2/12/2018

ORDINANCE AMENDING CHAPTER 100 (LAND DEVELOPMENT), CHAPTER 144 (TAXATION) , AND CHAPTER A171 (FEES) OF THE TOWN OF GROTTOES CODE

WHEREAS, the Town of Grottoes previously enacted Chapter 100 (Land Development), Chapter 144 (Taxation) and Chapter A171 (Fees) of the Town of Grottoes Code; and

WHEREAS, the Town of Grottoes desires to amend Chapter 100 of the Town Code to provide for short-term rentals of property in Zoning Districts R-1, R-2 and R-3 by Special Use Permit and establish a registry for short-term rental of property; amend Chapter 144 (Taxation) of the Town Code to require business licenses for short-term rental property and transient occupancy taxes; and amend Chapter A171 to include fees for business licenses for short-term rentals and transient occupancy taxes.

WHEREAS, the Town has determined it is in its best interest to amend Chapter 100, Chapter 144 and Chapter A171.

NOW THEREFORE, be it ordained by the Town Council of Grottoes, Virginia, that Chapter 100, Chapter 144 and Chapter A171 are hereby amended as follows:

1. **Chapter 100 Land Development, Article II, Terminology, § 100-7** is hereby amended to add the following definitions:

> "'Short-term rental' means the provision of a room or space that is suitable or intended for occupancy for dwelling, sleeping, or lodging purposes, for a period of fewer than 15 consecutive days, in exchange for a charge for the occupancy."

2. **Chapter 100 Land Development, Article VI, Low-Density Residential District R-1, § 100-22, Conditional uses,** is hereby amended to add a new paragraph C which reads as follows:

> "C. Short-term rental."

3. **Chapter 100 Land Development, Article VII, Residential District R-2, § 100-26, Conditional uses**, is hereby amended to add a new paragraph G which reads as follows:

> "G. Short-term rental."

4. **Chapter 100 Land Development, Article VIII, Residential Limited District R-3, § 100-30, Conditional uses,** is hereby amended to add a new paragraph D which reads as follows:

> "D. Short-term rental."

5. **Chapter 100 Land Development, Article XXVII, Short-term Rentals.** A new Article XXVII, Short-term Rentals is hereby added to Chapter 100 which reads as follows:

"Short-Term Rentals

All short-term rentals shall be subject to the following conditions, which conditions shall be approved by the Zoning Administrator, in the Zoning Administrator's sole discretion, and which conditions the Zoning Administrator shall have the authority to enforce, in addition to any other enforcement mechanism in this Code:

(1) The owner(s) of any dwelling shall apply for a Town of Grottoes Business License pursuant to the terms of Chapter 144, Taxation, of the Town Code, prior to using the dwelling as a short-term rental.

(2) Prior to using the dwelling as a short-term rental, the owner(s) shall obtain a conditional use permit pursuant to the terms of Article XXI herein. Owner(s) shall not be required to submit a site plan as detailed in § 100-108.C.(1); however, owner(s) shall provide any documentation requested by the Zoning Administrator detailing the proposed use of the property including, but not limited to, the area(s), or rooms of the property to be utilized for short-term rental.

(3) Prior to using the dwelling as a short-term rental, a property management plan demonstrating how the short-term rental will be managed and how the impact on neighboring properties will be minimized shall be submitted for review and approval by the Zoning Administrator. The plan shall include local points of contact available to respond immediately to complaints, clean up garbage, manage unruly tenants and utility issues, etc. It shall also be posted in a visible location in the short-term rental. The contact numbers shall be provided to Town staff, public safety officials and, if applicable the HOA/POA of the subdivision. The plan must be provided as part of the rental contract.

(4) Maximum number of occupants shall be determined by the Zoning Administrator.

(5) Parking for the short-term rental shall be located in driveways or other designated and approved parking areas. Parking of vehicles is prohibited in or along all rights-of-way.

(6) Upon application for a business license, the Rockingham County Building Official may do a life safety inspection of the short-term rental.

(7) The owner(s) of the short-term rental shall post in a conspicuous place an emergency evacuation plan for the dwelling and the neighborhood.

(8) The owner(s) of the short-term rental property shall be obligated to pay transient occupancy taxes on the short-term rental as more particularly detailed in Chapter 144, Article VIII of the Town Code.

(9) Failure to comply with these supplemental regulations will result in violation of the Town of Grottoes Zoning Ordinance.

(10) Pursuant to Virginia Code § 15.2-983, as amended from time to time, all owners of short-term rental properties, except those individuals listed in Virginia Code § 15.2-983.B.2, shall be required to register the use of the property as a short-term rental with the Zoning Administrator. The owner(s) shall be required to provide the complete name of the owner(s) and the address of each property in the locality offered for short-term rental by the owner. The Town shall be entitled to collect a registration fee at the time of registration as more particularly detailed in Chapter A171 of this Code. Failure to comply with this paragraph will result in a $500 penalty per property per violation. Until such time that the owner(s) pays the penalty and registers such property, the owner(s) may not continue to offer such property for short-term rental. Upon repeated violations of this registry requirement as it relates to a specific property, an owner(s) may be prohibited from registering and offering that property for short-term rental. In addition, any owner(s) required to register a short-term rental property may be prohibited from offering a specific property for short-term rental in the Town upon multiple violations on more than three occasions of applicable state and local laws, ordinances, and regulations, as they relate to the short-term rental."

