under Commercial Uses "Short term rental property (STRP) – Not Owner-Occupied" as a use permitted with conditions (PC) in AG, AR2a, RS80 through RS3.75, R80 through R6-A, RM2 through RM20-A, RM40 through RM100-A, MUN and MUN-A, MUL and MUL-A, MUG and MUG-A, MUI and MUI-A, ON, OG, OR20 through OR40-A, ORI and ORI-A, CN and CN-A, CL and CL-A, CS and CS-A, CA, CF, DTC North, DTC South, DTC-West, DTC Central, SCN, SCC and SCR, IWD, IR, and IG.

Section 6: A new Section 6 is added to Ordinance No. BL2017-937 as follows:

Section 6. That Section 17.16.070 (Commercial uses) of the Metropolitan Code is hereby amended by adding the following as subsection 17.16.070.U thereto and renumbering the remaining sections.

U. Short term rental property (STRP) – Not Owner-Occupied.

1. Requirements and restrictions

- a. No person or entity shall operate a STRP or advertise a residential property for use as a STRP without the owner of the property first having obtained a STRP permit issued by the department of codes administration in accordance with the provisions of this chapter.
- b. Any advertising or description of a STRP on any internet website must prominently display the permit number for the STRP unit.
- c. For properties within the Urban Zoning Overlay (UZO) district, no more than three percent (3%) of the single-family or two-family residential units within

each census tract shall be permitted as STRP – Not Owner-Occupied use. For properties outside of the Urban Zoning Overlay (UZO) district, no more than one percent (1%) of the single-family or two-family residential units within each census tract shall be permitted as STRP – Not Owner-Occupied use.

- d. In Single-Family and One and Two-Family zoning districts, no property proposed for STRP - Not Owner-Occupied use shall be located within a radius of less than one thousand three hundred twenty (1,320) linear feet from the property line of another property upon which another STRP - Not Owner-Occupied use is located.
 - e. Only one (1) permit shall be issued per lot in single-family and two-family zoning districts.
 - f. In IWD, IR, and IG, STRP – Not Owner-Occupied is permitted as an accessory use to a multi-family use associated with Manufacturing, Artisan.
2. Application.
- a. STRP permit applications shall be valid for ninety (90) calendar days from the date filed and shall expire if the application process has not been completed within that time.
 - b. The STRP permit application shall verify by affidavit that all of the information being provided is true and accurate and the application shall include the following information:
 - i. The name, telephone number, address, and email address of the owner and of a person or business ("responsible party") residing or located within twenty-five (25) miles of the STRP that is responsible for addressing all maintenance and safety concerns;
 - ii. Proof of insurance evidencing homeowner's fire, hazard, and liability insurance. Liability coverage shall have limits of not less than one million dollars per occurrence.
 - iii. Proof of written notification to the owner of each adjacent property prior to filing the application. For each such adjacent property, proof of written notification shall be: (a) a signature of an owner; (b) a signed receipt of U.S. registered or certified mail addressed to an owner; or (c) notice from the U.S. Postal Service that registered or certified mail to an owner was refused or not timely accepted.
 - iv. A statement that the applicant has confirmed that operating the proposed STRP would not violate any Home Owners Association agreement or bylaws, Condominium Agreement, Covenants, Codes and Restrictions or any other agreement governing and limiting the use of the proposed STRP property.
 - v. Proof of payment of all taxes due, including property taxes and, for permit renewals, all applicable room, occupancy, and sales taxes required by state law or the Metropolitan Code.
3. Signage.
Any sign, as defined in Section 17.32.030.B of this Zoning Code, on a property used for a STRP shall be governed by the provision of Chapter 17.32, Sign Regulations, of this Zoning Code.
4. Regulations.
- a. All STRP occupants shall abide by applicable provisions of the Metropolitan Code of Laws, including without limitation:
 - (i) all regulations regarding the public peace, morals and welfare contained in Title 11 thereof, including Sections 11.12.070 (excessive noise);

