



TOWN OF **OCEAN CITY**

The White Marlin Capital of the World

Agenda Item # 10.B
Council Meeting January 5, 2026

TO: The Honorable Mayor, Council President and Members of Council
FROM: Terence J. McGean, PE, City Manager
RE: Short Term Rentals in R-1 and MH Zoning Districts
DATE: December 30, 2025

ISSUE(S): Short Term Rentals in single family neighborhoods (R-1 and MH Zoning Districts)

SUMMARY: There is currently a moratorium on the issuance of new short term rental licenses in R-1 and MH Zoning Districts. The purpose of the moratorium is to provide adequate time for the Mayor and City Council to deliberate on potential new regulations on the quantity, ownership, turnover, and operation of short term rentals in these districts. This agenda item will focus discussion on alternatives to manage the quantity and/or ownership of Short Term Rental Licenses in these districts.

Alternatives to manage the quantity of licenses include:

1. **Phase Out:** A permanent ban on the issuance of any new STR licenses in the R-1/MH Districts. Existing licenses would remain valid. Licenses would not be transferable and would not run with the property. If a license is not renewed or the property is sold, the license is terminated. Over time the number of STR licenses is reduced to zero.
2. **Freeze:** A permanent freeze on the number of STR licenses in the R-1/MH Districts equal to the existing number of licenses. Existing licenses would remain valid. Licenses would not be transferable and would not run with the property. New license applications would be placed on a waiting list and awarded on a first come first served basis when a property with an existing license is sold or not renewed.
3. **Cap:** Establish a maximum number of licenses available in R-1/MH Districts that would be more than the existing number. Existing licenses would remain valid. The additional licenses would be available via a lottery. Licenses would not be transferable and would not run with the property. New license applications would be placed on a waiting list and awarded via a lottery drawing when a property with an existing license is sold or not renewed.

Alternatives to manage ownership of STR licenses include:

1. Prohibit **corporate** or multi-partner investors from obtaining an STR License
2. Limiting the **number** of STRs a single person or entity can own in an R-1/MH
3. Only allow **Ocean City residents** to obtain STR licenses in R-1 or MH Districts

FISCAL IMPACT: Varies depending on the selected alternatives.

RECOMMENDATION: Discuss the alternatives presented, agree on a course of action, and direct the staff to develop the appropriate ordinances.



More Livable Community for Residents

ALTERNATIVES: As indicated

RESPONSIBLE STAFF: City Manager Terry McGean
Deputy City Manager JR Harmon
Planning and Community Development Director George
Bendler
License Inspector Lori Calloway

COORDINATED WITH: Legal Counsel Heather Stansbury
Legal Counsel Maureen Howarth

ATTACHMENT(S): 1. STR Jan 5 PPT.pdf
2. Folly Beach Cap Ordinance.pdf

Neighborhood Short Term Rental Part 1

Discussion of Actions to Manage the Number or Ownership
of Short Term Rentals in R-1 and/or MH Neighborhoods

Types of Potential Regulation of STRs in R-1 and/or MH

- Regulations to manage the quantity of STRs - Today
- Regulations to manage the ownership of STRs – Today
- Regulations to manage turnover of STRs – Future
- Regulations to manage the operation of STRs - Future

Actions to manage the quantity of short term rentals in R-1/MH

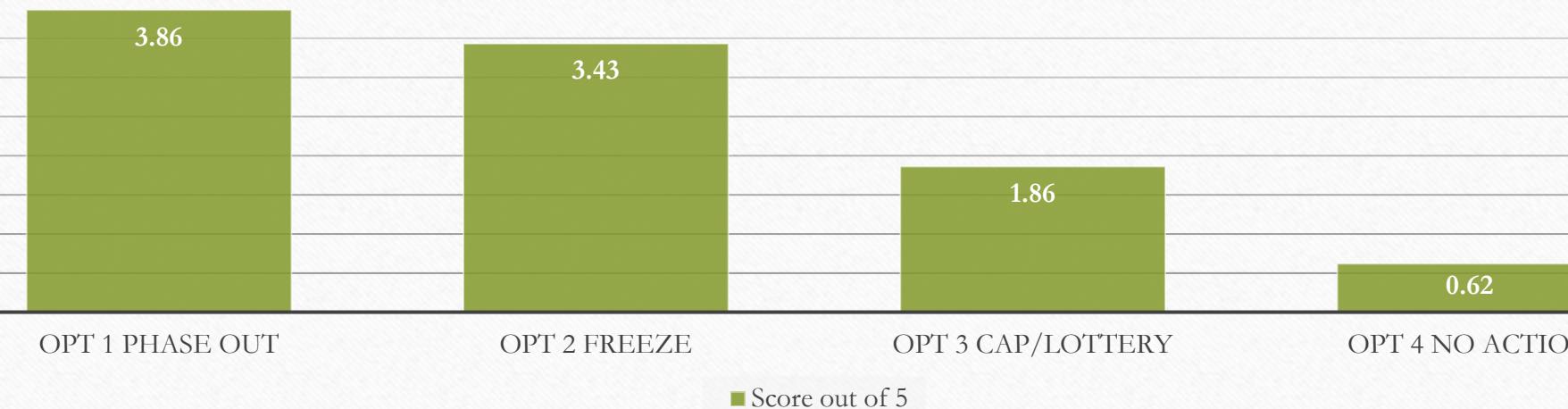
Since Covid, the number of rental licenses issued in R-1 and MH communities has grown by almost 36% over the past five years. There is a concern that as real estate turns over more properties in these zones may be purchased as investment properties with the specific goal of operating as an STR versus a residence. The result would be a loss of neighborhood character and prices that displace those wishing to become year-round residents. Other coastal/resort communities have faced the same dilemma and have passed ordinances that either eliminate STRs altogether from residential districts or, limit the number of STR licenses available in those districts

