

ORDINANCE TO REGULATE THE OPERATION OF SHORT-TERM RENTALS

Town of Londonderry, Vermont

Adopted December 19, 2023 (effective February 17, 2024)

Amended March 25, 2023 (effective May 24, 2024);

Amended June 3, 2024 (effective August 2, 2024);

Amended April 21, 2025 (effective July 1, 2025)

ARTICLE 1. AUTHORITY. Under authority granted in 24 V.S.A. § 2291(29) and 24 V.S.A. § 1971 et seq., and other such general enactments as may be material hereto, it is hereby ordained by the Selectboard of the Town of Londonderry that the following civil ordinance requiring the annual registration of all short-term rentals operating within the town (which may also be referred to as the "Short-Term Rental Ordinance") is adopted for the Town of Londonderry, Vermont.

ARTICLE 2. PURPOSE. The purpose of this Ordinance is to promote and protect the public health, safety, welfare, and convenience of the town, to preserve residents' rights to quiet enjoyment of homes and properties, and to ensure the safety of occupants of short-term rentals. The Londonderry Selectboard hereby find that unregulated short term (i.e., less than 30 day) transient occupancy of dwelling units in residential neighborhoods presents a threat to the public welfare relating to compatibility with residential uses and preservation of the character of the neighborhoods in which they are located, and to the availability of housing stock in the town. Unregulated short-term rentals have negative secondary effects on residential areas, with such areas experiencing heightened adverse impacts from parking, garbage, noise and outdoor/nighttime activities. These negative effects, when left unchecked, injure and degrade the community as a whole and constitute a public nuisance. The purposes of this Ordinance are: (a) to balance the desire of property owners to rent their residential properties to short term rental guests for compensation against the desire of residents to preserve the traditional peace and quiet of their residential neighborhoods; (b) to preserve and protect residential neighborhood character and livability from the nuisance impacts that are often associated with short term rentals; (c) to limit or prevent the loss of available housing stock for long term rentals or for purchase by those who wish to reside in Londonderry from being replaced with short term rentals; (d) to ensure the safety of occupants of short term rentals and the well-being of the community; and (e) to promote the public health, safety and welfare of the Town, its residents and visitors.

ARTICLE 3. DEFINITIONS.

A. "Owner" means a person who holds title to the property on which a short-term rental is operated. The Owner/person shall be defined as an individual, a married couple, one or more family members living in the same household, a corporation, a partnership, or Limited Liability Company ("LLC") or other LLCs with overlapping members, which in all cases shall be deemed an Owner, but which shall exclude from the definition any tenant or lessee of a lease.

B. "Short-term rental" or "STR" means a dwelling unit rented to the transient, traveling, or vacationing public for periods of fewer than 30 consecutive days and for more than 14 days per calendar year, and is either:

1. "Hosted" meaning a room or group of rooms located within an Owner's primary residence (a Homestead) or an accessory dwelling or cabin on the premises of the Owner's primary residence; or,
2. "Unhosted" meaning a furnished house, condominium, apartment, or an accessory dwelling or cabin that is not the Owner's primary residence (not a Homestead) or located on the premises or property of the Owner's primary residence.

C. "Dwelling unit" means a room or rooms connected together containing cooking, sanitary and sleeping facilities that constitute a separate, independent housekeeping establishment. It shall include prefabricated modular units and mobile homes, but shall not include a motel, boarding house, shelter or similar structure.

D. "STR Administrator" means a person or persons designated by the Selectboard of the Town of Londonderry to administer and enforce this Ordinance.

E. "Bed and Breakfast", "Boarding House", "Motel" and "Inn" shall have the same definitions as contained in the Town of Londonderry Zoning Bylaw as amended from time to time. This Short-Term Rental Ordinance shall not apply to Bed and Breakfasts, Boarding Houses, Motels and Inns which have zoning permits issued pursuant to the Town of Londonderry Zoning Bylaw and Ordinance.

F. "Lot" means a parcel of land undivided by any street or road, and occupied or to be occupied by only one primary structure or principal use and the accessory buildings or uses customarily incidental to such structures or uses. A lot shall be of sufficient size to meet minimum zoning requirements for use, coverage and area, and to provide such yard and other open spaces as are herein required. Such lot shall have frontage on an improved public street, or other means of access approved by the Planning Commission. In no case

shall the division or combination of land result in the creation of a parcel which does not meet the requirements of this Bylaw.

G. “Rental Arbitrage” is the practice of a long-term lease-holder converting the leased property into a short-term rental, for the purpose of the income that results from the difference between the two rental rates: a form of subletting a leased property by a lessee.

H. “Knox Box” means is a small, secure holder for a house key, used by firefighters and/or emergency medical personnel to access a residence in the event of an emergency when the residence is unoccupied, or its occupants are unable to open the residence to First Responders.

ARTICLE 4. SHORT TERM RENTAL REGISTRATION.

A. The short-term rental of a dwelling unit requires the annual issuance of a Short-Term Rental Registration from the STR Administrator. A person shall not commence the use of a dwelling unit as a short-term rental unless and until the STR Administrator issues the requisite Short Term Rental Registration.