- 11.12.010 (disorderly conduct); 11.16.020 (indecent exposure); and 11.12.060 (disorderly house – prostitution, gambling and rowdiness);
- (ii) all applicable waste management provisions of Chapter 10.20 and the applicable property standards of 16.24 of the Metropolitan Code; and
- (iii) all applicable parking provisions of Section 17.20.030 of the Metropolitan Code.
- b. The STRP shall meet all applicable requirements of the state and local building and fire safety codes, including, but not limited to, having approved smoke alarms meeting Underwriters Laboratory (UL) 217 standards installed as follows:
- i. In all sleeping areas.
- ii. In every room in the path of the means of egress from the sleeping area to the door leading from the sleeping unit.
- iii. In each story within the sleeping unit, including basements.
- c. Parking shall be provided as required by Section 17.20.030. No recreational vehicles, buses, or trailers shall be visible on the street or property in conjunction with the STRP use.
- d. No food shall be prepared for or served to the transient by the permit holder.
- e. The principal renter of a STRP unit shall be at least twenty-one years of age.
- f. Maximum occupancy: The maximum number of occupants permitted on a STRP property at any one time shall not exceed (i) more than twice the number of sleeping rooms plus four, or (ii) ten occupants, whichever is less. Simultaneous rental to more than one party under separate contracts shall not be allowed. The occupancy maximum shall be conspicuously posted within the STRP unit. Advertising a STRP for more occupants than allowed by this regulation shall be grounds for revocation of the permit.
- g. The STRP owner shall not receive any compensation or remuneration to permit occupancy of a STRP for a period of less than twenty-four hours. The maximum stay for any guest shall be thirty consecutive days.
- h. The name and telephone number of the local responsible party shall be conspicuously posted within the STRP unit. The responsible party shall answer calls twenty-four hours a day, seven days a week, for the duration of each short term rental period to address problems associated with the STRP.
- i. Expiration and renewal of permit.
- (1) A STRP permit shall expire three hundred sixty-five days after it is issued unless it is renewed prior to its expiration.
- (2) For STRP units that have received no documented complaints to Metro Codes, Police, or Public Works during the most recent permit period, a renewal application may be submitted by mail, online, or in person according to regulations promulgated by the Metro Codes Department. All such renewal applications shall include:
- (a) the payment of the required renewal fee; and
- (b) a statement, verified by affidavit, that:
- (i) includes all of the information required in an application under Section 17.16.070.U.2; and
- (ii) the STRP continues to be in full compliance with all applicable laws, including the payment of all applicable taxes.
- (3) For an STRP that has received no documented complaints to Metro Codes, Police, or Public Works during the most recent permit period, a 30 calendar day grace period for renewal after the expiration of the STRP permit may be allowed by the zoning administrator upon a showing by the owner of a reasonable explanation other than neglect or mistake for the delay.

- (4) For an STRP with documented complaints to Metro Codes, Police, or Public Works during the most recent permit period, no grace period shall be allowed and all permit renewal applications shall be submitted timely. The permit may be renewed upon the payment of the required renewal fee, and the submission of a statement verified by affidavit that includes all of the information required in an application under Section 17.16.070.U.2.
- j. The permit holder shall be responsible for collecting and remitting all applicable room, occupancy, and sales taxes required by state law or the Metropolitan Code.
- k. A STRP permit shall not be transferred or assigned to another individual, person, entity, or address, nor shall the permit authorize any person, other than the person named therein, to operate a STRP on the property.
- l. Denial or Revocation of Permit.
- (1) Upon the filing of a complaint regarding a STRP permit, the department of codes administration shall notify the permit holder in writing or by e-mail of such complaint.
- (2) If the Zoning Administrator determines, based on reasonably reliable information -- including, without limitation, public records or reports, records of regularly conducted activity, or a direct or online statement against a person's own interest -- that two (2) violations of this section or other Code sections referenced in this section have occurred within a 12 month period, the permit to operate a STRP may be revoked.
- (3) Before revoking any permit, the department of codes administration shall give the permit holder fifteen days written notice of the alleged violation(s) against him/her.
- (4) Any denial or revocation of a STRP permit may be appealed to the board of zoning appeals as an administrative appeal pursuant to Section 17.40.180.A. of the Metropolitan Zoning Code. The zoning administrator's decision to deny a permit shall stand, unless the appellant shows, through clear and convincing evidence, that the decision should be reversed. The burden remains upon the applicant-appellant to make such a showing.
- (5) Once a STRP permit has been revoked, no new permit shall be issued to the applicant for the same property for a period of one year from the date of revocation.
- (6) The penalty for operating a short term rental property without a permit shall be:
- a) A fifty dollar fine as imposed by a court of competent jurisdiction. Each day of operation without a permit shall constitute a separate offense.
- b) Upon a finding by the Board of Zoning Appeals that a short term rental property has operated without a permit, there shall be a waiting period of one year from the date of such finding for the property to become eligible for a STRP permit.
- c) Upon a finding of a court of competent jurisdiction that a short term rental property has operated without a permit, in addition to any other relief granted, there shall be a waiting period of three years from the date of such finding for the property to become eligible for a STRP permit.