Survey Options

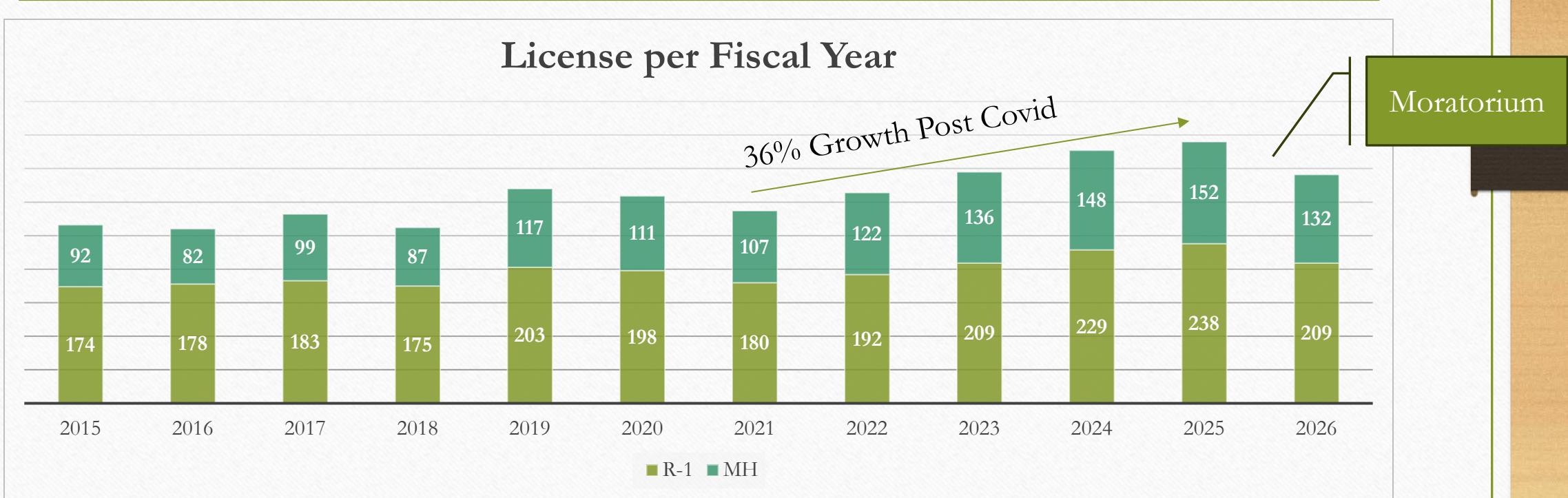
- **Opt 1 (Phase Out)** A permanent ban on the issuance of any new STR licenses in the R-1/MH Districts. Existing licenses would remain valid. Licenses would not be transferable and would not run with the property. If a license is not renewed or the property is sold, the license is terminated. Over time the number of STR licenses is reduced to zero.
- **Opt 2 (Freeze)** A permanent cap the number of STR licenses in the R-1/MH Districts. Existing licenses would remain valid. Licenses would not be transferable and would not run with the property. New license applications would be placed on a waiting list and awarded on a first come first served basis when a property with an existing license is sold or not renewed
- **Opt 3(Cap)** Establish a maximum number of licenses available in R-1/MH Districts that would be more than the existing number. Existing licenses would remain valid. The additional licenses would be available via a lottery. Licenses would not be transferable and would not run with the property. New license applications would be placed on a waiting list and awarded via a lottery drawing when a property with an existing license is sold or not renewed. (New Orleans Model)
- **Opt 4(None)** Take no action to limit the number of STR in R-1/MH Districts

