

ORDINANCE NO. 624

AN ORDINANCE OF THE CITY OF NORRIS, TENNESSEE, TO AMEND TITLE 14 OF THE NORRIS CITY CODE BY ENACTING A NEW/ADDITIONAL CHAPTER 3 THEREOF TO ADDRESS REGULATION OF SHORT-TERM RENTAL UNITS WITHIN THE CITY OF NORRIS

**WHEREAS**, City Council recognizes the increasing existence, locally, regionally, statewide and nationally, of commercial and/or quasi-commercial endeavors whereby residential dwelling units are leased, rented, utilized or occupied, in exchange for a fee and/or various forms of consideration, on a short-term basis, and often advertised on or promoted pursuant to internet or digitally based platforms and/or other forms of social media; and

**WHEREAS**, Council finds and determines that the present utilization of commercial and/or quasi-commercial short-term rental units within the city, is acceptable; and

**WHEREAS**, short-term residential rental units shall be required to comply with certain public safety and operational standards.

**NOW, THEREFORE, BE IT ORDAINED** by City Council of the City of Norris, Tennessee, as follows:

SECTION 1. That Norris Municipal Code, Title 14, be amended by adding the following new definitions and provisions to a new Chapter 3, SHORT-TERM RESIDENTIAL RENTAL UNITS, as follows:

**Section 14-301.** Short-Term Residential Rental Units are defined as follows:

- (A) "Short-Term Rental Unit" or "Unit" means a residential dwelling unit that is rented wholly or partially for a fee for a period of less than or equal to thirty (30) continuous days and does not include a hotel as defined in T.C.A. Section 68-14-302 or a bed and breakfast establishment or a bed and breakfast homestay as those terms are defined in T.C.A. § Section 68-14-502.
- (B) As per the provisions of T.C.A. Section 13-7-601, certain limited provisions of this ordinance may not be applicable or wholly applicable to "Legacy Short-Term Rental Units".

**Section 14-302.** Additional Definitions

- (A) **Short-Term Residential Rental Agent:** A natural person designated to be responsible for daily operations by the owner of a short-term residential rental or a short term residential rental permit application. Such person shall be available for and responsive to contact at all times for purposes of transacting the short-term residential rental business. The Short-term Residential Rental Agent must meet all other requirements set forth by state law.
- (B) **Short-Term Residential Rental Provider:** "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.
- (C) **Short-Term Residential Rental Occupants:** Guests, tourists, lessees, vacationers or any other person who, in exchange for compensation, occupy a short-term residential rental dwelling unit for

lodging for a period of time not to exceed thirty (30) consecutive days, but not in any event to be from any period of time less than 24 hours.

(D) **Legacy Short-Term Rental:** The owner and/or Agent of or with respect to a “Legacy Short-Term Rental Unit”, which may be otherwise exempt from compliance with some of the regulations, conditions and requirements of this ordinance shall nevertheless be required to apply for a permit within the thirty (30) days next following the effective date of this ordinance. If the owner and/or agent fail to apply within said thirty (30) day period or shall otherwise fail to meet the requirements of generally applicable laws, rules and ordinances as to said Legacy Short-Term Rental Units, shall, upon notice from the City Manager, cease operations as a short-term rental unit and shall not resume such operations or advertisement as a short-term rental unit until such time as the owner and/or agent shall make a proper application for a permit and demonstrate compliance with all requirements of this ordinance and generally applicable law. Based on the severity of the non-compliance, the City Manager may precede with a cease operation order with a written warning including a specified time to correct the non-compliance. As provided in T.C.A. Section 13-7-601, a “Legacy Short-Term Rental Unit” may lose legacy status by failure to adhere to and/or violation of all or any of the qualifying conditions and/or requirements of T.C.A. Section 13-7-603, including but not limited to:

- (i) The property used as a Legacy Short-Term Rental Unit is sold or otherwise transferred as defined in T.C.A. Section 13-7-602;
- (ii) The property ceases to be used as a short-term rental unit for any period of thirty (30) continuous months and/or;
- (iii) The property has been found to be in violation of a generally applicable local ordinance or state law on three (3) or more separate times and with no appeal opportunities remaining.

(E) As per the provisions of T.C.A. Section 13-7-601, certain limited provisions of this subsection may not be applicable or wholly applicable to “Legacy Short-Term Rental Units”.

