

AN ORDINANCE TO AMEND CHAPTER 6 OF THE TOWN CODE BY ADDING
ARTICLE VI, HOMESTAY REGULATIONS, AND AMEND
SECTIONS 22-500 AND 22-501 PERTAINING TO LODGING TAX

WHEREAS, the accessory or secondary use of residential property to provide transient room rentals has become increasingly popular;

WHEREAS, the Town Council finds that while this new use of residential property presents benefits to town residents, there is also potential for harm to neighborhoods, so that moderate regulation is required; and

WHEREAS, the public health, safety and welfare so require.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Blacksburg:

1. That Chapter 6 of the Town Code is amended and reordained by adding Article VI, Homestay Regulations, as follows:

Article VI. Homestay Regulations

Section 6-601. Definitions.

As used in this article, unless the context requires a different meaning:

"Booking transaction" means any transaction in which there is a charge to a transient by a host for the occupancy of any dwelling, sleeping, or lodging accommodations.

"Hosting platform" means any person or entity that is not a host but facilitates reservations or collects payments for any booking transaction on behalf of a host through an online digital platform.

"Guest" or "Transient" means a person who occupies a homestay unit.

"Homestay" means the accessory or secondary use of a residential dwelling unit or a portion thereof by a host to provide room or space that is intended for short term transient rental purposes in exchange for a charge for the occupancy. The primary use of the homestay unit shall remain residential. For each booking transaction, all applicable taxes must be collected and remitted to the town as required by Chapter 22 by either the host or the associated hosting platform. Such accessory or secondary use shall not create a landlord/tenant relationship.

"Host" means the person who is the primary resident of a homestay unit offered for homestay lodging. In determining compliance with these regulations, the host has the burden of demonstrating that the dwelling unit is his or her primary residence.

"Primary resident" means the owner of the homestay unit who occupies the property as his or her principal place of residence and domicile.

"Residential dwelling unit" means a residence where one or more persons maintain a household.

"Type A rentals" means rentals where the host is present during the homestay and no more than two bedrooms of the homestay unit are rented.

"Type B rentals" means all other rentals, including ones where more than two bedrooms of the homestay unit are rented or the host is not present during the homestay.

Section 6-602. Registration and other requirements.

(a) *No host shall operate a homestay unit or advertise a residential property for homestay use without the host first having registered with the department of planning and building.*

(b) *The registration form shall include the following information:*

(1) *The name, telephone number, address, and email address of the host.*

(2) *A reminder about the importance of having appropriate levels of insurance that covers the homestay unit, the host and the guests.*

(3) *If the homestay unit shares a common wall or a common driveway with another property owner, proof of written notification to such neighboring property owner(s) prior to filing the registration application.*

(c) *Signs, advertising, or any other display on the property indicating that the homestay unit is being utilized, in whole or in part, as a homestay are not permitted.*

(d) *The host shall register with the Finance Department to collect and remit the Town's transient lodging tax as set forth in Chapter 22, Article V of the Town Code.*

(e) *A host may only register and operate one residential dwelling unit as a homestay in the Town.*

(f) *The registration shall be valid January 1st (or from whatever date the registration first occurs) through December 31st of the calendar year, and shall be renewed annually.*

(g) *A valid registration will permit a maximum ninety (90) days of Type A and Type B rentals in each calendar year. Of these ninety (90) days of rentals, no more than thirty (30) days may be Type B rentals. On each lodging tax return form filed with the director of finance, the number of Type A and Type B rentals shall be listed.*

Section 6-603. Safety.

(a) *The unit shall have smoke alarms and carbon monoxide detectors meeting current Underwriters Laboratory standards installed as follows:*

- (1) *In all sleeping areas.*
- (2) *In every room in the path of the means of egress from the sleeping area to the door leading from the sleeping unit.*
- (3) *In each story within the sleeping unit, including basements.*

(b) *Any sleeping area must have one other adequate method of egress beyond the entrance point.*

(c) *As part of the registration process, the host shall certify that the homestay unit meets the requirements of this section. The registration forms shall also provide that, as part of the registration, the host is agreeing to permit inspections of the home (at reasonable times and after notice has been provided) to address complaints. The failure to permit such an inspection is grounds for registration suspension.*

Section 6-604. Use regulations.