Poll Results

Options to limit the number of STRs in R-1 and MH

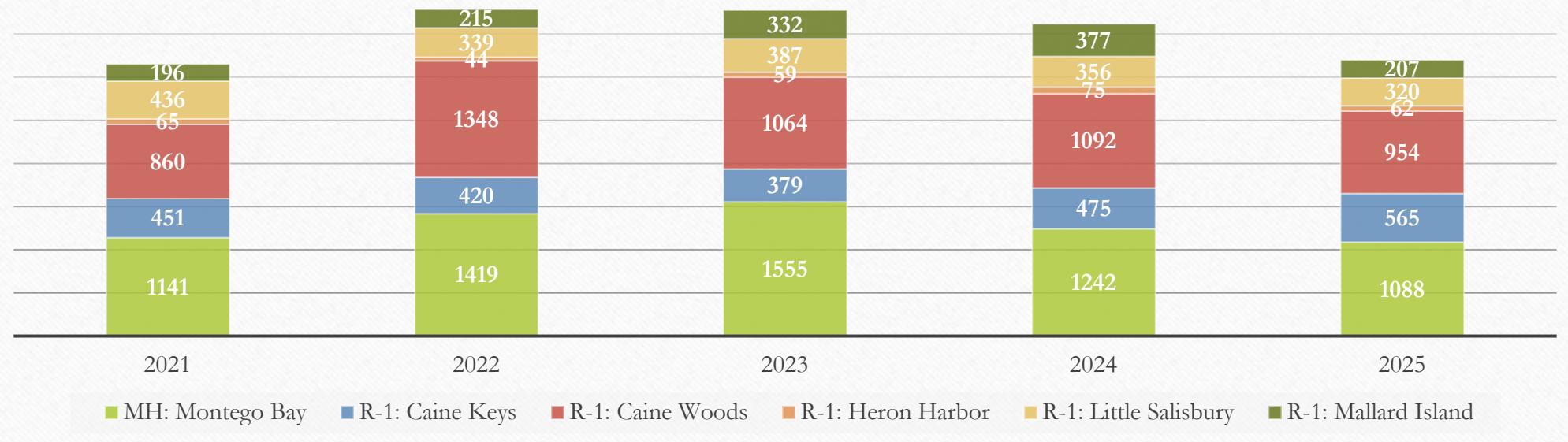


Rental License Trends

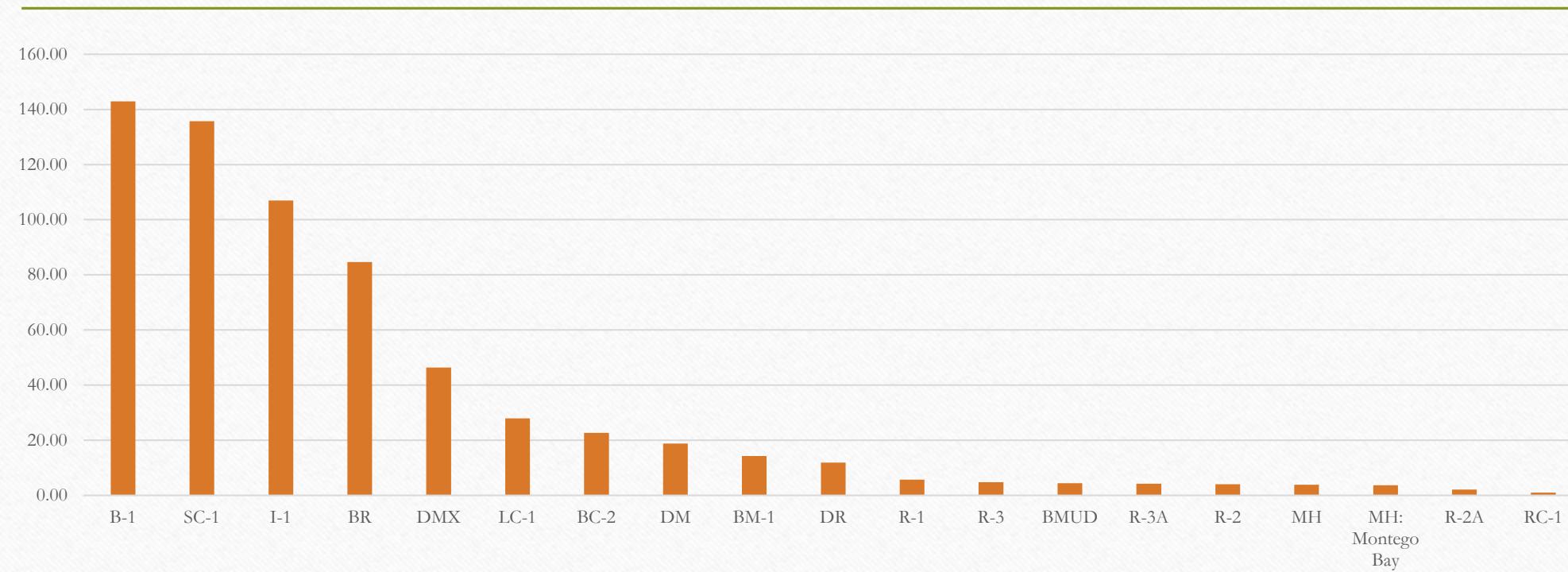


Total Call for Service R-1/MH

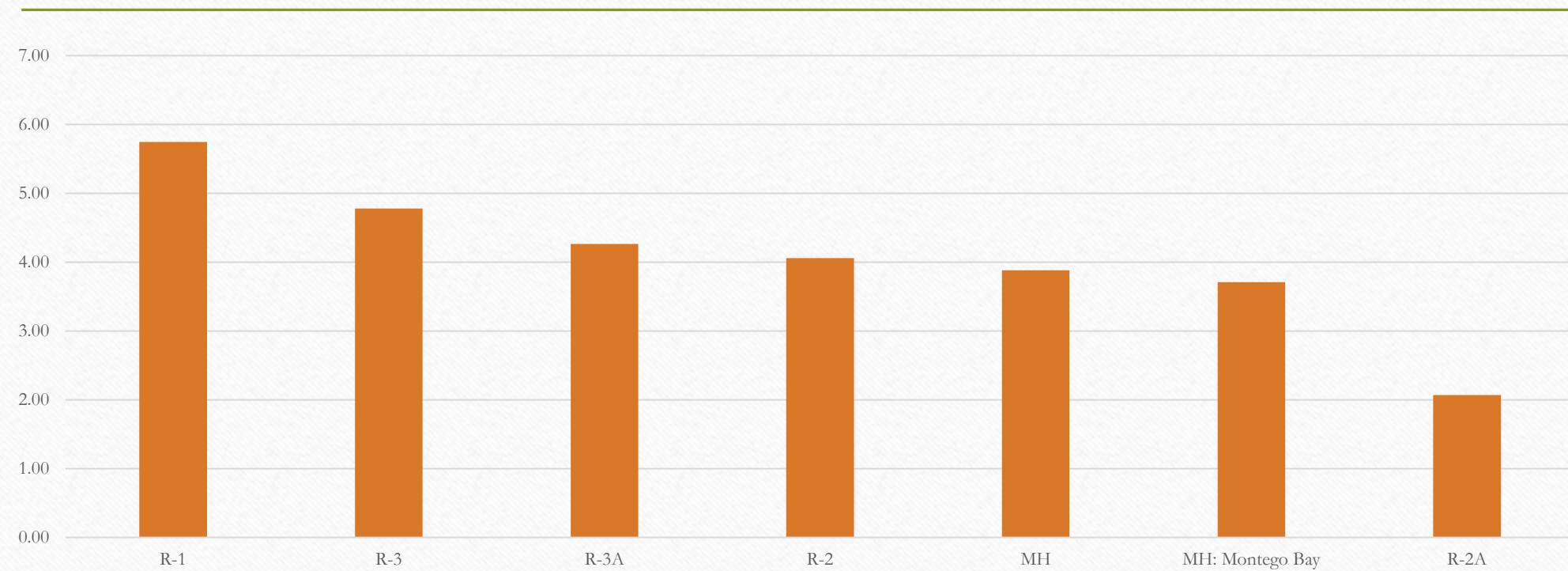
Calls for Service have been flat/decreased



Total CFS per Property All Zones



Total CFS per Property Residential Zones



STR License Cap Options

Zone	Improved Lots	Current Licenses	Current %	10% Cap	12% Cap	15% Cap
R-1	1,778	200	11.3%	178	213	267
MH	1,975	131	6.6%	198	237	296
Total	3,753	331	8.8%	375	450	563

Break for Discussion

- **Opt 1 (Phase Out)** A permanent ban on the issuance of any new STR licenses in the R-1/MH Districts. Existing licenses would remain valid. Licenses would not be transferable and would not run with the property. If a license is not renewed or the property is sold, the license is terminated. Over time the number of STR licenses is reduced to zero.
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- **Opt 4(None)** Take no action to limit the number of STR in R-1/MH Districts

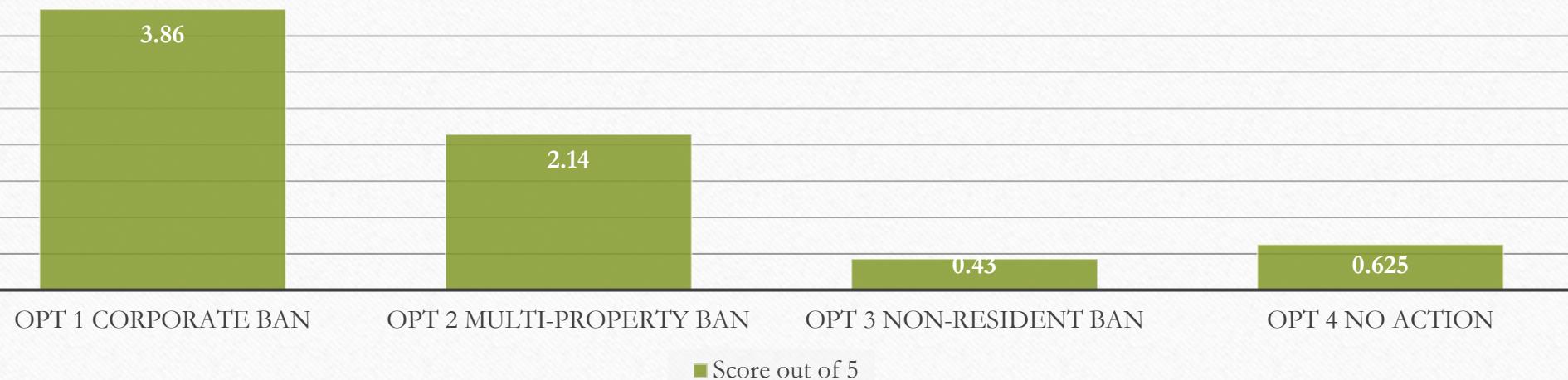
Actions to Manage the Ownership of STR Licenses in R-1/MH Neighborhoods

Survey Options

- **Option 1 (Corporate Ban)** Prohibit corporate or multi-partner investors from obtaining an STR License (Nantucket).
- **Option 2 (Multi-property Ban)** Limit the number of STRs a single person or entity can own in an R-1/MH
- **Option 3 (Non Resident Ban)** Only owners with Ocean City homestead credit can receive STR License in R-1/MH.
- **Option 4 (None)** Take no action regarding ownership of STR licenses in R-1/MH
- * For options 1-3 will also need to consider grandfathering of existing license holders