Section 7: A new Section 7 is added to Ordinance No. BL2017-937 as follows:

Section 7. That section 17.16.250.E of the Metropolitan Code of Laws is hereby amended by changing the name from "Short term rental property (STRP)." to "Short term rental property (STRP) – Owner-Occupied."

Section 8: A new Section 8 is added to Ordinance No. BL2017-937 as follows:

Section 8. That Section 17.16.250.E of the Metropolitan Code is hereby further amended by deleting subsection 17.16.250.E.1 in its entirety and substituting the following in lieu thereof:

1. Requirements and restrictions
 - a. No person or entity shall operate a STRP or advertise a residential property for use as a STRP without the owner of the property first having obtained a STRP permit issued by the department of codes administration in accordance with the provisions of this chapter.
 - b. Any advertising or description of a STRP on any internet website must prominently display the permit number for the STRP unit.
 - c. Only one (1) permit shall be issued per lot in single-family and two-family zoning districts.
 - d. In IWD, IR, and IG, STRP – Owner-Occupied is permitted as an accessory use to a multi-family use associated with Manufacturing, Artisan.
 - e. To qualify for an STRP - Owner-occupied permit, the owner of the property shall permanently reside in the STRP or, for conforming uses in Single-Family and One and Two-Family zoning districts, the owner shall permanently reside in a residential unit on the same lot. The owner of the property: (1) must be a natural person or persons; (2) may not be a limited liability entity, including without limitation a corporation or limited liability company; and (3) may not be an unincorporated entity, including without limitation a partnership, joint venture, or trust.
 - f. Ownership of two-family dwellings.
 - i. The property ownership of the two-family units cannot be divided.
 - ii. The two-family units shall be owned by the same person and one of the two units shall be the primary residence of the owner.
 - iii. Prior to the issuance of a permit, an instrument shall be prepared and recorded with the register's office covenanting that the two-family dwelling may only be used under the conditions listed above as long as the STRP – Owner-Occupied permit is valid.

Section 9: A new Section 9 is added to Ordinance No. BL2017-937 as follows:

Section 9. Section 17.16.250.E of the Metropolitan Code of Laws is hereby further amended by deleting the second "that" in subsections 17.16.250.E.2.b.v.

Section 10: A new Section 10 is added to Ordinance No. BL2017-937 as follows:

Section 10. Section 17.16.250.E of the Metropolitan Code of Laws is hereby further amended by deleting subsection 16.16.250.E.4 in its entirety and substituting the following therefore:

4. Regulations.
 - a. All STRP occupants shall abide by applicable provisions of the Metropolitan Code of Laws, including without limitation:
 - (i) all regulations regarding the public peace, morals and welfare contained in Title 11 thereof, including Sections 11.12.070 (excessive

noise); 11.12.010 (disorderly conduct); 11.16.020 (indecent exposure); and 11.12.060 (disorderly house – prostitution, gambling and rowdiness);

(ii) all applicable waste management provisions of Chapter 10.20 of the Metropolitan Code; and

(iii) all applicable parking provisions of Section 17.20.030 of the Metropolitan Code.

b. The STRP shall meet all applicable requirements of the state and local building and fire safety codes, including, but not limited to, having approved smoke alarms meeting Underwriters Laboratory (UL) 217 standards installed as follows:

i. In all sleeping areas.

ii. In every room in the path of the means of egress from the sleeping area to the door leading from the sleeping unit.

iii. In each story within the sleeping unit, including basements.

c. Parking shall be provided as required by Section 17.20.030. No recreational vehicles, buses, or trailers shall be visible on the street or property in conjunction with the STRP use.

d. No food shall be prepared for or served to the transient by the permit holder.

e. The principal renter of a STRP unit shall be at least twenty-one years of age.

f. Maximum occupancy: The maximum number of occupants permitted on a STRP property at any one time shall not exceed (i) more than twice the number of sleeping rooms plus four, or (ii) ten occupants, whichever is less. Simultaneous rental to more than one party under separate contracts shall not be allowed. The occupancy maximum shall be conspicuously posted within the STRP unit. Advertising a STRP for more occupants than allowed by this regulation shall be grounds for revocation of the permit.

g. The STRP owner shall not receive any compensation or remuneration to permit occupancy of a STRP for a period of less than twenty-four hours. The maximum stay for any guest shall be thirty consecutive days.

h. The name and telephone number of the local responsible party shall be conspicuously posted within the STRP unit. The responsible party shall answer calls twenty-four hours a day, seven days a week, for the duration of each short term rental period to address problems associated with the STRP.

i. Expiration and renewal of permit.