~~**Chapter A171 Fees, § A171-1.C.** A new paragraph C.(5) is hereby added to § A171-1 which reads as follows:~~

~~"(5) Short-term Rental Registration Fee $_____~~

7. **Chapter 144 Taxation, Part 3, License Taxes, Article IV, Occupations, § 144-28, Financial real estate and other professional services.** A new section C. is hereby added to § 144-28 which reads as follows:

"C. Every person engaging in Short-term Rentals as defined in Chapter 100 Land Development, Article II, Terminology, § 100-7 of this Code in the Town of Grottoes shall pay for the privilege an annual license tax as set forth in Chapter A171, Fees."

8. **Chapter 144 Taxation, Part 4, Additional Taxes.** A new Article VIII, Transient Occupancy Taxes, is hereby added to Chapter 144 Taxation, Part 4, Additional Taxes, which reads as follows:

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"ARTICLE VIII
Transient Occupancy Taxes

§ 144-63. Tax imposed.

A transient occupancy tax is hereby levied on all short-term rentals as defined in Chapter 100 Land Development, Article II, Terminology, § 100-7, located within the boundaries of the Town of Grottoes, Virginia, at the rate set forth in Chapter A171, Fees.

§ 144-64. Collection by Owner.

Every person receiving any payments for short-term rentals with respect to which a tax is levied hereunder shall collect and remit the amount of the tax imposed by this article from the person on whom the same is levied or from the person paying for such short-term rental at the time payment for such short-term rental is made. All tax collection shall be deemed to be held in trust for the Town.

§ 144-65. Report of taxes collected; remittance; preservation of records.

A. It shall be the duty of every person required by this article to pay to the Town the taxes imposed by this article to make a report thereof setting forth such information as the Treasurer may prescribe and require, including all purchases taxable under this article, the amount charged to the purchaser for each such purchase, the date thereof the taxes collected thereon and the amount of tax required to be collected by this article.

B. Reports and tax payments shall be made monthly on or before the following 15th of the month.

C. Further, such person shall maintain records supporting the reports required by Subsection A of this section. Such records shall be kept and preserved for a period of five years. The Treasurer or his duly authorized agents shall have the power to examine such records at reasonable times and without unreasonable interference with the business of such person, for the purpose of administering and enforcing the provisions of this article, and to make transcripts of all or any parts thereof.

§ 144-66. Interest.

If any person shall fail or refuse to remit to the Treasurer the tax required to be collected and paid within the time and in the amount specified in this chapter, there shall be added to such tax by the Treasurer a penalty of five percent (5%). Interest shall accrue on taxes that remain due and delinquent for a period of one month from the date same are due and payable, at the rate of one and one-half percent (1.5%) per month.

§ 144-67. Violations and penalties.

A. Any person willfully failing or refusing to file a return as required under this article shall, upon conviction thereof, be guilty of a Class 1 misdemeanor except that any person failing to file such a return shall be guilty of a Class 3 misdemeanor if the amount of tax lawfully assessed in connection with the return is $1,000 or less. Any person violating or failing to comply with any other provision of this article shall be guilty of a Class 1 misdemeanor.

B. Except as provided in Subsection A above, any corporate or partnership officer, as defined in Virginia Code § 58.1-3906, or any other person required to collect, account for, or pay over the transient occupancy tax imposed under this article, who willfully fails to collect or truthfully account for or pay over such tax, or who willfully evades or attempts to evade such tax or payment thereof, shall, in addition to any other penalties imposed by law, be guilty of a Class 1 misdemeanor.

C. Each violation of or failure to comply with this article shall constitute a separate offense. Conviction of any such violation shall not relieve any person from the payment, collection or remittance of the tax as provided in this article.

§ 144-68. Rules and regulations.

The Treasurer is authorized, but not required, to adopt rules and regulations not inconsistent with the provisions of this article for the purpose of carrying out and enforcing the payment, collection, and remittance of the tax levied by this article. A copy of those rules and regulations shall be on file and available for public examination in the Treasurer's office. Failure or refusal to comply with any rules and regulations promulgated under this section shall be deemed a violation of this article.

9. **Chapter A171 Fees, § A171-1.G.** A new paragraph G.(22) is hereby added to § A171-1 which reads as follows:

"(22) A rate of 2.0% on the amount charged for the occupancy of any short-term rental."

10. Except as modified herein, the Code of the Town of Grottoes remains in full force and effect. This modification to the Code shall be effective immediately upon its adoption.

ADOPTED by the Town Council of the Town of Grottoes this 12 day of February, 2018.

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Emily Holloway, Mayor

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Tara Morris, Clerk of Council

Approved this ____ day of _____, 201__

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Emily Holloway, Mayor