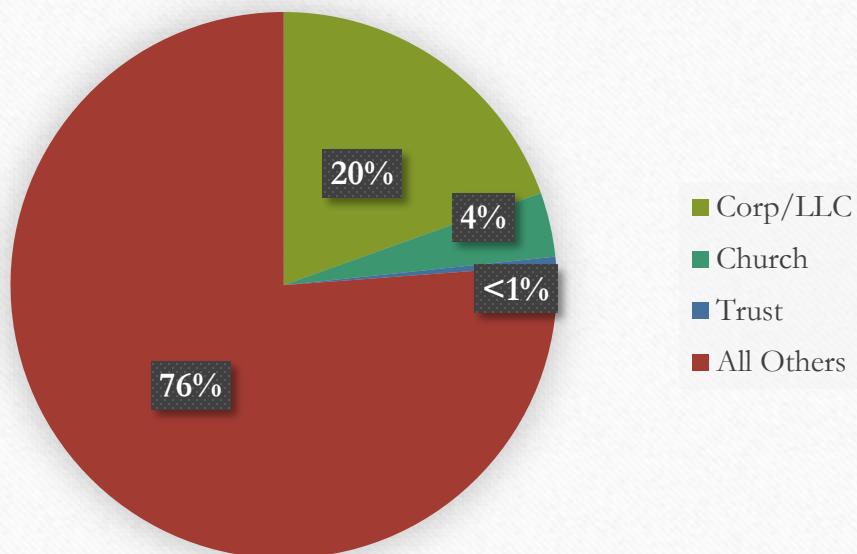
Poll Results

Options to limit the number of STRs in R-1 and MH

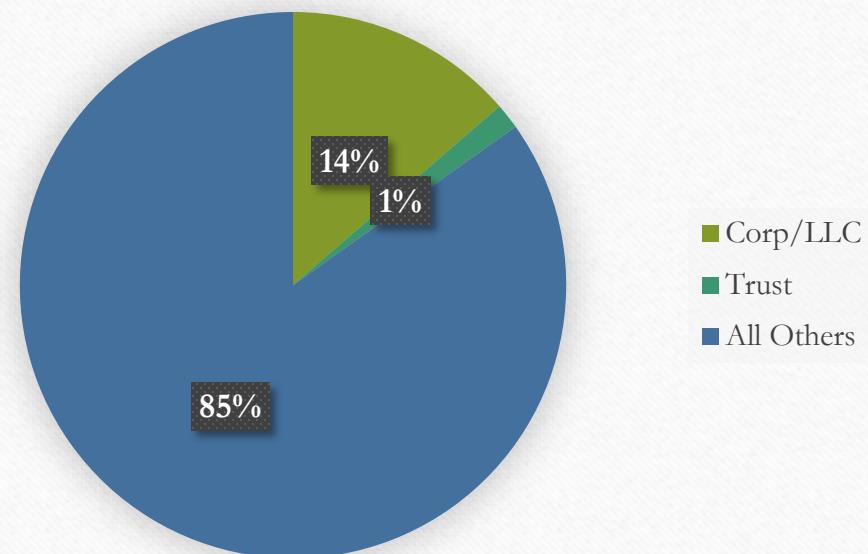


STR Form Of Ownership

R-1 License Holders

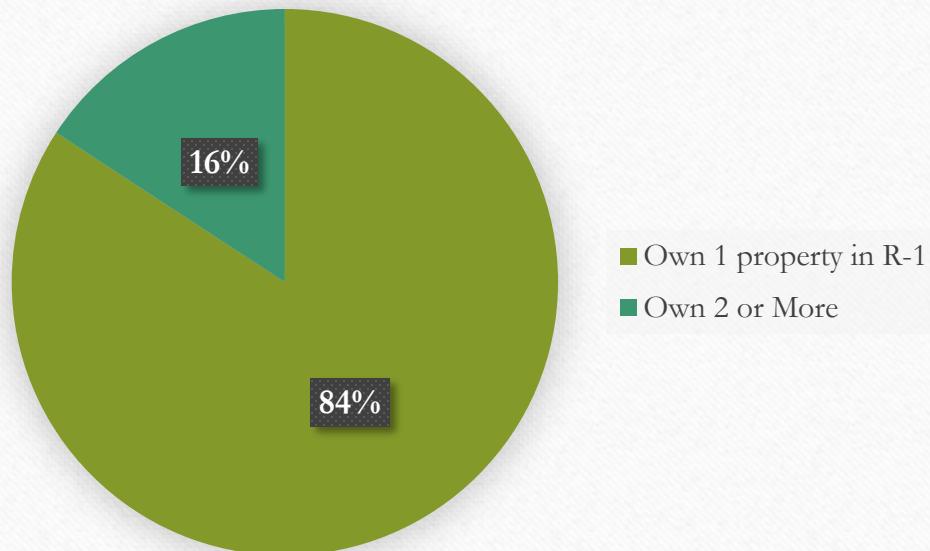


MH License Holders

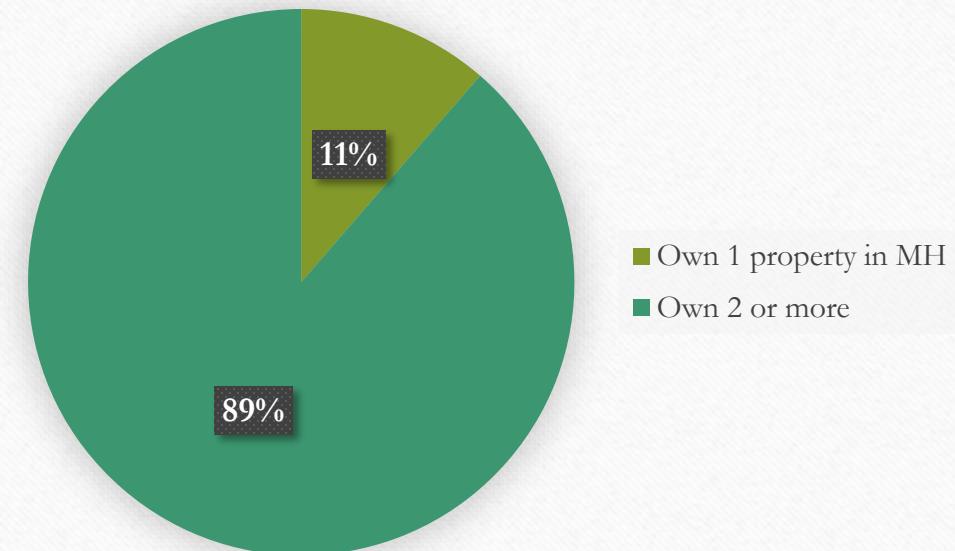


Multi Owner STR Properties

R-1 Ownership

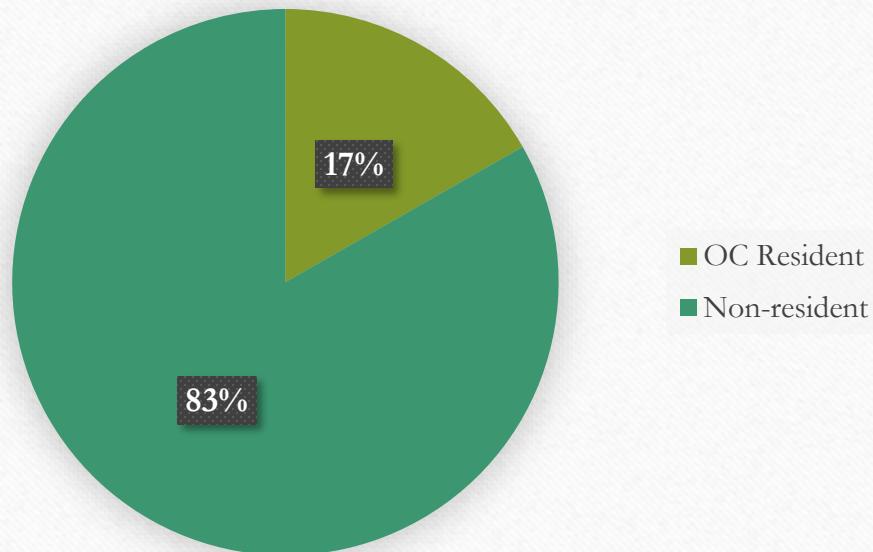


MH Ownership

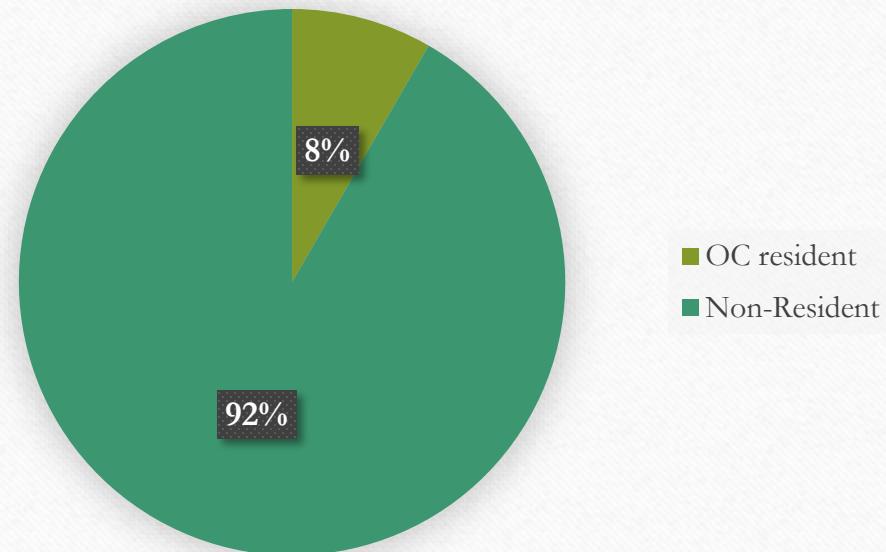


STRs Owned By OC Residents

R-1 Ownership



MH Ownership



Other Examples

Food for Thought

Virginia Beach Overlay District

- New STRs only allowed in Overlay Districts
 - Done by neighborhood
 - Requires petition signed by 75% of property owners in neighborhood to request STR overlay
- Existing STRs grandfathered
- Additional regulations apply in overlay districts
 - Stricter Parking requirements
 - No events
 - Max 1 rental contract per 7 consecutive days

Folly Beach ISTR Program

- Folly Beach South Carolina established two types of STR license
 - Investment Short Term Rental License (ISTR) not the legal residence of the owner
 - Owner Occupied Short Term Rental (OSTR) is the legal residence of the owner and does not contain a separate dwelling unit.
- ISTR – Caps the number of licenses and establishes a wait list
 - Cap was LESS than existing total but existing were grandfathered
 - Wait list does not exist until grandfathered are reduced below the cap
 - Licenses do not transfer except in case of death
- OSTR – No limit on number of licenses



CITY OF FOLLY BEACH

1st Reading: February 13th, 2024,
2nd Reading: February 20th 2024

Introduced by: Mayor Goodwin
Date: February 13th, 2024

ORDINANCE 001-24

AN ORDINANCE AMENDING THE FOLLY BEACH CODE OF ORDINANCES CHAPTER 117 (SHORT TERM RENTALS) BY AMENDING THE DEFINITION OF INVESTMENT SHORT-TERM RENTAL TO ALLOW INHERITANCE AND HARSHSHIP LICENSES, ADDING A PROVISIONAL LICENSE TO COMPLY WITH THE SOUTH CAROLINA VACATION RENTAL MANAGEMENT ACT, ESTABLISHING AN ANNUAL MINIMUM NUMBER OF NIGHTS RENTED TO MAINTAIN GOOD STANDING, ESTABLISHING A 10-BUSINESS DAY GRACE PERIOD FOR RENEWALS OF SHORT-TERM RENTAL LICENSES AND CLARIFYING THAT ADVERTISING MORE BEDROOMS TO BE RENTED THAN ARE APPROVED IS A VIOLATION OF RENTAL REGULATIONS.