B. Any application made by a person other than a single individual must detail the other members of any Corporation, LLC, or Partnership (“Common Ownership”), and any out-of-state entity must provide a valid and current copy of the articles of organization for the entity.

C. All STRs must be rented via an STR rental platform to satisfy any reporting requirements and the payment of any municipal, state and federal taxes.

D. STR registrations may be issued for one STR unit on a property, provided:

1. Any Owner may register one property; however, an Owner of a Hosted (Homestead) property may also register one Unhosted property (maximum two properties in total); An Owner who has more than one Unhosted property currently registered and who is in good standing with the Town of Londonderry at the time of the enactment of this amended section shall be entitled to renew the pre-existing STR licenses for so long as the Owner is the record Owner of the Property and so long as the Owner meets all other requirements of this Ordinance. Such pre-existing, nonconforming status shall automatically cease upon any failure to continue to register the Property or upon any conveyance of the Property; and

2. An Unhosted property may not be registered as an STR within one calendar year of its transfer to a new Owner; and

3. An Unhosted property being registered for the first time shall not exceed the maximum permitted 50 STR rental days within any calendar year.

E. The dwelling unit overnight capacity of a short-term rental shall be a maximum of two occupants for every bedroom indicated in the Town Listers property database for the dwelling unit, plus an additional two occupants. For example, a three-bedroom dwelling unit shall have a dwelling unit capacity of eight persons $((3 \text{ bedrooms} \times 2) + 2)$ when used as a short-term rental. An Owner shall not advertise or permit occupancy by more than the capacity set forth in this section.

F. The number of persons present at an STR property between the hours of 10pm and 7am cannot exceed the overnight capacity, plus 2 visitors. (No parties or events). For example, a three-bedroom STR cannot have more than 10 people on the property during these hours.

G. A Knox Box shall be installed at any Short-term rental property with an automatic fire alarm system. Whether the automatic fire alarm is required by Fire Safety code or not, a Knox Box will be available for use in an emergency by the Londonderry and South Londonderry Fire Companies.

H. Rental Arbitrage is not permitted in Londonderry. No long-term lessee or tenant may receive a short-term rental license or engage in short-term subletting; only a property owner can be granted a short-term rental license.

I. An Owner shall provide the following information in an application for Short-Term Rental Registration for dwelling units with an occupancy of 8 or less, on a form provided by the Town:

1. The number of bedrooms to be rented and the requested dwelling unit capacity to be approved in the Short-Term Rental Registration.

2. The Owner's name, mailing address, email, and a cell phone number or other number (such as a property management company) that will be answered 24 hours a day during the time that the short-term rental unit is being rented.

3. The property Owner's name, address, phone number, email, date of birth, driver's license and license state, and military status (active or not), and if the owner is a corporation, the registered corporate agent and president of the corporation and their name and address, and if the owner is a partnership, the registered partnership agent and the names and addresses of the general partners (information that is needed to enforce a municipal complaint before the Vermont Judicial Bureau).

4. Property owners who are not in residence at the property the entire time it is being rented shall designate and provide the name and contact information of a designated agent

located in Windsor, Bennington or Windham Counties who shall be responsible for responding to emergency situations occurring at the Short-term rental dwelling unit.

5. The Posting of Contact Information required by 18 V.S.A. § 4467 within the short-term rental dwelling unit.

6. The education materials required by 18 V.S.A. § 4468(a), including without limitation the self-certification form pertaining to health and safety precautions that Owners must take into consideration prior to renting a dwelling unit required by 18 V.S.A. § 4468(b).

7. Confirmation of commercial liability insurance, with proper notification of short-term rental activity to that insurer of not less than \$1,000,000 per occurrence to cover each short-term rental unit, unless such short-term rental is offered through a hosting platform that maintains equal or greater coverage, and that the liability insurance policy that covers the dwelling unit extends bodily injury and property damage insurance coverage that occurs during or as a result of the use of the dwelling unit as a short-term rental.

8. Proof, satisfactory to the Town, that the Owner has obtained and performed all necessary licensing and registrations with the State of Vermont Department of Health, Division of Fire Safety and Department of Taxes necessary to operate a Short-term rental. A short-term rental is a "public building" as defined by 20 V.S.A. § 2730, subject to inspection and regulation by the Vermont Division of Fire Safety.

9. Proof, satisfactory to the Town, that every sleeping space in the registered STR contains a secondary means of escape (egress) with measurements meeting code defined by VT Fire and Building Safety Code, and that all photoelectric smoke detectors and CO detectors in the registered rental are operational and within their expiration date.

10. Annually, beginning with the first renewal of said registration, the Owner shall file with the Town an accounting/printout of the total number of days the property was rented on a short-term basis during the previous year. Failure to submit said accounting/printout will result in the renewal registration being denied.