**Section 14-303.** Permit Required

(A) No person or entity shall operate a short-term rental unit, including without limitation, a Legacy Short-Term Rental Unit, unless a short-term rental permit has been first obtained from the Office of the City Manager. To obtain a short-term rental permit, an otherwise eligible applicant must submit an application in compliance with the provisions of this chapter of the City Code on a form provided by the city. If approved, a legible copy of the short-term rental permit shall be posted within the unit and shall include all of the following information:

- (i) The name, address, telephone number and email address of the owner of the short-term rental unit and the short-term rental agent, if applicable;
- (ii) The City of Norris Business License Number and Anderson County Business License Number.
- (iii) Any applicable hotel-motel tax certifications and or numbers as are applicable pursuant to T.C.A. § 67-4-1401 et seq.

- (iv) The maximum occupancy of the unit; and
- (v) The maximum number of vehicles that may be parked at the unit;
- (vi) The short-term rental permit number.

(B) All short-term rental units must be properly maintained and regularly inspected by the provider to ensure continued compliance with applicable zoning, housing, building, health and life safety code provisions.

**Section 14-304.** Minimum Standards for Short-Term Rental Units:

(A) Short-Term Rental Unit shall meet the following minimum standards:

- (i) A short-term rental unit is limited to a dwelling unit as defined in the Norris Municipal Zoning Ordinance, 14-203, Definitions.
- (ii) A short-term rental unit must meet all applicable laws related to zoning, housing, building, health, electrical, gas, plumbing, bedroom egress, and life safety.
- (iii) There shall be no more than three (3) sleeping rooms made available for rental.
- (iv) Maximum occupancy: the maximum occupancy shall be determined by the total of:
  - (1) Two (2) persons per sleeping room up to 140 square feet.
  - (2) For sleeping rooms over 140 square feet the occupant load will be determined by the area of the room divided by 70 square feet.
  - (3) The occupancy maximum shall be conspicuously posted within the short-term residential rental unit.
  - (4) The short-term rental unit (provider) shall not receive any compensation or remuneration to permit occupancy and shall not permit occupancy of a short-term rental property for any agreed or contracted period of less than twenty-four (24) hours.
- (v) The short-term rental permit holder/marketplace shall be responsible for collecting and remitting all applicable hotel and motel and sales taxes and any other taxes required by state law and/or by the Code of the City of Norris.
- (vi) Adequate on-site parking shall be provided, as determined by the city after considering proposed/maximum permitted number of guests, and frequency of operations. Parking shall not be allowed on any vegetated area of the premises on which the short-term residential rental is located.
- (vii) All occupants shall abide by all generally applicable codes, ordinances and regulations, including without limitation, applicable noise restrictions and all applicable waste management provisions of the City Code of the City of Norris.
- (viii) The name and telephone number of the owner of the short-term rental unit or the short-term rental agent shall be conspicuously posted within the short-term rental unit.

- (ix) As per the provisions of T.C.A. Section 13-7-601, certain limited provisions of this subsection may not be applicable or wholly applicable to “Legacy Short-Term Rental Units”.
- (x) Advertising signs must comply with Norris Municipal Zoning Ordinance, 14-411, Signs and Other Advertising Structures.

**Section 14-305.** Permit Application; Action on Permit Application; Permit Approval.

(A) Permit Applications. Applicants for a short-term rental unit permit shall submit an application to the Office of the City Manager. The application shall be furnished under oath on a form specified by the City. This provision shall apply whether the application is for a short-term rental unit or a “Legacy Short-Term Rental Unit” together with documentary evidence which supports classifying to (proposed) short term rental unit as a “Legacy Short-term Rental Unit”. Such application shall include:

- (i) The name, address, telephone number and email address of the owner of the short-term rental unit and the short-term rental agent if applicable;
- (ii) Documentation that applicant is the owner or the short-term rental agent;
- (iii) The City of Norris Business License Number and Anderson County Business License Number.
- (iv) Certification and/or registration number relating to the Hotel-Motel Occupancy Tax authorized by T.C.A. §67-4-1401;
- (v) A concept plan, indicating the subject property, the building(s) on the site intended for a short-term rental unit, proposed parking and guest access;
- (vi) A narrative with the following:
  - (1) A description of the area available for a short-term rental (i.e., the entire property and house, a guest cottage, a portion of the house, etc.);
  - (2) A description of the number of sleeping rooms proposed for rental, which shall not be more than three (3) sleeping rooms under any circumstance;
  - (3) The maximum number of guests to be accommodated at one time;
  - (4) The days of operation (all year, just holidays, weekend/weeknights, etc.);
  - (5) How trash will be handled, and the method of informing occupants about method of disposal of trash; and
- (vii) Proof of insurance on the dwelling unit. Insurance policy must include and explicitly state liability and property coverage are applicable to short-term rental units and its occupants.