(1) A STRP permit shall expire three hundred sixty-five days after it is issued unless it is renewed prior to its expiration.

(2) For STRP units that have received no documented complaints to Metro Codes, Police, or Public Works during the most recent permit period, a renewal application may be submitted by mail, online, or in person according to regulations promulgated by the Metro Codes Department. All such renewal applications shall include:

(a) the payment of the required renewal fee; and

(b) a statement, verified by affidavit, that:

(i) includes all of the information required in an application under Section 17.16.250.E.2; and

(ii) the STRP continues to be in full compliance with all applicable laws, including the payment of all applicable taxes.

(3) For an STRP that has received no documented complaints to Metro Codes, Police, or Public Works during the most recent permit period, a 30 calendar day grace period for renewal after the expiration of the STRP permit may be allowed by the zoning administrator upon a showing by the

- owner of a reasonable explanation other than neglect or mistake for the delay.
- (4) For an STRP with documented complaints to Metro Codes, Police, or Public Works during the most recent permit period, no grace period shall be allowed and all permit renewal applications shall be submitted timely. The permit may be renewed upon the payment of the required renewal fee, and the submission of a statement verified by affidavit that includes all of the information required in an application under Section 17.16.250.E.2.
- j. The permit holder shall be responsible for collecting and remitting all applicable room, occupancy, and sales taxes required by state law or the Metropolitan Code.
- k. A STRP permit shall not be transferred or assigned to another individual, person, entity, or address, nor shall the permit authorize any person, other than the person named therein, to operate a STRP on the property.
- l. Denial or Revocation of Permit.
- (1) Upon the filing of a complaint regarding a STRP permit, the department of codes administration shall notify the permit holder in writing or by e-mail of such complaint.
- (2) If the Zoning Administrator determines, based on reasonably reliable information -- including, without limitation, public records or reports, records of regularly conducted activity, or a direct or online statement against a person's own interest -- that two (2) violations of this section or other Code sections referenced in this section have occurred within a 12 month period, the permit to operate a STRP may be revoked.
- (3) Before revoking any permit, the department of codes administration shall give the permit holder fifteen days written notice of the alleged violation(s) against him/her.
- (4) Any denial or revocation of a STRP permit may be appealed to the board of zoning appeals as an administrative appeal pursuant to Section 17.40.180.A. of the Metropolitan Zoning Code. The zoning administrator's decision to deny a permit shall stand, unless the appellant shows, through clear and convincing evidence, that the decision should be reversed. The burden remains upon the applicant-appellant to make such a showing.
- (5) Once a STRP permit has been revoked, no new permit shall be issued to the applicant for the same property for a period of one year from the date of revocation.
- (6) The penalty for operating a short term rental property without a permit shall be:
- a) A fifty dollar fine as imposed by a court of competent jurisdiction. Each day of operation without a permit shall constitute a separate offense.
- b) Upon a finding by the Board of Zoning Appeals that a short term rental property has operated without a permit, there shall be a waiting period of one year from the date of such finding for the property to become eligible for a STRP permit.
- c) Upon a finding of a court of competent jurisdiction that a short term rental property has operated without a permit, in addition to any other relief granted, there shall be a waiting period of three years from the date of such finding for the property to become eligible for a STRP permit.

Section 11: A new Section 11 is added to Ordinance No. BL2017-937 as follows:

Section 11: Notwithstanding the foregoing, properly issued and maintained permits issued under previous regulations may be renewed, subject to their compliance with operational regulations. Permits that have been revoked are not eligible for renewal.

Section 12: A new Section 12 is added to Ordinance No. BL2017-937 as follows:

Section 12. The Metropolitan Clerk is directed to send a copy of this Ordinance to the Office of the Mayor, the Director of the Codes Administration, the Zoning Administrator, and to the Director of the Planning Department.

Section 13: A new Section 13 is added to Ordinance No. BL2017-937 as follows:

Section 13. This Ordinance shall be published in a newspaper of general circulation and shall take effect sixty (60) days from and after its enactment, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

Jim Shulman
Member of Council, At-Large
