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CITY OF AMESBURY, MA

SPONSORED BY: Kassandra Gove **BILL No. 2021-093**

Kassandra Gove, Mayor

Pam Gilday

Pam Gilday, District 1, City Council

An Ordinance to establish a licensing process for short term leases of residential units in the City of Amesbury

Summary: Like many communities in the Merrimack Valley and on the North Shore, Amesbury is a desirable location to visit. Companies like Airbnb and VRBO offer an “away from home” experience by offering residential units for lease. However, this can negatively impact the community and our neighborhood character if left unchecked. Therefore, the City of Amesbury should establish a licensing process permitting residential units to be leased on a short-term basis through brokers such as Airbnb, VRBO, etc. This process has been researched extensively through interviews with similar communities across the Commonwealth. This is Step 1 of a two-step process. Once the licensing process is established, regulations should be developed and adopted outlining the length of stay, number of leasing agreements per year, and other criteria that will minimize the impacts of these short-term rental units on the City’s neighborhoods, but still allow a resident to temporarily lease their units to visitors to enjoy and appreciate Amesbury.

Be it Ordained by the City Council of the City of Amesbury assembled, and by the authority of the same as follows:

Short-Term Rental Unit Licensing

If a property owner intends to use their residential property as a Short-Term Rental Unit, they must *first* apply for a license with the City of Amesbury and the property must meet the conditions outlined in the Annual Licensing process.

The Amesbury License Process also communicates information about local and state licensing and taxation requirements and the allowed local room occupancy excise per Chapter 337 of the Acts of 2018 (and its further amendments) which extends the existing room occupancy excise

under Massachusetts General Law Chapter 64G Section 3D statute subsection A to include short-term rentals and allows for municipalities to regulate short-term rentals in their borders.

Licensed properties are subject to an annual license fee, payable by the property owner to the City of Amesbury. The fee price is subject to the same approval process as other business licensing fees in the City of Amesbury.

All Short-Term Rental Lease Agreements that the property owner engages in must be reported to the City of Amesbury for the purpose of Board of Health records and local and state lodging tax purposes.

The annual licensing process is as follows:

a.Licensing Process. No property owner shall offer a residential unit as a Short-Term Rental Unit without submitting an annual license application with the Board of Health (hereinafter licensing board), paying their annual license fee, and receiving approval (in writing) that the annual Short-term Rental Unit License has been approved by the licensing board (or their designated staff member or department).

- 1.A license for operation of said Short-Term Rental Unit shall be valid for one (1) year from the date that a license is issued.
- 2.The property owner shall also certify under penalty of perjury that he/she and the residential unit complies with all the requirements of this license and any accompanying regulations.
- 3.A property owner who successfully obtains a license for his/her residential unit as a Short-Term Rental Unit shall be issued a registration number by the licensing board. The registration number shall be recorded with the license application in the City's Short-Term Rental Unit Registry.
- 4.The licensing board shall make each addition to the Short-Term Rental Unit Registry available electronically via the City of Amesbury website within thirty (30) days of such addition.
- 5.Each potential Short-Term Rental Unit shall receive a health and safety inspection.

b.Application. Each Short-Term Rental Unit license application shall include all of the following information, none of which may be waived by the licensing board:

- 1.Name of property owner (aka homeowner).
- 2.Evidence that the applicant is the property owner of record.
- 3.Address of the residential unit.
- 4.Contact information for the property owner and his/her designee (if applicable) that can be contacted in case of emergency.
- 5.Evidence that the residential unit is the property owner's primary residence

6. Short Term Rental Unit category (subject to final Short-Term Rental Unit Regulations)
7. Registered Massachusetts Department of Revenue (DOR) identification number for the Short Term Rental Unit.
8. Survey and/or plot plan that indicates:
 - i. Existing structure(s) at the property.
 - ii. Location of proposed Short-Term Rental Unit.
 - iii. Location of on-street and off-street parking area(s).
9. Interior layout plan(s), highlighting:
 - i. The bedroom(s) proposed for use by Short-Term Rental Unit guests, the property owner, and any other person in the residential unit.
 - ii. Fire and carbon monoxide detection for the Short-Term Rental Unit, including, but not limited to, the location of all smoke and carbon monoxide detectors, the location of all fire extinguishers, and any other information deemed necessary by the compliance officer and/or Fire Prevention Officer to establish compliance with applicable building and/or fire safety codes.
10. A copy of the property's liability insurance policy.
11. A copy of the results of the health and safety inspection.

c. Application Fee. A fee of two-hundred dollars (\$200) per Short-Term Rental Unit shall be due with each annual application.

d. Annual Registration Renewal. Each Short-Term Rental Unit must be re-licensed/re-registered by the property owner annually prior to its license and registration expiration date.

Required Communications to Guests of Licensed Short-Term Rental Units

The property owner shall provide each guest with a community information card that provides contact information for local police and fire department, the general noise policy of the community (quiet hours 10PM to 8AM), the allowed parking parameters for the property, the location of smoke and carbon monoxide detectors, and information about trash and recycling disposal and pickup.

