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S.204

Introduced by Senators Lyons, Sirotkin, and Ayer

Referred to Committee on Economic Development, Housing and General
Affairs

Date: January 3, 2018

Subject: Health; food and lodging establishments; short-term rentals

Statement of purpose of bill as introduced: This bill proposes to require the
registration of short-term rentals and that registrants of short-term rentals self-
certify compliance with certain health and safety provisions.

An act relating to the registration of short-term rentals

It is hereby enacted by the General Assembly of the State of Vermont:

~~Sec. 1. 18 V.S.A. chapter 85 is amended to read:~~

~~CHAPTER 85. FOOD AND LODGING ESTABLISHMENTS~~

~~* * *~~

~~Subchapter 7. Short-Term Rentals~~

~~§ 4466. REGISTRATION OF SHORT-TERM RENTALS~~

~~(a) A person shall not operate or maintain a short-term rental unless he or
she registers with the Department and obtains and holds a valid certificate of
compliance.~~

1 ~~(b) Prior to offering for rent a short-term rental, a person shall register with~~
2 ~~the Commissioner by completing forms published by the Department and~~
3 ~~paying a registration fee as provided in section 4469 of this title.~~

4 (c) A person registering shall certify on the registration forms published by
5 the Department that the short-term rental is in compliance with the following
6 provisions:

7 (1) The unit is in compliance with relevant State and local fire, life
8 safety, and zoning laws and rules.

9 (2) Each guest room is free of any evidence of insects, rodents, and
10 other pests.

11 (3) All water from a nonpublic water supply system meets Vermont's
12 water supply rules.

13 (4) All sewage is disposed of through an approved facility, including
14 either:

15 (A) a public sewage treatment plant; or

16 (B) an individual sewage disposal system that is constructed,
17 maintained, and operated according to the Department of Environmental
18 Conservation's rules, and otherwise meets all applicable sanitation
19 requirements.

20 (5) All occupancy taxes on the short-term rental unit required pursuant
21 to 32 V.S.A. chapter 225 are paid in a timely manner.

1 ~~(d)(1) The prospective registrant shall submit a registration application to~~
2 ~~the Department no fewer than 14 calendar days prior to offering a short-term~~
3 ~~rental for occupancy.~~

4 ~~(2) The Department shall award an initial certificate of compliance~~
5 ~~upon receipt of the applicant's completed registration application and~~
6 ~~registration fee. The certification of compliance shall state that the registrant~~
7 ~~has self-certified compliance with health and safety laws and regulations and~~
8 ~~that the Department has not licensed or inspected the property.~~

9 ~~(e) All certificates of compliance shall be displayed in a manner so as to be~~
10 ~~easily viewed by the public.~~

11 ~~(f) Any prospective registrant aggrieved by a decision of the Department~~
12 ~~may appeal to the Board of Health pursuant to subsection 4351(e) of this title.~~

13 § 4467. TERM; CERTIFICATE OF COMPLIANCE

14 A certificate of compliance shall expire one year after its date of issuance
15 and may be renewed upon the payment of a new registration fee if the
16 certificate holder is in good standing with the Department.

17 § 4468. INSPECTION

18 (a) The Commissioner may inspect through his or her duly authorized
19 officers, inspectors, agents, or assistants, at all reasonable times, a short term
20 rental and the registrant's records related to the short-term rental.

21 ~~(b) Whenever an inspection demonstrates that the short-term rental is not~~

1 ~~operated in accordance with the provisions of this chapter, the officer,~~
2 ~~inspector, agent, or assistant shall notify the registrant of the conditions found~~
3 ~~and shall direct necessary changes.~~

4 § 4469. FEES; REGISTRATION

5 The following fee shall be paid to the Department at the time of registration
6 or registration renewal:

7 Short-term rental — \$130.00.

8 § 4470. ENFORCEMENT

9 (a) If a person is found to be in violation of this subchapter, the
10 Commissioner shall issue a written notice and an order requiring both
11 abatement of the violation and compliance with this subchapter within a
12 reasonable period of time.

13 (b) A person upon whom the notice and order are served shall have an
14 opportunity for a hearing at which he or she may show cause for vacating or
15 amending the order. If it appears that the provisions of this chapter have not
16 been violated, the Commissioner shall immediately vacate the order without
17 prejudice. Conversely, if it appears that the provisions of this chapter have
18 been violated and the person fails to comply with the order issued by the
19 Commissioner, the Commissioner shall revoke, modify, or suspend the
20 person's certificate of compliance or enforce a civil penalty pursuant to section
21 4509 of this title, or both.

1 ~~Sec. 2. EDUCATIONAL MATERIALS; SHORT TERM RENTALS~~

2 ~~The Commissioner of Health shall prepare and publish on the Department's~~
3 ~~website educational materials for short-term rental registrants, including~~
4 ~~information regarding liability insurance.~~

5 Sec. 3. EFFECTIVE DATE

6 ~~This act shall take effect on July 1, 2018.~~

Sec. 1. 18 V.S.A. chapter 85 is amended to read:

CHAPTER 85. FOOD AND LODGING ESTABLISHMENTS

** * **

Subchapter 7. Short-Term Rentals

§ 4466. REGISTRATION OF SHORT-TERM RENTALS

(a) After January 1, 2019, a person shall not operate or maintain a short-term rental unless he or she registers with the Department and obtains and holds a valid certificate of compliance.

(b) Prior to offering for rent a short-term rental, a person shall register with the Commissioner by completing forms published by the Department and paying a registration fee as provided in section 4470 of this title.

