

Note to Counties: This sample resolution is intended to be a starting point for counties and should be carefully reviewed with the county attorney to determine final regulations before approval of the county legislative body.

DRAFT RESOLUTION — SHORT-TERM RENTAL PERMITTING PROCESS (TCA § 13-7-601 et seq.)

A RESOLUTION OF THE COUNTY LEGISLATIVE BODY OF [] COUNTY, TENNESSEE, TO ESTABLISH A PERMITTING PROGRAM FOR SHORT-TERM RENTAL UNITS PURSUANT TO T.C.A. § 13-7-601 ET SEQ.

RECITALS

WHEREAS, the Tennessee General Assembly enacted the Short-Term Rental Unit Act, codified at T.C.A. § 13-7-601 et seq., providing uniform statewide rules for the regulation of short-term rental units and authorizing local permitting or application processes consistent with that Act; and

WHEREAS the County finds that a reasonable permitting process is necessary to protect public health, safety, and welfare while allowing lawful operation of short-term rental units; and

WHEREAS the County desires to adopt reasonable permitting standards, procedures for renewal, and enforcement mechanisms that comply with and do not conflict with T.C.A. § 13-7-601 et seq.;

NOW, THEREFORE, BE IT RESOLVED by the local governing body of _____ County, Tennessee, that the following Short-Term Rental Permitting Program is hereby adopted.

SECTION 1 — DEFINITIONS

For purposes of this Resolution, the applicable definitions in T.C.A. § 13-7-602 are included below.

1. “Local governing body” means the legislative body of a city, municipality, county, or other political subdivision of this state that has authority to enact a zoning ordinance, resolution, regulation, rule, or other requirement of any type regarding land use in its jurisdiction;
2. “Local Responsible Agent” means a person who is designated by the short-term rental provider or owner to manage the property and respond to issues related to the rental (this definition is not included in TCA 13-7-602);

3. “Property” means a tract of land as recorded with the register of deeds office of the county where the property is located;
4. “Provider” means any person engaged in renting a short-term rental unit and includes an owner of a residential unit that is made available through a vacation lodging service as that term is defined in § 62-13-104;
5. “Residential dwelling” means a cabin, house, or structure used or designed to be used as an abode or home of a person, family, or household, and includes a single-family dwelling, a portion of a single-family dwelling, or an individual residential dwelling in a multi-dwelling building, such as an apartment building, condominium, cooperative, or timeshare;
6. “Short-term rental unit” or “unit” means a residential dwelling that is rented wholly or partially for a fee for a period of less than thirty (30) continuous days and does not include a hotel as defined in § 68-14-302 or a bed and breakfast establishment or a bed and breakfast homestay as those terms are defined in § 68-14-502;
7. “Transferred” means:
 - a. An interest in real estate was conveyed on or after May 17, 2018; and
 - b. The conveyance is exempt from the recordation tax pursuant to § 67-4-409(a)(1)(C)(i)(a), (v), and (vii);
8. “Used as a short-term rental unit” means the property was held out to the public for use as a short-term rental unit, and:
 - a. For property that began being held out to the public for use as a short-term rental unit within the jurisdiction of a local governing body that required a permit to be issued or an application to be approved pursuant to an ordinance specifically governing short-term rental units prior to using the property as a short-term rental unit, a permit was issued or an application was approved by the local governing body for the property; or
 - b. For property that began being held out to the public for use as a short-term rental unit within the jurisdiction of a local governing body that did not require a permit to be issued or an application to be approved pursuant to an ordinance specifically governing short-term rental units, the provider remitted taxes due on renting the unit pursuant to title 67, chapter 6, part 5 for filing periods that cover at least six (6) months within the twelve-month period immediately preceding the later of:
 - i. May 17, 2018; or
 - ii. The effective date of an ordinance, resolution, regulation, rule, or other requirement by a local governing body having jurisdiction over the property requiring a permit or an application to be approved

pursuant to an ordinance specifically governing short-term rental units.

SECTION 2 — PERMIT REQUIRED

No person or entity shall operate a short-term rental (STR) unit within _____ County without a valid STR permit issued under this Resolution and the rules adopted by the County.

SECTION 3 — PERMIT APPLICATION, ISSUANCE, & RENEWAL

- 1. Application:** Applicants must submit a completed STR Permit Application to the _____ Office, located at _____, pay the required application fee, and provide: proof of property ownership or authorization, contact information for owner and local responsible agent (available 24/7), proof of required insurance, floor plan identifying number of bedrooms/bathrooms, onsite parking plan, and evidence of compliance with building, fire, and health codes. (if required by the county).
- 2. Business License:** A business license is required to obtain a short-term rental permit. Contact _____ County Clerk's Office for information about obtaining a business license.
- 3. Fees:** The initial application fee shall be \$_____ and the annual renewal fee shall be \$_____. Fees are intended to cover the cost of processing the application. [Note: Fees must be reasonable.]
- 4. Processing Time:** The designated county representative or committee will process the completed application within [_____] days. If additional information is needed, the County may place the application on hold and notify the applicant.
- 5. Issuance:** The permit is issued to the provider of the short-term rental unit.
- 6. Renewal:** STR permits are valid for one (1) year and may be renewed upon payment of the renewal fee and confirmation of continued compliance. Renewal applications shall be filed at least [_____] days before permit expiration.
- 7. Expiration and cancelation of permit:**
 1. A STR permit will expire one year after it is issued unless renewed.