The City Council of Folly Beach, South Carolina, duly assembled, hereby ordains that the Folly Beach Code of Ordinance be amended as follows:

NOTE: Deleted material struck through, new material shown in red,

§ 117.01 PURPOSE, APPLICABILITY, AND DEFINITIONS.

(A) The purpose of this chapter is to regulate the ~~use of residential~~ licensing of dwelling units as short term rentals in order to:

- (1) Protect the integrity of the city's neighborhoods and the quality of life of its citizens;
- (2) Establish a system to track the short term rental inventory in the city;
- (3) To protect the health and safety of occupants of short term rental units;
- (4) To ensure a level playing field for individuals in the short term rental market; and
- (5) To protect the residential character of the ~~residential districts~~ of dwelling units within the city.

(B) The following definitions apply:

DESTINATION CLUBS. Destination or private vacation clubs ("destination clubs") are classified as private and/or exclusive membership organizations or commercial businesses primarily engaged in providing short term overnight accommodations and related services for its club members with non-ownership interest who seek alternative options to standard vacation home rentals. **DESTINATION CLUBS** typically own or lease properties from the owners on a long term basis, provide those properties in a variety of locations to its members on a short term basis, and model a membership access structure where its members purchase membership levels

granting access to properties and personalized services. Properties offered by destination clubs to a member for less than 30 days are considered short term rentals whether the destination club is an owner of record or a lessee. All references to "owners" in this chapter apply to destination clubs.

DWELLING UNIT. A structure, or portion thereof, providing complete living facilities for a single family including a complete kitchen. One structure may contain multiple dwelling units with different property tax classifications.