(B) Application Fee.

- (i) The permit application fee is \$250.

(C) Application Review.

- (i) Grant or denial of application. Review of an application shall be conducted in accordance with due process principles and shall be granted unless the applicant fails to meet the conditions and requirements of this Chapter, or otherwise fails to demonstrate compliance with generally applicable local ordinances, state or federal law. Any false statements or information provided in the application are grounds for revocation, suspension and/or imposition of penalties, including denial of future applications. The decision of the City Manager as to whether to issue, deny or revoke any Permit shall be final, reviewable only by application for Writ of Certiorari to the Circuit or Chancery Court of Anderson County, Tennessee as provided in the Tennessee Code Annotated.
- (ii) The City Manager shall notify the Fire Marshal and the Building Inspector to inspect and ensure compliance with state and local laws.
- (iii) If the Application meets all of the requirements set forth in this Chapter, the Office of the City Manager shall so advise the City Council and shall issue, to the applicant, a Short-term Rental Unit Permit within thirty (30) days of approval of the Application/Permit. The decision of the City Manager as to whether to issue, deny or revoke any Permit shall be final, reviewable only by application for Writ of Certiorari to the Circuit or Chancery Court of Anderson County, Tennessee as provided in the Tennessee Code Annotated.
- (iv) If objections regarding meeting the minimum standards are made prior to the issuance of the Short-term Residential Rental Certificate, the City Manager shall note and hold a hearing, upon notice to the applicant, in a manner that the City Manager prescribes and shall determine whether to grant or deny the Short-term Rental Unit Permit based upon the minimum standards for review as set forth herein, and as relates to any generally applicable health, safety, and/or building codes with respect to the Short-term Rental Unit. Such hearing shall take place not later than forty-five (45) days after the application has been submitted to the Office of the City Manager.

**Section 14-306.** Permit Approval, Transferability, Conditions, Renewal and Revocation.

- (A) Permit Approval. The permit application, if approved, shall be issued for a specific site location and/or address of the proposed Short-Term Rental Unit or Legacy Short-Term Rental Unit provided in the application as set forth in this Chapter of the City Code.
- (B) Upon receipt of a short-term rental unit permit number, the applicant must display said number on any materials or platforms used to advertise the short-term rental unit.
- (C) Transferability. The Certificate is non-transferable to another site, property, location or owner. Legacy Short-Term Rental Unit permits are subject to additional transferability restrictions as provided in T.C.A. § 13-7-601, et seq., as now enacted or hereafter amended.
- (D) Revocation. Based on minimum standards established therein the City of Norris may suspend, revoke and/or modify any permit as restrictions and/or conditions imposed as a granted short-term rental unit at any time upon notice to the address of record for the short-term rental unit and after

a hearing. Such violations shall be evidenced by a finding of guilt or fault or unreasonable interference with the use and enjoyment of nearby properties.

(E) A short-term rental unit permit which is revoked shall prevent its permit holder and/or any owner of or agent for the specific property from applying for a new permit for short term rental unit permit for a period of one (1) year from date of revocation.

(F) Suspension of Permit. The city manager may suspend a previously issued permit in the event that a permittee is found to be noncompliant with any of the terms, conditions or requirements of this ordinance. A written warning may precede the suspension with time to correct to be based on severity of the non-compliance as determined by the City Manager. Any permit which is suspended for administrative noncompliance with permitting requirements may be, upon payment of a fifty (\$50.00) dollar reinstatement and inspection fee, be reinstated upon the permittee demonstrating, to the satisfaction of the City Manager, that the noncompliance issue(s) which resulted in suspension of the Permit have been resolved.

