

ZONING BYLAW ARTICLES

TWO-THIRDS VOTE

Article 34: Zoning Bylaw Amendment - Ban on Fractional Ownership of Short-Term Rentals

To see if the Town will vote to amend the Truro Zoning By-Laws by adding a new Section §40.9, entitled: Time Share, Interval and Fractional Ownership Units, as set forth below:

§40.9 Time Share, Fractional and Interval Ownership Units

1. **Findings and Purpose.** *The purpose of this section is to preserve and protect limited housing stock in the Town from the market pressures attendant to time share, interval and fractional ownership uses and to protect neighborhoods from the impacts of such uses.*
 - a. *Fractional ownership, interval and time share units have similar character as commercial hotels, motels, lodges, and other commercial occupancy uses due to their transient nature and multiple short-term occupancies. Such commercial or quasi-commercial use is inappropriate in residential areas due to the increased traffic generation and multiple occupancies disturbing the peace and quiet of residential neighborhoods.*
 - b. *The needs of transient occupants are averse to the interests sought to be protected and preserved in residential neighborhoods, because commercial uses for transient occupants may sacrifice other values critical to residential neighborhoods.*
 - c. *The Town deems it necessary and appropriate to protect the existence of year-round residences and the quiet and peace of the Town by preventing unwarranted commercialization from encroaching therein, including commercialization caused by the misuse of single-family residences.*
2. **Definition.**
 - a. *Time Share, Interval or Fractional Ownership Unit. Any Dwelling Unit which is owned by a limited liability company, corporation, partnership, or other joint ownership structure in which unrelated persons or entities own, sell, purchase or otherwise for consideration create or acquire any divided property interest including co-ownership or fractional or divided estates, shares, leaseholds, or memberships which are subject to, or subsequently bound by any agreement limiting the right or functional ability of interest holders or their designees to occupy or use the property to their respective interests or any other agreement which limits interest holders' or their designees' use of the property to fractional*

reservations through stay limitations of any duration. Such use is established by any of the following elements:

- 1. co-ownership or fractional or divided estates, shares, leaseholds, or memberships which are openly advertised, marketed, or offered for sale and sold individually at separate times.*
- 2. centralized or professional management.*
- 3. reservation systems.*
- 4. maximum or minimum day limits on each interest holder's occupancy or use of the property; or*
- 5. management agreements or fees reflective of interval use or ownership, irrespective of whether the agreement may be cancelled individually or by any party.*

3. Prohibition of fractional ownership, interval, and time share units.

The use of any dwelling unit in the Town as a fractional ownership, interval or time share unit is prohibited in all zoning districts.

a. Exceptions.

- 1. This section shall not be deemed to preclude 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.*
- 2. 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.*

4. Severability.

If any section, subsection, sentence, clause or phrase of this section is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this section.

or to take any other action relative thereto.

Requested by the Select Board

Explanation: This article was prepared collaboratively with the Planning Board, and it proposes a Zoning Bylaw to restrict fractional ownership in Truro. "Fractional ownership" describes properties owned by multiple parties who each own a percentage, along with sharing usage rights. Similar to timeshares, fractional ownership properties operate through central management agreements and by limiting shareholders' occupancy to a certain time frame. Under the joint ownership structure, share owners have full discretion regarding selling, purchasing, renting, or further dividing their interest in the

property. Many believe fractional ownership poses a direct risk to the year-round residents and their access to stable, year-round housing. This article is based on a similar bylaw passed by Provincetown at their October 2023 Special Town Meeting. West Tisbury passed a similar bylaw at their 2023 Annual Town Meeting, and Nantucket and communities on Martha's Vineyard are proposing similar bans.

Planning Board Recommendation			
Select Board Recommendation	5	0	0