

Article 32: General Bylaw Amendment – Prohibitions Related To Short-Term Rental Of Residential Properties

To see if the Town will vote to amend the Truro General By-Laws, Chapter II, Licensing and Permits by deleting Section 1 in its entirety and replacing it with the following:

1. Prohibitions Related to Short-Term Rental of Residential Properties.
 - 1-1 Purpose and Intent. This bylaw is enacted pursuant to the Town's Home Rule Authority and the authority set forth in General Laws c. 64G, §14 and is intended to:
 - (1) provide for an orderly process for identifying, registering, and regulating Short-Term Rentals within the Town so as to ensure that such Short-Term Rentals do not create or cause any nuisance conditions within the Town.
 - (2) protect the time-honored tradition of home rentals in Truro and preserve economic opportunities through Short-Term Rentals for persons to keep their homes, now and into the future, so they may afford to live either full-time or part-time in Truro;
 - (3) avoid adverse impacts on the local economy stemming from a loss of existing Short Term Rental revenue, including rooms excise tax revenue, and visitor spending.
 - (4) prohibit additional corporate ownership and discourage investment-only ownership of residential properties for the exclusive purpose of operating them as Short-Term Rentals rather than housing for either full-time or part-time residences.
 - (5) reduce the neighborhood churn caused by numerous turnovers of occupancy of Short-Term Rentals in residential neighborhoods.
 - (6) limit the conversion of residential units to Short-Term Rentals which has had the deleterious effect of removing residential units from the available year-round rental housing stock.
 - 1-2 Definitions.

For purposes of this Chapter, the following terms shall have the definitions indicated.

“Corporation”. All businesses and charitable entities required to file Articles of Incorporation and Annual Reports with the Massachusetts Secretary of State or an equivalent agency of another state, pursuant to G.L. c. 156D, § 2 or G.L. c. 180, §4, respectively.

“Owner”. Any person who alone, or severally with others, has legal or equitable title or beneficial interest in any dwelling unit; a mortgagee in possession; or agent, trustee or person appointed by the courts. An Owner can be a single person, a marital unit, a group of people, LLC, or a Trust. The Owner may also be referred to as the operator, or the Host.

“Short-Term Rental”. The rental of a whole or a portion of a residential or secondary dwelling unit, in exchange for payment, as residential accommodations for not more than thirty consecutive days, excluding a Hotel, Motel, or Lodging House or Tourist Home for Transient Guests as defined in Massachusetts General Laws Chapter 64G

1-3 Prohibitions.

- 1-3-1 Registration Requirement. No dwelling unit or part thereof may be offered as a Short-Term Rental within the Town of Truro unless it is registered with the Select Board and in compliance with regulations issued by the Board of Health and is registered with the Commonwealth of Massachusetts Department of Revenue in accordance with applicable laws.
- 1-3-2 Intentionally Omitted
- 1-3-3 Corporate Ownership. Short-Term Rentals are prohibited in dwelling units owned by a Corporation. Short-Term Rentals are permitted in dwelling units owned by an LLC, Trust, or S Corporation only when every shareholder, partner, or member of the legal entity is a natural person, as established by documentation provided by the applicant at the time of registration.
- 1-3-4 Affordable Housing Dwelling Units. Short-Term Rentals are prohibited in dwelling units designated as affordable or otherwise income-restricted, which are subject to an affordability restriction or are otherwise subject to housing or rental assistance under local, state, or federal programs or law.
- 1-3-5 Time Share, Fractional and Interval Ownership Units. No Fractional Ownership, Interval or Time Share unit may engage in Short-Term Rental activities or be eligible to receive a Certificate of registration for such unit; except that this section shall not apply to the creation of mortgages, liens, easements or other similar interests encumbering the residential property as a whole to secure a loan or for any other legitimate purposes; and this section shall not apply to non-commercial groups, such as families, partnerships, associations, or trusts with divided interests or agreements in which the real estate is held and transferred within the family, partnership, association or trust, as opposed to sold in fractional or divided interests on the open market.
- 1-3-6 Protection for Existing Short-Term Rentals. Any person or other legal entity who holds a current Certificate of Registration on the effective date of this bylaw may

continue to engage in Short-Term Rentals in accordance with the existing Certificate of Registration, until the dwelling unit is transferred or conveyed, or the certificate of registration is not renewed. If a property is bequeathed to a person or other beneficiary through a will, the new owner may continue to engage in Short-Term Rental activities in accordance with this section.

- 1-4 Regulations and Fees. The Select Board may promulgate regulations to carry out and enforce the provisions of this bylaw and to regulate short-term and long-term rentals, and may set fees for the issuance of Certificates of Registration for Short-Term Rentals.
- 1-5 Penalties and Enforcement.
 - 1-5-1 Enforcement Options. Whoever violates any provision of this bylaw, or a regulation promulgated hereunder may be penalized by indictment or on complaint brought in the district court. The Town may seek to enjoin violations thereof through any lawful process, and the election of one remedy by the Town shall not preclude enforcement through any other lawful means.
 - 1-5-2 Non-Criminal Disposition. Whoever violates any provision of this bylaw, or a regulation promulgated hereunder may be penalized by a noncriminal disposition process as provided in Massachusetts General Laws, Chapter 40, section 21D and the Town's non-criminal disposition by-law (Chapter 2). If non-criminal disposition is elected, then any person who violates any provision of this bylaw or regulation shall be subject to a penalty in the amount of one hundred dollars (\$100) for the first offense; two hundred dollars (\$200) for the second offense; and three hundred dollars (\$300) for a third and subsequent offense. Each day or portion thereof shall constitute a separate offense. The Board of Health or its agent, or any police officer of the Town, shall be the enforcing authority.
 - 1-5-3 Suspension of Certificate of Registration. If a notice of violation of this bylaw or any regulation promulgated hereunder or other order is issued to the Owner of a dwelling unit operated as a Short-Term Rental by the Board of Health or its designee, after a Certificate of Registration is issued, the Board of Health, after a hearing, may suspend for a period of time determined by the Board of Health or revoke said Certificate of Registration until the violation has been cured or otherwise resolved. Multiple violations by any Owner may, at the discretion of the Board of Health and after a hearing, disqualify that Owner from obtaining a Certificate of Registration for a period of up to three years.
 - 1-5-4 Civil Penalty. In accordance with G.L. c. 64G, §14(v), the Town may assess a civil penalty not to exceed \$5,000 for any violation of this bylaw or a regulation

issued hereunder. Each day a violation continues shall be considered a separate offense.

1-6 Severability.

If any provision in this chapter shall be held to be invalid by a court of competent jurisdiction, then such provision shall be considered separately and apart from the remaining provisions, which shall remain in full force and effect.

or take any other action relative thereto.

Requested by the Select Board

Explanation: This article was prepared collaboratively with the Planning Board, and it replaces Chapter II: Section 1 Renting or Leasing Buildings in the existing Bylaws with a General Bylaw to regulate short-term rentals, including banning corporations from obtaining short-term rental certificates. The Select Board intends to prepare regulations prior to Annual Town Meeting to carry out and enforce the provisions of this bylaw and to regulate short-term and long-term rentals, and to memorialize components of the existing Bylaw, as provided in Section 1-4. The next article would add an additional section to the bylaw allowing individuals to obtain no more than two (2) short-term rental certificates.

Select Board Recommendation	5	0	0
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