GOOD STANDING. A license shall be considered in good standing if:

(A) The license has not been denied, revoked, or suspended in the current license year. A license which has been denied, revoked, or suspended in the current license year shall not be renewed except upon successful appeal of the denial, revocation, or suspension.

(B) The license has not expired. A license shall be deemed expired ten (10) business days after the final day of the previous business license year.

(C) The dwelling unit for which the license was issued has been rented for a minimum of twenty-eight (28) nights in the current business license year except that the minimum nights rented shall be waived in the event that:

- (1) A natural disaster or other Act of God renders the dwelling unit uninhabitable for a period of more than six months in the current business license year, or
- (2) Work related to valid building permit, carried out to address life, safety, or health violations documented by the Building Official renders the dwelling unit uninhabitable for a period of more than six months in the current business license year.

HOUSE EXCHANGE PROGRAMS. The occasional occupancy of a residential occupancy assessed by Charleston County at a 4% property tax rate by someone other than the owner of the residence while the owner is temporarily absent from the residence, and no monetary compensation is paid to the owners for such occupancy. **HOUSE EXCHANGE PROGRAMS** are not short term rentals.

INVESTMENT SHORT TERM RENTAL BUSINESS LICENSE (ISTR). A license issued for a dwelling unit, to be rented as a short term rental, that: ~~a dwelling unit that is not the legal residence of the owner to be used as a short term rental~~.

- (A) Is not the legal residence of the owner; or
- (B) Is not the legal residence of the owner and was inherited from the person named as of record on February 7, 2023; or
 - (1) Proof of inheritance shall be shown through a deed of distribution, court order, will or similar document.
 - (2) Application for an ISTR due to inheritance must be made within ninety (90) days of transfer of ownership.
- (C) Is owned by the owner of record on February 7, 2023 upon certification that the owner no longer resides on the premises and is housed in a care facility, or requires care at another private location; or is no longer capable of performing at least three activities of daily living.

(1) Activities of daily living are defined as personal hygiene tasks (bathing, grooming, oral, nail and hair care); medication management; walking independently; dressing; transferring in and out of bed; and maintaining continence.

(2) Certification that an owner can no longer perform activities of daily living shall be provided on a form approved by the city and completed by a licensed medical doctor, Doctor of Osteopathic medicine, physician assistant, or advanced practice registered nurse.

(3) Proof of care shall be through a lease agreement or similar document, or a contract for in home care.

(4) Certification for an ISTR issued due to medical hardship shall be submitted annually.

(5) No more than one ISTR may be obtained by any owner through hardship.

LEGAL RESIDENCE. A dwelling unit assigned a 4% property tax ratio by the Charleston County Assessor's Office under the requirements of S.C. Code § 12-43-220.

OWNER-OCCUPIED SHORT TERM RENTAL BUSINESS LICENSE (OSTR). A license issued for a dwelling unit to be rented no more than seventy two (72) nights annually that: ~~a dwelling unit that is the legal residence of the owner to be used as a short term rental.~~

(A) That is the legal residence of the owner.

(B) That is the legal residence of the owner but given a 6% property tax rate by Charleston County and is licensed after February 7, 2023.

PROVISIONAL SHORT TERM RENTAL LICENSE (PSTR). A license issued for a dwelling unit to be used as a short-term rental for no more than ninety (90) days to allow compliance with the requirements of the South Carolina Vacation Rental Act, specifically South Carolina Code § 27-50-250. A PSTR shall only be issued to the purchaser of an existing Short-Term Rental with ISTR or OSTR license in good standing, is valid only for rental contracts disclosed under the terms of the Act, and shall expire at the end of the last authorized rental period. All rental nights allowed by a PSTR shall count towards the seventy (72) rental nights allowed by an LSTR license should the dwelling become the legal residence of the owner.

RENTAL OCCUPANT. Any person who, in exchange for compensation paid, occupies a dwelling unit for less than 30 days.

SHORT TERM RENTALS. ~~Residential dwellings~~ A dwelling unit, or any portion thereof, rented for any period less than 30 days and used in a manner consistent with the residential character of the dwelling. Tourist accommodations, including hotels, motels, inns, and bed and breakfasts, are not considered **SHORT TERM RENTALS**.

TIME SHARES. "Vacation time sharing plans" as defined in S.C. Code § 27-32-10(9) are not short-term rentals. However, any "vacation time sharing lease plan" as defined in S.C. Code § 27-32-10(8) that is less than three years is considered a short term rental. "Vacation multiple ownership interests" as defined in S.C. Code § 27-32-250(1) are not short term rentals.

TRANSFER OF PROPERTY. An assessable transfer of interest in real estate triggering an appraisal and reassessment for taxation purposes as defined by SC Code 12-37-3150.

(Ord. 19-10, passed 9-28-10; Am Ord. 26-17, passed 1-9-18; Am. Ord. 027-22, passed 9-13-22; Am. Ord. 033-22, passed - -; Am. Ord. 003-23, passed 4-11-23)

§ 117.02 SHORT TERM RENTAL BUSINESS LICENSES.

(A) The city shall issue investment short term rental business licenses, and owner-occupied short term rental business licenses, and provisional short term rental business licenses.

(B) There will be no limit on the number of owner-occupied short term rental business licenses or provisional short term rental licenses issued.

(C) The maximum number of investment short term rental business licenses issued shall be 800, henceforth referred to as the cap.

(1) No new investment short term rental business licenses shall be issued unless the total number of investment short term rental business licenses are below the cap unless the ISTR license is issued due to hardship or after inheritance as defined in Section 117.01.

(2) Any existing investment short term rental business license issued prior to February 7, 2023 which remains in good standing may continue to be renewed annually, even if the number of investment short term rental business licenses exceeds the cap.

(3) A wait list will be established as soon as practical and maintained by the city. New licenses shall be offered to applicants according to procedures adopted by City Council.

(D) *Non-transferable.*

(1) Investment short term rental license wait list status terminates upon transfer of property and is non-transferable.

(2) Investment short term rental business licenses terminate upon transfer of property and are non-transferable.

(3) Owner-occupied short term rental business licenses terminate upon transfer of property and are non-transferable.

(4) Owner-occupied short term rental business licenses terminate upon loss of 4% property tax assessment status and are non-transferable.

(5) Provisional short term rental business licenses terminate ninety (90) days after the date of issuance or upon the completion of the last eligible rental period if earlier than ninety (90) days and are not transferrable.

(Ord. 033-22, passed - -; Am. Ord. 003-23, passed 4-11-23)

§ 117.03 LICENSE, REGISTRATION, AND TAX REQUIREMENTS.

Any owner wishing to operate a short term rental must maintain a current business license, comply with rental registration permit requirements, and make proper payment of local, county, and state taxes.

(A) *Business license.* A business license must be obtained and renewed annually by the submittal of a form and fee as established by the city for each residential dwelling unit or portion thereof offered as a short term rental.