2. A STR permit will be cancelled upon change in ownership.

SECTION 4 — STANDARDS, INSPECTIONS & LIMITS

1. **Occupancy:** Occupancy shall not exceed [X] persons per bedroom plus [Y] additional persons. (County should determine maximum number of occupants)
2. **Parking:** Each STR must provide at least [__] parking spaces per [unit / bedroom] and maintain adequate overflow parking provisions per local rules.
3. **Minimum Stay:** Minimum rental period shall be [24 hours / as determined].
4. **Safety Requirements:** STRs shall comply with all applicable building, electrical, plumbing, and fire safety codes; have working smoke detectors in each sleeping room and on each floor of the unit; have working carbon monoxide detectors within 10 feet of each sleeping room, on each floor, and near an attached garage as applicable; and shall maintain a posted emergency contact sheet and evacuation plan in the unit.
5. **Noise:** All occupants must comply with the applicable noise regulations of _____ County.
6. **Inspections:** The County may require an initial inspection prior to issuance and periodic inspections to verify compliance. Inspections shall be reasonable and scheduled with advance notice, except for documented emergencies.
7. **Provider or Local Responsible Agent:** The provider or local responsible agent shall be available to respond to emergencies 24 hours per day/7 days per week. Contact information for the provider or local responsible agent must be placed in a conspicuous place within the short-term rental unit. Contact information shall include the name, phone number, mailing address, and email address of the person or entity responsible for the unit.
8. **Taxes:** The permit holder is responsible for collecting and remitting all applicable occupancy and sales taxes as required by state and local laws.

SECTION 5 — TRANSFERABILITY & LEGACY RULE

1. **Legacy Clause:** Consistent with T.C.A. § 13-7-603, **any STR that was lawfully operating as an STR** (including, but not limited to, being in compliance with paying all state sales tax) under local regulations in effect at the time the property began being **used as an STR** shall be governed by those regulations until the property is sold or transferred, or the property is not used as an STR for thirty (30) continuous months, or the unit has violated applicable local laws three (3) or more separate times as provided in T.C.A. § 13-7-604. The County will maintain a register of legacy STRs.
2. As defined above in section 1, “used as a short-term rental unit” means the property was held out to the public for use as a short-term rental unit, and:
 - (A) For property that began being held out to the public for use as a short-term rental unit within the jurisdiction of a local governing body that required a permit to be issued or an application to be approved pursuant to an ordinance specifically governing short-term rental units prior to using the property as a short-term rental unit, a permit was issued or an application was approved by the local governing body for the property; or
 - (B) For property that began being held out to the public for use as a short-term rental unit within the jurisdiction of a local governing body **that did not require a permit to be issued or an application to be approved** pursuant to an ordinance specifically governing short-term rental units, **the provider remitted taxes due on renting the unit pursuant to title 67, chapter 6, part 5 for filing periods that cover at least six (6) months within the twelve-month period immediately preceding the later of:**
 - (i) **May 17, 2018; or**
 - (ii) The effective date of an ordinance, resolution, regulation, rule, or other requirement by a local governing body having jurisdiction over the property requiring a permit or an application to be approved pursuant to an ordinance specifically governing short-term rental units.
3. Any provider claiming legacy status must provide documentation showing proof that all state taxes were paid in accordance with Tenn. Code Ann. § 13-7-603 as of the date the unit began being used as a STR.
4. **Transferability:** Permits are non-transferable.

SECTION 6 — COMPLAINTS, VIOLATIONS, SUSPENSION & REVOCATION

1. **Complaints:** The County shall maintain a process for receiving and documenting complaints about STRs. Complainants must provide name/contact information. The County will notify the complainant that any false complaints made against a STR provider are punishable as perjury under Tenn. Code Ann. § 39-16-702.
2. **Notice & Opportunity to Cure:** For an alleged violation, the County shall provide written notice to the permit holder detailing the violation and allow a reasonable cure period of [__] days, except when immediate suspension is necessary to protect public health or safety.
3. **Suspension / Revocation:** The County may suspend or revoke a permit for repeated or serious violations (including noise, nuisance, occupancy, safety, failure to maintain required insurance, or tax noncompliance). Where suspension or revocation is sought, the permit holder shall be entitled to notice and a hearing under the County's hearing procedures (The county should develop and incorporate hearing procedures). The County may suspend use as an STR if the unit does not maintain a permit or approved application, consistent with T.C.A. § 13-7-604(b).

SECTION 7 — PENALTIES, ENFORCEMENT & TAXES

1. **Violations:** Violations of this resolution shall be subject to penalties as authorized by law.
2. **Taxes:** Nothing in this Resolution relieves STR providers from applicable state or local taxes (occupancy taxes, sales taxes, business taxes).

SECTION 8 — APPEALS

Decisions by the County to deny, suspend, or revoke a permit shall be appealable to the circuit or chancery court as provided in Tenn. Code Ann. § 13-7-604.

SECTION 9 — CONFLICT

If any part of this Resolution conflicts with state law, state law shall control.

SECTION 11 — EFFECTIVE DATE

This Resolution shall take effect upon its passage, except that the County shall publish notice of the effective date and allow a transitional period of [__] days for existing providers to apply for permits.

ADOPTED this __ day of _____, 20__ by the _____ County Legislative Body.

Approved:

Attested:

County Mayor

County Clerk

STATUTORY COMPLIANCE CHECKLIST (TCA § 13-7-601 *ET SEQ.*)

- Permitting Allowed:** T.C.A. § 13-7-604(b) expressly permits local governing bodies to authorize STRs through a reasonable permitting/application process and to suspend use when no permit is maintained. This Resolution adopts such a permitting process.
- Legacy Clause:** The Resolution acknowledges and preserves the legacy protection in T.C.A. § 13-7-603 for STRs lawfully operating under prior regulations.
- Objective Standards & Reasonableness:** All standards (occupancy, parking, safety, inspections, fees) are objective, nondiscriminatory, and directed at public health & safety, consistent with the Act's intent.