Noise and Nuisance Considerations

- While Amesbury does not currently have a codified general noise ordinance, a common rule of thumb on quiet hours is between 10PM and 8AM.
- Reported noise and nuisance issues may subject the property owner to license revocation.
- In addition to the parking requirements of this ordinance, the Short-Term Rental Unit shall be in compliance with the *Amesbury Traffic and Parking Regulations*, which are available on the Amesbury Traffic and transportation Committee webpage at <https://www.amesburyma.gov/traffic-transportation-committee>.

- For Short-Term Rental Units that experience calls to law enforcement or to local public officials, boards, or committees, revocation of license is possible. See the *Penalties and City Actions for Non-Compliance* section for information.

Penalties and City Actions for Non-Compliance

Complaints shall be made to the Inspectional Services Department and investigation shall commence within 30 days. Violations may, at the compliance officer's discretion, result in a warning or the maximum appropriate fine. Three (3) or more complaints within a six (6) month period will result in the unit no longer being eligible to that property owner for use as a Short-Term Rental Unit for a period of six (6) months following the most recent violation.

Violations may include but are not limited to:

- Offering an ineligible unit for lease
- Failure to observe the limitation of days per year
- Failure to include required parking information
- Violation of parking requirements
- Noise complaints
- Failure to comply with trash protocols
- Failure to furnish a community information card to guests or furnishing one without the required minimum information
- Failure to remit any required excise tax or surcharge as required by law.
- Unpaid taxes or surcharges shall result in a lien on the property.

Property owners who are found to be out of compliance with the conditions of this ordinance are subject to fines and penalties, including immediate revocation of their Short-Term Rental Unit License, and one or all of the following:

- A fine of \$250/day for each individual day that is out of compliance to be levied by the City of Amesbury against the property owner.
- Immediate revocation of the property owner's Short-Term Rental Unit License by the Inspectional Services Department.

Should the Short-Term Rental Unit License be revoked, the property may not be leased or in any way used as a Short-term Rental Unit until a reinstatement date is determined by the Inspectional Services Department and until any and all fines levied by the City of Amesbury are paid in full.

No Outstanding Violations

For a residential unit to be offered as a short-term rental unit such unit shall not be subject to any outstanding liens of deed, building, sanitary, zoning, or fire code notices of violation, orders of abatement, enforcement orders, stop work orders, or any other requirements, laws or regulations that otherwise prohibit the property owner from offering the residential unit as a short-term rental unit. If a notice of violation or other order is duly issued after the residential unit has been listed in the City's Short-Term Rental Unit Registry database, the licensing board or its designee, shall suspend the license of the Short-Term Rental Unit until the corresponding violation has been cured or such order is otherwise resolved to abate any violations of law or regulation. For ease of enforcement, any city officer or department issuing said notice of violation or other order shall notify the licensing board in writing of the nature of the violation and its resolution, if any, within five (5) business days of such issuance and/or resolution.

Compliance with Other Laws

Property owners who obtain a Short-Term Rental Unit License shall comply with all applicable federal, state and local laws and regulations, including, but not limited to, the Fair Housing Act, state and local equivalents and regulations related to fire codes, health codes, zoning ordinances, and all other regulations applicable to residential units and the provision of lodging.

Retention of Short-Term Rental Lease Records

The property owner shall retain and make available to the licensing board, or its designee, upon written request, records to demonstrate compliance with all provisions of this Short-Term Rental Unit License, including but not limited to: documentation of the number of days that property owner has resided during the past year and/or will reside in the residential unit in the year of registration; legal instruments evidencing that the property owner is the record owner of the residential unit offered as a Short-Term Rental Unit; and documentation of the number of days during the year of registration that the residential unit was offered and actually used as a Short-Term Rental Unit. The property owner shall retain such records for a period of three (3) years from expiration of the yearly license to which they relate.

Effective Date

The provisions in this Short-Term Rental Unit License Order shall take effect 30 days after City Council approves Short-Term Rental Unit Regulations, per Amesbury City Charter rules.

Related Documentation and References

- Jan 2, 2019 FYI - <https://www.mma.org/gov-baker-signs-short-term-rental-bill/>
- Nov 30, 2020 FAQ - <https://www.mass.gov/info-details/room-occupancy-excise-tax>
- Chapter 337 of the Acts of 2018 (to modify MGL Chapter 64G etc) - <https://malegislature.gov/Laws/SessionLaws/Acts/2018/chapter337>
- Amesbury zoning bylaw and zoning map available on Amesbury Planning Board page <https://www.amesburyma.gov/planning-board/pages/zoning-by-laws-and-maps>
- Related - community impact fee - <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter64G/Section3D>
- Related - local room/excise tax - <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter64G/Section3A>
- Frequently Asked Questions on Short Term Rentals – Room Occupancy Amendments – <https://dlsgateway.dor.state.ma.us/gateway/DLSPublic/FAQMaintenance/8>