(1) No business license shall be issued for the rental of a residential unit which is planned or under construction until a certificate of occupancy is issued for the unit. except that a license issued for the rental of an existing residential unit may be renewed, or a new license issued for the rental of a replacement unit on the same site, upon issuance of a new certificate of occupancy and satisfaction of all other requirements for short term rental licenses. The replacement unit

must be under the same ownership, contain the same or fewer heated square feet, and contain the same number or fewer bedrooms as the original structure.

- (2) A business license shall only be issued to owners of a residential unit. Lessees of residential dwelling units may not apply for a business license to rent the unit.
- (3) A designated agent may apply for a short term rental business license on behalf of an owner. An application for a business license submitted by a designated agent must provide the correct taxpayer identification and contact information for the owner including name, address, phone number, email, and any other information as required on the application form.
- (4) Failure to maintain good standing shall be considered grounds for denial of an application to renew an existing license
 - (a) To remain in good standing, an application to renew an existing license must be submitted no later than Ten (10) days after the final day of the previous business license year.
 - (b) To remain in good standing, a license must be used for at least twenty-eight (28) nights annually except when affected by natural disaster, Act of God, or critical repairs as defined in Section 117.01.

(B) *Rental registration permit.* A rental registration permit must be obtained and renewed annually by the submittal of a form and fee as established by the city for each residential dwelling unit or portion thereof offered as a short term rental.

- (1) *Annual registration.* The rental registration permit application shall be completed prior to June 1 of each year.
 - (a) No new business license to operate a short term rental shall be issued prior to the approval of a rental registration permit.
 - (b) Renewals of valid prior year business licenses shall be allowed prior to the approval of a rental registration permit. Failure to complete a rental registration permit application within 30 days of the business license renewal date shall be grounds for revocation of the license.
- (2) *Annual fee.* The fee for a rental registration permit shall be set by City Council and shall be reviewed periodically.
- (3) A rental registration permit shall only be issued to owners of a residential unit. Lessees of a residential dwelling unit may not apply for a rental registration permit.
- (4) A designated agent may apply for a rental registration permit on behalf of an owner. An application for a rental registration permit submitted by a designated agent must provide the correct taxpayer identification and contact information for the owner, including name, address, phone number, email, and any other information as required on the application form.
- (5) *Change in registered information.* The owner or designated agent of a rental dwelling already registered with the city shall re-register within 60 days after any change occurs in the registration information. There shall be no additional fee upon change of registration information except that a new owner of a registered dwelling, upon application for a new business license, shall re-register the dwelling and pay the appropriate fee within 60 days of assuming ownership.
- (6) *Information required.* Application for rental registration permit shall contain the following information:
 - (a) The street address of the rental dwelling unit;
 - (b) The unit number if applicable;
 - (c) The number of bedrooms in each rental dwelling unit;

(d) The number of parking spaces provided on site as well as a site plan showing the location of all on site parking spaces. One on site parking space must be provided for each bedroom being rented. This requirement shall not apply to:

1. New and renewed permits issued to residential units located in a multi-family housing development.
2. New and renewed permits issued to residential units approved by the city for resident only parking signs in the right-of-way.
3. Renewed permits issued to residential units with a valid business license and rental registration permit before September 13, 2022. Rental registration permits for such properties may be renewed without the required parking until such time as the ownership of the property changes.

(e) The maximum overnight occupancy of each rental dwelling unit, which shall not exceed two persons per bedroom, plus two additional people per rental dwelling unit, except as allowed under an exception under § [164.03-01\(C\)](#);

(f) The type of wastewater system (septic or sewer). If the property is serviced by a septic system, the owner must certify that the system is protected from parking;

(g) The name, mailing address, business phone number, personal phone number, and business address of the owner and local agent;

(h) The physical address and email address where the owner and local agent will accept notices and orders from the city and acknowledgment that service by U.S. Mail and/or transmission to the provided email addresses will constitute acceptable service of any notice, notice of violation, ordinance summons, or ticket;

(i) Certification that the owner has read applicable city ordinances, including, but not limited to, regulations regarding noise, trash, parking, alcohol on the beach, animals, litter, surfing, dune protection, sea turtles, smoking on the beach, requirements for special events, maximum occupancy, and golf carts;

(j) Certification that a copy of the parking diagram provided to the city for the property as well as a summary of applicable city ordinances, including, but not limited to, regulations regarding noise, trash, parking, alcohol on the beach, animals, litter, surfing, dune protection, sea turtles, smoking on the beach, requirements for special events, maximum occupancy, and golf carts is prominently posted within the residential dwelling unit to be rented;

(k) Certifications that tenants listed on any rental agreement shall receive a copy of the parking diagram provided to the city for the property as well as a summary of applicable city ordinances, including, but not limited to, regulations regarding noise, trash, parking, alcohol on the beach, animals, litter, surfing, dune protection, sea turtles, smoking on the beach, requirements for special events, maximum occupancy, and golf carts is prominently posted within the residential dwelling unit to be rented. The summary of applicable ordinances shall be in a form determined by the city, and made available to all owners of rental property;

(l) Proof of payment from the owner or designated agent for payment of local, county, and state taxes due on short term rental accommodations;

(m) Certification that the owner is aware that short term rental licensees shall be subject to strikes issued against the license when the owner, agent, occupant, or guest has been convicted of any violation of the requirements of this chapter or other city ordinances related to the use of the property as a short term rental, and that three strikes during any rolling twelve-month period can result in suspension, revocation, or non-renewal of the license;

(n) Certification by the owner verifying the presence of smoke alarms, carbon monoxide monitors, fire extinguishers, the number of bedrooms, the number of parking spaces, the provision of trash receptacles, the posting of address and house numbers, and posting of rules and regulations, and, if present, that sprinklers are operational; and

(o) Documentation in the form of Charleston County property records or a certificate of occupancy confirming the number of bedrooms offered for rent.

(7) *Designation of local agent.* The owner of a rental dwelling shall designate a responsible agent who shall be responsible for operating the rental dwelling in compliance with the law. Official notices may be served on the responsible local agent and/or the owner, and any notice served on the agent shall be deemed to have been served upon the owner of record.

(a) Nothing shall prevent the owner of rental property from designating himself or herself as the agent.

(b) Non owner agents must be licensed by the State of South Carolina as an attorney, real estate agent, broker in charge, or property manager. Employees under the direct supervision of attorneys, real estate agents, brokers in charge, or property managers licensed by the State of South Carolina may be designated as local agents.

(c) The agent shall be required to be able to physically respond to the site upon notification from the city within 60 minutes in case of emergency or need by the city for entry into the property.

(8) *More than one owner or ownership by entity.* Where more than one person has an ownership interest in a short term rental, the required information shall be provided for each owner. In those cases in which the owner is not a person, the information required shall be provided for the organization owning the rental dwelling, and for the president, general manager, or other chief executive officer of the organization.

(C) *Taxes.* Owners of short term rentals are subject to local, county, and state taxes, including, but not limited to, sales, use, and accommodations taxes, and are liable for the payment thereof as established by state law and the city code of ordinances.