(G) No property shall be operated as a short-term rental unit in which its permit is suspended and/or its permit has been revoked and until a valid short-term rental unit permit shall be subsequently issued by the City Manager.

**Section 14-307.** Short-Term Rental Unit Annual Fee.

(A) There shall be a short-term rental unit permit renewal and inspection fee to be paid annually in the amount of \$50.00 which, upon inspection by the city and satisfactory demonstration of compliance by the permit holder and property of the terms, provisions and conditions of the ordinance shall entitle the permittee to renewal of the permit for the ensuing twelve (12) months.

(B) Failure to pay the annual renewal fee and to cooperate with permit inspection requirements shall result in suspension of the permit which, if not remedied within sixty (60) days after suspension, shall automatically result in revocation of the permit for that particular location.

**Section 14-308.** Short-Term Rental Agent (Marketplace).

(A) The owner of a Short-term Rental Unit shall designate a Short-term Rental Agent on its application for a Permit for a Short-term Rental Unit. A property owner may serve as the Short-Term Rental Agent. Alternatively, the owner may designate a person as his or her agent who is over age 21 and meets all local and state regulatory requirements to fulfill the duties of a Short-term Rental Agent.

(B) The Duties of the Short-Term Rental Agent are to:

- (i) Be reasonably available to handle any problems arising from use of the short-term rental unit;
- (ii) Appear on the premises, if necessary, of any short-term rental unit following notification from the city of issues related to the use or occupancy of the premises. This includes, but is not limited to, notification that occupants of the short-term rental unit have created unreasonable noise or disturbances, engaged in disorderly conduct or committed violations of the City Code or other applicable law pertaining to noise, disorderly conduct, overcrowding, excessive consumption of alcohol, or use of illegal drugs. Failure of the agent to timely appear to two or more complaints regarding violations may be grounds for penalties and/or permit revocations as set forth in this Chapter. This is not intended to impose a duty to act as a peace officer or otherwise require the agent to place himself or herself in a perilous situation;
- (iii) Receive and accept service of any notice of violation or notice of hearing related to the short-term rental unit; and
- (iv) Monitor the short-term rental units for compliance with all laws, including without limitations compliance with the provisions of the hotel-motel tax authorized by TCA 67-4-1401.

(C) An owner may change his or her designation of a short-term rental agent temporarily or permanently; however, there shall only be one such agent for a property at any given time. To change the designated agent, the owner shall notify the City Manager in writing of the new agent's identity, together with all information regarding such person as required by the applicable provisions of this chapter.

**Section 14-309.** Failure to Obtain Permit; Penalties.

(A) Any violation of this article, including failure to obtain a permit or to renew a permit of continued or initiating operation of a short-term rental unit, either without a permit or after revocation of a permit, shall be punishable by a civil penalty of fifty (\$50.00) dollars per violation. Each day that the violation continues shall be a separate offense. There shall be a rebuttable presumption that a person or entity is in violation of this chapter if they list or hold out a property as a short-term rental unit without first obtaining a short-term rental permit. This rebuttable presumption also applies to those dwellings featured on websites whose primary purpose is business related to short-term rental unit reservations.

**Section 14-310.** Invalidity of Part; Private Agreements and Covenants.

(A) Should any court of competent jurisdiction declare any section, clause or provision so declared unconstitutional, such decision shall affect only such section, clause, or provision so declared unconstitutional, and shall not affect any other section, clause or provisions of this article. Additionally, this chapter shall in no way be used to supersede any privately created agreements or covenants by any homeowner associations or developers restricting certain uses.

(B) Every section, clause, and phrase of this ordinance is separable and severable. Should any section, sentence, clause, or phrase be declared unconstitutional or invalid by a court of competent jurisdiction, said unconstitutionality or invalidity shall not affect or impair any other section, sentence, clause, or phrase.

(C) This ordinance shall become effective ten (10) days after adoption on second reading, the health, safety and welfare of the citizens of the City of Norris requiring it.

APPROVED AS TO FORM AND LEGALITY:

Passed First Reading: 2-28-2022

Public Hearing: \_\_\_\_\_

Passed Second Reading: \_\_\_\_\_

\_\_\_\_\_  
Chris Mitchell, Mayor

\_\_\_\_\_  
Scott Hackler, City Manager

FIRST READING COPY