

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 667

Short Title: Regulation of Short-Term Rentals. (Public)

Sponsors: Senators Moffitt and Hanig (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 10, 2023

A BILL TO BE ENTITLED

AN ACT TO LIMIT THE REGULATION OF SHORT-TERM RENTALS BY LOCAL GOVERNMENTS TO PROTECT PRIVATE PROPERTY RIGHTS AND TO ESTABLISH GUIDELINES FOR REGULATING SHORT-TERM RENTALS.

Whereas, Section 1 of Article I of the North Carolina Constitution provides that "...all persons are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, the enjoyment of the fruits of their own labor, and the pursuit of happiness."; and

Whereas, Section 19 of Article I of the North Carolina Constitution provides that "[n]o person shall be taken, imprisoned, or disseized of his freehold, liberties, or privileges, or outlawed, or exiled, or in any manner deprived of his life, liberty, or property, but by the law of the land."; and

Whereas, Section 1 of Article VII of the North Carolina Constitution provides that the General Assembly "shall provide for the organization and government and the fixing of boundaries of counties, cities and towns, and other governmental subdivisions, and, except as otherwise prohibited by this Constitution, may give such powers and duties to counties, cities and towns, and other governmental subdivisions as it may deem advisable."; and

Whereas, North Carolina has 100 counties and 532 municipalities; and

Whereas, short-term rentals are vital to the tourism and marketability of the State; and

Whereas, short-term rentals provide housing options for transitory workers, including nurses, tradespeople, and executives; and

Whereas, local governments often frustrate tourism and infringe on property owners' private property rights by adopting ordinances that inhibit property owners' right to use their property as they see fit; and

Whereas, it is in the best interest of the State to establish uniform guidelines for short-term rentals; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Article 21 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-499.6. Regulation of short-term rentals.

(a) No city may adopt or enforce an ordinance, rule, or regulation that does any of the following:

(1) Prohibits the use of residential property as a short-term rental.

(2) Prohibits the use of accessory dwelling units as short-term rentals.

(3) Limits the number of nights a property can be rented as a short-term rental.



- 1 (4) Requires the owner of the short-term rental to occupy the property for any
2 period of time during a rental to an occupant.
3 (5) Classifies short-term rentals as a commercial use.
4 (6) Limits the operation of a short-term rental marketplace.
5 (b) A city may adopt an ordinance, rule, or regulation that regulates short-term rentals
6 by:
7 (1) Requiring a lodging operator to obtain a permit to operate a short-term rental
8 within the city's corporate limits. The city may revoke the permit if the
9 short-term rental incurs five health and safety violations within a 12-month
10 rolling period; provided, however, the city shall, prior to revoking the permit,
11 give the lodging operator an opportunity to contest the alleged violations and,
12 if found to exist, an opportunity to remedy the violations. The city may charge
13 a one-time fee of not more than twenty-five dollars (\$25.00) for each permit
14 issued and may charge an additional fee of not more than twenty-five dollars
15 (\$25.00) to reinstate a permit that has expired or been revoked.
16 (2) As part of the permitting process authorized under subdivision (1) of this
17 subsection, limiting the number of occupants allowed to stay in a short-term
18 rental. The city may consider State and local building code standards and
19 septic tank capacity in determining the number of occupants under this
20 subdivision.
21 (3) As part of the permitting process authorized under subdivision (1) of this
22 subsection, restricting the number of occupant vehicles to one vehicle per
23 bedroom.
24 (4) Restricting the location of short-term rentals to areas of the city that have been
25 zoned for residential use, and requiring that the property remains in
26 compliance with all applicable residential zoning requirements.
27 (5) Requiring that short-term rentals comply with all applicable city ordinances
28 and codes, including building codes and housing codes.
29 (6) Requiring that all contracts for short-term rentals include a copy of any city
30 ordinances that regulate noise, waste removal, and parking or, in the
31 alternative, that the lodging operator provides to the occupants a written
32 summary of city ordinances that regulate noise, waste removal, and parking.
33 (7) Prohibiting the use of short-term rentals for any purpose other than that which
34 is allowed in hotels, motels, and inns without the property owner's prior
35 approval, which shall be evidenced by a written agreement between the
36 lodging operator and the occupant.
37 (8) Requiring a lodging operator or authorized agent of a lodging operator be
38 within a 50-mile radius of a short-term rental during the time that an occupant
39 is staying in a short-term rental.
40 (c) Unless the context indicates otherwise, the following definitions shall apply in this
41 section:
42 (1) Lodging operator. – A person who rents a short-term rental to an occupant
43 using a short-term rental marketplace.
44 (2) Short-term rental. – All of the following that are offered to the public for a fee
45 and for a period of 90 days or less: (i) an individually or collectively owned
46 single-family house or dwelling unit; (ii) a unit in a condominium, timeshare,
47 townhome, or accessory dwelling unit; and (iii) an owner-occupied residential
48 home. The term does not include any of the following:
49 a. A collective group of units in a complex of condominiums owned by
50 a single owner, corporation, or related owner that is non-owner
51 occupied and is used in a similar manner as a hotel, motel, or an

- 1 extended stay inn if the complex of condominiums is not required to
2 adhere to the same building standards and regulations as hotels,
3 motels, and extended stay inns.
4 b. A unit that is used for a retail business or as a restaurant, banquet space,
5 event center, or a similar purpose.
6 (3) Short-term rental marketplace. – A platform through which a lodging
7 operator, or the lodging operator's authorized agent, offers a short-term rental
8 to an occupant."

9 **SECTION 2.** This act is effective when it becomes law.