

Sec. 1. 32 V.S.A. chapter 225 is amended to read:

CHAPTER 225. MEALS AND ROOMS TAX

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§ 9202. DEFINITIONS

The following words, terms, and phrases when used in this chapter shall have the meanings ascribed to them in this section unless the context clearly indicates a different meaning:

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(3) “Hotel” means an establishment ~~which~~ that holds itself out to the public by offering sleeping accommodations for a consideration, whether or not the major portion of its operating receipts is derived therefrom and whether or not the sleeping accommodations are offered to the public by the owner or proprietor or lessee, sublessee, mortgagee, licensee, or any other person or the agent of any of the foregoing. The term includes inns, motels, tourist homes and cabins, ski dormitories, ski lodges, lodging homes, rooming houses, furnished-room houses, boarding houses, short-term rentals as defined pursuant to 18 V.S.A. § 4301, and private clubs, as well as any building or structure or part thereof to the extent to which any such building or structure or part thereof in fact is held out to the public by offering sleeping accommodations for a consideration. The term shall not include the following:

(A) a hospital, licensed under 18 V.S.A. chapter 43 or a nursing home, residential care home, assisted living residence, home for the terminally ill, therapeutic community residence as defined pursuant to 33 V.S.A. chapter 71, or independent living facility;

(B) any establishment operated by any state or U.S. agency or institution, except the Department of Forests, Parks and Recreation of the State of Vermont;

(C) an establishment operated by a nonprofit corporation or association organized and operated exclusively for religious, charitable, or educational purposes, one or more, which, in furtherance of any of the purposes for which it was organized, operates a hotel as defined herein; and

(D) a continuing care retirement community certified under 8 V.S.A. chapter 151.

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#### § 9271. LICENSES REQUIRED

(a) Each operator prior to commencing business shall register with the Commissioner each place of business within the State where he or she operates a hotel or sells taxable meals or alcoholic beverages; provided, however, that an operator who sells taxable meals through a vending machine shall not be required to hold a license for each individual machine. Upon receipt of an application in such form and containing such information as the Commissioner may require for the proper administration of this chapter, the Commissioner shall issue without charge a license for each ~~such~~ place in such form as he or she may determine, attesting that ~~such~~ the registration has been made. No person shall engage in serving taxable meals or alcoholic beverages or renting hotel rooms without the license provided in this section. The license shall be nonassignable and nontransferable and shall be surrendered to the Commissioner if the business is sold or transferred or if the registrant ceases to do business at the place named.

(b) Each application shall indicate the category of establishment for which a license is sought. If a hotel license is sought, the application shall specify whether the establishment is a short-term rental.

(c) An operator submitting an application for a short-term rental shall certify on the application 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) The unit is free of any evidence of insects, rodents, and other pests.

(3) If the unit uses 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) Any advertisement for the short-term rental contains the operator's tax identification number provided by the Department.

(6) There is posted within the unit a telephone number for the person responsible for the unit and the contact information for the Attorney General's Consumer Assistance Program.

## Sec. 2. EDUCATIONAL MATERIALS; SHORT-TERM RENTALS

(a) The Commissioners of Health and of Taxes and the Executive Director of the Department of Public Safety's Division of Fire Safety shall jointly prepare and publish on the website of the Department of Taxes educational materials for short-term rental operators, including:

(1) an explanation of the requirements in 32 V.S.A. chapter 225;

(2) a description of health and safety precautions that short-term rental operators are advised to take; and

(3) 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. EFFECTIVE DATE

This act shall take effect on January 1, 2019.