(D) *Violations and penalties.*

(1) *Violations.* Violations of this chapter include but are not limited to:

(a) Operating a short term rental without complying with the requirements of this chapter and the city code of ordinances;

(b) Advertising a property as being available as a short term rental without first complying with the requirements of this chapter;

(c) Operating a short-term rental without a business license, registration permit, and accommodations tax account;

(d) Advertising a short-term rental without listing the business license number and rental registration permit number;

(e) Operating a short-term rental in such a manner that individual rooms are rented at the same time under separate rental contracts;

(f) Advertising a short term rental as being available for more overnight occupants, **or more than the number of bedrooms**, than have been permitted pursuant to this chapter;

(g) Expanding the allowable occupancy of a short term rental without obtaining a new permit;

(h) Advertising more short term rental units on a property than have been permitted pursuant to this chapter. For example, advertising a single-family dwelling as accommodating multiple short term rentals is not permitted;

- (i) Advertising a property as a short term rental or “event house” for events or parties with more than 25 people in attendance;
- (j) Offering a short-term rental in any zoning district for fewer than two consecutive nights;
- (k) Failure to post the business license number, rental registration permit number, allowable overnight occupancy, and city approved beach rules prominently within a rental unit;
- (l) Failure to obtain a rental registration permit within 30 days of renewing a business license, failure to provide accurate information for the registration of rental dwellings, failure to provide information required by the application form;
- (m) Failure to complete a new rental registration permit application within 60 days of a change in ownership;
- (n) Failure of the designated agent listed on the rental registration permit to respond physically to the site within 60 minutes of notification from the city of an emergency;
- (o) Failure to maintain, and provide to the city, any and all information required in § 117.02(A);
- (p) Failure to provide tenants listed on any rental agreement information as required under § 117.02(B);
- (q) Failure to inspect and repair a failed septic system as required under § 55.07;
- (r) Operating a business out of a short term rental or otherwise using a short term rental for non-residential use except for allowable home occupations, e-commerce, and remote work; and
- (s) Operating a short term rental that has received three strikes within any twelve-month rolling period.
 - 1. The number strikes shall be reset upon a change of ownership that results in no overlap with prior common ownership.
 - 2. For the purpose of determining the total number of strikes, all convictions stemming from violations occurring within a single rental contract period shall be considered one instance. In no case shall strikes exceed one per rental contract period.
 - 3. All strikes issued prior to the date of this section shall not be counted for the purposes of license revocation.

(2) *Penalties.* No permit may be issued or approved unless the requirements of this chapter, or any ordinance adopted pursuant to it, are complied with. A violation of this chapter may result in the following penalties:

- (a) Any person violating any provision of this chapter shall be deemed guilty of a civil offense and shall be subject to a fine of up to \$500 upon conviction. Each day of violation shall be considered a separate offense. Punishment for violations shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided for in this chapter.
- (b) Denial, revocation, suspension, or non-renewal of a business license pursuant to §§ 110.14 or 110.15 and in accordance with the appeal procedures set forth in § 110.16.
- (c) Revocation, suspension, or non-renewal of the short term rental business license, in accordance with the appeal procedures set forth in § 110.16, for three strikes during a rolling twelve-month period.
 - 1. The license will be assessed a strike when the owner, agent, occupant, or guest of the property has been convicted of any violation of the requirements of this chapter or any other city ordinances related to the use of the property as a short-term rental, including but not limited to

noise, trash, parking, litter, dune protection, animals at large, and sea turtle violations and when the registered agent of the property is given notice of the strike as set forth herein.

2. For the purpose of determining the total number of strikes, each strike issued upon conviction shall be considered in effect on the date of the original offense and all convictions related to offenses occurring within a single rental contract period shall be considered one strike. In no case shall strikes exceed one per rental contract period.

3. Strikes will re-set upon the transfer of the property.

4. The city will provide notice of each strike to the registered agent of the property as follows:

A. First strike: a description of the violation and resultant conviction, and a warning that progressive action shall be taken by the city in the case of further violations.

B. Second strike: a description of the violation and resultant conviction, and a warning that the city shall initiate revocation of the rental license in the case of further violations.

C. Third strike: a description of the violation and resultant conviction, and notice of the initiation of license revocation procedures.

(d) Any violation of a noise ordinance that occurs on the property will result in a notice that the owner is strongly encouraged to install noise monitoring.

(Ord. 19-10, passed 9-28-10; Am Ord. 26-17, passed 1-9-18; Am. Ord. 32-19, passed 11-12-19; Am. Ord. 033-21, passed 11-9-21; Am. Ord. 027-22, passed 9-13-22)

§ 117.04 ADDITIONAL REQUIREMENTS FOR SHORT TERM RENTALS.

(A) All owners and/or agents responsible for the leasing of short term rentals shall be required to keep the following for city inspection and copying for a period of one year:

(1) The name, address, and other contact information of each signatory on the rental agreement;

(2) A copy of the city approved rental regulations summary, signed by each signatory of the rental agreement.

(3) A document signed by the owner and/or agent responsible for renting the dwelling, certifying the number of persons intended to occupy the dwelling.

(4) The information required by this section shall be updated by the owner and/or agent for each rental to different tenants or occupants.

(B) The owner and/or agent shall provide the following for each person signing a rental agreement as a responsible party for a short term rental:

(1) The address of the short term rental and emergency contact numbers;

(2) The name and contact information for the owner or designated agent; and

(3) A copy of the parking diagram provided to the city for the property as well as a copy of the city's rules and regulations regarding noise, trash, parking, alcohol on the beach, animals, litter, surfing, dune protection, sea turtles, smoking on the beach, requirements for special events, maximum occupancy, and golf carts.

(C) Each residential dwelling unit may contain only one short term rental. Individual rooms in short term rentals may not be rented under separate contracts at the same time. For example, a single family home or individual multi-family unit may only be rented as a single short term rental under one contract.

(D) Any events held on the premises of a short term rental shall meet the following requirements:

(1) Must follow any applicable special event notification rules established by the city in § [153.05](#) for events on private property;

(2) Shall be subject to all applicable provisions of the noise regulations in §§ [131.30](#) through [131.35](#); and

(3) May not feature mobile food trucks, carts, or other outdoor retailers offering products for sale or in exchange for donations. Caterers are allowed at events on the premises of short term rentals.

(E) All special events held after October 11, 2022, on the premises of a short term rental shall meet the following requirements:

- (1) May not exceed 25 people; and
- (2) May not include outdoor amplified music, including bands, deejays, music broadcast through speakers and electronic musical instruments.
- (3) These requirements do not apply to events hosted by the owner of the property for which the owner is on site for the duration the event, the owner has completed the required special event notification, and for which no compensation has been paid for the event or the use of the house.

ADOPTED this 20th day of February 2024, at Folly Beach, South Carolina.

Ayes: 7 Nays: 0 Abstains: 0

ATTEST:

Municipal Clerk

Tim Goodwin, Mayor