

Outline of Short-Term Rental Property Reform Proposal

Clarity.

Create clarity in the law by distinguishing between the definitions of Short-Term Rental Properties (STRPs), Bed and Breakfast establishments, boarding houses, hotels, and motels. Current law creates confusing and arbitrary overlap between different types of establishments.

Fairness.

Treat all property owners equally by repealing distinction between owner-occupied and non-owner occupied residences. Placing an arbitrary cap on some property owners and not others is unconstitutional and unfair. It also ensures that larger, corporate entities can claim all available permits and keep average, middle-class Nashvillians from using their property as a source of much-needed family income.

Equal Opportunity.

Remove any caps on the number of permits available. The use of one's home for short-term rental purposes should not be contingent upon others' use of their homes. Once someone meets the reasonable requirements to use their home as an STRP, they should be granted a permit.

Simplicity.

Make the application for a permit simple and the fee affordable. Make the permit renewal process simple and affordable. Permit the operation of STRPs without requiring an expensive and burdensome business license.

Safety.

Impose reasonable requirements that focus on the safety of occupants, including proof of insurance and properly working smoke alarms.

Effective Enforcement.

Mirror noise, nuisance, signage, and food restrictions that already exist in the Metro Code for other homes. Increase existing penalties and fines for noise, trash, and nuisance violations. Allow for the immediate rectification of neighbors' quiet enjoyment of their property rather than a lengthy complaint process (e.g., a noisy party gets shut down immediately, guest and homeowner both cited). Provide for the revocation of the permit upon three verified violations thereof and after complying with appropriate notice and appeal requirements. For a violation to be verified, it should come from an on-the-record, public complaint, a police report, or be witnessed by an appropriate official. Unverified, anonymous complaints should not result in the loss of a permit.

Tax Fairness.

Create STRP-specific taxing structure rather than treating STRPs as hotels for tax purposes. Avoid subsidizing the hotel industry on the backs of STRP homeowners. Coordinate the collection of all appropriate taxes with the service providers directly, not the homeowners.