(c) A person registering shall certify on the registration forms published by the Department that the short-term rental is in compliance with the following provisions:

(1) The unit does not have any known violations of relevant State and local fire, life safety, and zoning laws and rules and has all smoke and carbon monoxide detectors as required by 9 V.S.A. chapter 77.

(2) Each guest room is free of any evidence of insects, rodents, and other pests.

(3) If the unit utilizes water from a nonpublic water supply system, it does not have any known violations of Vermont's water supply rules.

(4) All sewage is disposed of through an approved facility, including either:

(A) a public sewage treatment plant; or

(B) an individual sewage disposal system that does not have any known violations of the Department of Environmental Conservation's rules and other applicable sanitation requirements.

(5) The registrant of the short-term rental is aware of his or her responsibility for the rooms tax described pursuant to 32 V.S.A. chapter 225 and other applicable local taxes and that failure to pay these taxes may result in suspension or revocation of the registrant's certificate of compliance.

(d)(1) The prospective registrant shall submit a registration application to the Department not fewer than 14 calendar days prior to offering a short-term rental for occupancy, except for those reservations established prior to January 1, 2019.

(2) The Department shall award an initial certificate of compliance upon receipt of the applicant's completed registration application and registration fee. The certificate of compliance shall state that the registrant has self-certified compliance with health and safety laws and regulations pursuant to subsection (c) of this section and that the Department has not licensed or inspected the property.

(e) Any prospective registrant aggrieved by a decision of the Department may appeal to the Board of Health pursuant to subsection 4351(e) of this title.

§ 4467. TERM; CERTIFICATE OF COMPLIANCE

A certificate of compliance shall expire one year after its date of issuance and may be renewed, if the certificate holder is in good standing with the Department, upon the payment of a new registration fee and the filing of a new self-certification registration form pursuant to subsection 4466(c) of this title.

§ 4468. ADVERTISEMENT ON INTERNET-BASED PLATFORMS

A short-term rental registrant shall not advertise on an Internet-based platform without posting publicly on the platform the registrant's certificate of compliance number issued by the Department.

§ 4469. INSPECTION

(a) The Commissioner may inspect through his or her duly authorized officers, inspectors, agents, or assistants, at all reasonable times, a short-term rental and the registrant's records related to the short-term rental.

(b) Whenever an inspection demonstrates that the short-term rental is not operated in accordance with the provisions of this chapter, the officer, inspector, agent, or assistant shall notify the registrant of the conditions found and shall direct necessary changes.

(c) Nothing in this section shall be construed to supersede the authority

and responsibilities of the Division of Fire Safety. The Division's Executive Director shall inform the Commissioner in a timely manner of any enforcement actions that the Division has taken against the registrant of a short-term rental.

§ 4470. FEES; REGISTRATION

At the time of registration or registration renewal, a short-term rental unit registrant shall pay to the Department fifty percent of the fee required pursuant to subdivision 4353(a)(2)(I).

§ 4471. ENFORCEMENT

(a) If a person is found to be in violation of this subchapter, the Commissioner shall issue a written notice and an order requiring both abatement of the violation and compliance with this subchapter within a reasonable period of time.

(b) A person upon whom the notice and order are served shall have an opportunity for a hearing at which he or she may show cause for vacating or amending the order. If it appears that the provisions of this chapter have not been violated, the Commissioner shall immediately vacate the order without prejudice. Conversely, if it appears that the provisions of this chapter have been violated and the person fails to comply with the order issued by the Commissioner, the Commissioner shall revoke, modify, or suspend the person's certificate of compliance or enforce a civil penalty pursuant to section 4309 of this title, or both.

§ 4472. MUNICIPAL AUTHORIZATION

A town, city, or incorporated village may use its ordinance authority to provide for more stringent health and safety regulations than those provided in this subchapter.

Sec. 2. EDUCATIONAL MATERIALS; SHORT-TERM RENTALS

(a) The Commissioner of Health shall prepare and publish on the Department's website educational materials for short-term rental registrants, including an explanation of all the requirements in 18 V.S.A. chapter 85, subchapter 7 and information regarding the importance of and coverage options for liability insurance.

(b) As used in this section, "short-term rental" shall have the same meaning as in 18 V.S.A. § 4301.

Sec. 3. REPORTS

(a) The Commissioner of Health shall submit the following written reports to the House Committees on Commerce and Economic Development and on

Human Services and to the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare:

(1) on or before September 1, 2018 and on or before January 1, 2019, a report detailing the Department's progress in preparing for implementation of 18 V.S.A. chapter 85, subchapter 7; and

(2) on or before January 1, 2020, a report identifying any gaps or weaknesses related to the regulation of short-term rentals pursuant to 18 V.S.A. chapter 85, subchapter 7, data related to the number of registered short-term rental units and the collection of taxes, and any recommendations for legislative action.

(b) In preparing the reports required pursuant to subsection (a) of this section, the Commissioner shall consult with and accept written comments from the following:

(1) the Commissioner of Tourism and Marketing or designee;

(2) the Commissioner of Taxes or designee;

(3) the Executive Director of the Department of Public Safety's Division of Fire Safety;

(4) the Vermont Chamber of Commerce;

(5) the Vermont Inn and Bed and Breakfast Association;

(6) one or more owners of short-term rentals in Vermont;

(7) one or more representatives of an online short-term rental property platform operating in Vermont; and

(8) one or more Vermonters with significant experience using an online short-term rental property platform to rent short-term rentals.

(c) As used in this section, "short-term rental" shall have the same meaning as in 18 V.S.A. § 4301.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2018.