(a) *No recreational vehicles, buses, or trailers shall be parked on the adjoining street or visible on the property in conjunction with the homestay use.*

(b) *The dates for trash and recycling collection shall be posted prominently in the homestay unit.*

(c) *During each stay at the homestay unit, a principal guest shall be designated as the contact person for town officials in the event of safety or behavioral issues at the unit. The host shall provide this information upon request to authorized town officials.*

(d) *The host shall not permit occupancy of a homestay unit for a period of less than twenty-four (24) hours.*

(e) *The name and telephone number of the host or the host's designee shall be conspicuously posted within the homestay unit. The host shall answer calls twenty-four (24) hours a day, seven (7) days a week for the duration of each short term rental to address any problems associated with the homestay unit.*

(f) *The principal guest of a homestay unit shall be at least eighteen (18) years of age.*

(g) *The maximum number of adult guests in a homestay unit is limited to six (6).*

Section 6-605. Registration suspension or cancellation.

(a) *A registration may be suspended or cancelled for the following reasons:*

(i) *Failure to collect and/or remit the transient occupancy tax.*

(ii) *Three or more substantiated complaints (including, but not limited to, parking on grass, noise, excess trash) within a twelve (12) month period.*

(iii) *The failure of any homestay host to maintain his or her principal place of residence or domicile at the dwelling unit used as a limited residential lodging.*

(b) *Before any suspension or cancellation can be effective, a duly designated officer of the town shall give written notice to the homestay host. The notice of suspension or cancellation issued under the provisions of this chapter shall contain:*

(i) *A description of the violations constituting the basis of the suspension or cancellation;*

(ii) *If applicable, a statement of acts necessary to correct the violation; and*

(iii) *A statement that if no request for a hearing is made within ten days from the date of the notice, the registration will be suspended or cancelled;*

(c) *The notice shall be given to the host by delivering a copy of the notice in person. If the host cannot be found, such notice shall be sent by (i) certified mail or e-mail to the addresses in the registration form and (ii) a copy of the notice shall be posted in a conspicuous place on the premises.*

(d) *If requested, a hearing shall be held before a deputy town manager or the deputy manager's designee. It is the burden of the host to demonstrate, by a preponderance of the evidence, why the suspension or cancellation should not go into effect. The decision of the deputy town manager or designee may be appealed to the town council.*

Section 6-606. Penalty.

It shall be unlawful to operate a homestay without registering as required by this article, after a registration has been suspended or cancelled or in violation of any other requirement of this article; the penalty shall be a fine of one thousand dollars (\$1,000.00) per occurrence.

2. That Sections 22-500 and 22-501 of the Town Code are amended and reordained, as follows:

Section 22-500. Transient lodging tax imposed; amount.

There is hereby levied and imposed on each transient obtaining lodging or the use of space at any hotel, *or other place offering lodging to transients*, a tax equal to seven (7) percent of the total amount paid for such lodging or the use of space by or for any such transient.

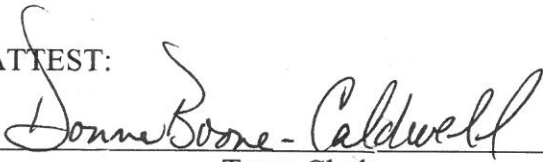
Section 22-501. Collection from transients.

The transient lodging tax shall be collected by the hotel, *or any other place offering lodging to transients*, from the transient or from the person paying for the room rental, at the time payment for the room rental is made. The taxes required to be collected under this article shall be deemed to be held in trust until they are remitted to the director of finance. As used in this article, "*transient*" means any person who, for any period of not more than ninety (90) consecutive days, either at his or her own expense or at the expense of another, obtains lodging at any hotel or place offering lodging.

3. That this ordinance shall be effective upon its adoption.




Mayor

ATTEST:


Town Clerk

1st Reading: November 8, 2016

2nd Reading & Adoption: December 13, 2016

APPROVED AS TO LEGAL SUFFICIENCY:


Town Attorney