J. An application for Short-Term Rental Registration, for dwelling units with a capacity of greater than 8 occupants, shall require compliance with subsection I above, plus the following:

1. Confirmation that the septic capacity is at least equal to the requested short-term rental dwelling unit capacity. This shall be evidenced by a) a valid State of Vermont Wastewater and Water Supply Permit for the property for dwelling units or wastewater and water supply systems constructed, modified or occupied after June 30, 2007, OR, b) a local

zoning or septic permit for dwelling units constructed before July 1, 2007 indicating the number of bedrooms permitted, OR, c) by the number of bedrooms indicated in the listers property database if a local zoning or septic permit does not exist for dwelling units constructed before July 1, 2007.

2. An inspection report, showing satisfactory inspection results for the most recent inspection, with occupancy approved from the State of Vermont Division of Fire Safety for the requested short-term rental dwelling unit capacity.

K. No registration for the short-term rental of a dwelling unit shall be issued unless the applicant has complied with subsection I above (for dwelling units with an occupancy of 8 or less) or has complied with subsection J above (for dwelling units with a capacity of greater than 8 occupants).

L. Short-Term Rental Registrations shall expire on June 30 of each year and require renewal to continue use of a dwelling unit as a short-term rental. In the event that a property for which a Short-Term Rental Registration has been filed is transferred or conveyed to a new property owner, the new Owner shall file a new application for a new Short Term Rental registration subject to Article 4 (D) above.

M. The number of lessees, guests, or other persons using a dwelling unit pursuant to the short-term rental lease or other agreement with the Owner shall not exceed the approved dwelling unit capacity on the Short-Term Rental Registration.

N. Disposal: Recycling, Food Waste, Ash and Coals, Trash.

An STR owner shall provide for the separation and disposal of trash, food waste, and recyclable material utilizing secure, bear-proof receptacles, and shall provide one or more adequate metal containers for disposal of ash and coals if there is a fireplace, fire pit, wood burning stove, wood or charcoal grill, or other source of ash or coals at the short-term rental. The owner is responsible for the timely removal of these items, in accordance with Vermont State Law (10 V.S.A. § 6621a).

ARTICLE 5. LICENSE FEES. A fee for a License shall be paid to the Town of Londonderry with the submission of any Short-Term Rental Registration application or annual renewal, regardless of date of registration. The fee shall be in an amount as determined by the Selectboard which may, from time to time, modify this fee and may establish and adopt other fees related to the administration and enforcement of this Ordinance, and may incorporate all such fees into a duly adopted fee schedule.

ARTICLE 6. RESERVED.

ARTICLE 7. ENFORCEMENT. A short-term rental shall be made available by the owner for inspection within one week of a request by the STR Administrator. Any person who violates a provision of this Ordinance shall be subject to a civil penalty of up to \$800 per day for each day that a violation continues. Each day the violation continues shall constitute a separate offense. The STR Administrator and the Londonderry Zoning Administrator, along with the Selectboard and Town Administrator, shall all be designated and authorized to act as Issuing Municipal Officials to issue and pursue complaints before the Judicial Bureau, or other court having jurisdiction.

ARTICLE 8. WAIVER FEES. An Issuing Municipal Official is authorized to recover waiver fees, in lieu of a civil penalty, in the following amount, for any person who declines to contest a municipal complaint and pays the waiver fee:

	1 st Offense	2 nd Offense	3 rd Offense	4 th Offense
Waiver fee for advertising a property for short-term rent (online or offline) without first having obtained a permit or complying with local listing requirements.	\$125 per day	\$250 per day	\$500 per day	\$650 per day plus revocation for 12 months before a new STR registration application may be submitted. The revocation can be appealed.
Waiver fee for all other violations.	\$150 per day	\$350 per day	\$600 per day	

Offenses for the purpose of calculating waiver fees shall be counted on a twelve-month basis, beginning on July 1 and ending on June 30 of each year. An Issuing Municipal Official shall have authority to issue a written warning, without recovering a waiver fee, for any First Offense violation. In such instance, the written warning shall be counted as a First Offense for calculating annual offenses.

ARTICLE 9. PENALTIES. An Issuing Municipal Official is authorized to recover civil penalties in the following amounts for each violation:

	1 st Offense	2 nd Offense	3 rd Offense	4 th Offense
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Fine for advertising a property for short-term rent (online or offline) without first having obtained a permit or complying with local listing requirements.	\$200 per day	\$400 per day	\$650 per day	\$800 per day plus revocation for 12 months before a new STR registration application may be submitted. The revocation can be appealed.
Fine for all other violations.	\$250 per day	\$500 per day	\$750 per day	

Offenses for the purpose of calculating penalties shall be counted on a twelve-month basis, beginning on May 1 and ending on April 30 of each year. An Issuing Municipal Official shall have authority to issue a written warning, without recovering a civil penalty, for any First Offense violation. In such instance, the written warning shall be counted as a First Offense for calculating annual offenses. Failure to timely pay a penalty upon entry of judgment under 24 V.S.A. § 1981 shall result in the automatic suspension until paid of any approved Short-term rental registration(s) registered to the person against whom the civil judgment has been entered including registrations for any other Short-term dwelling units owned or operated by the person and located within Londonderry.

The fees associated with serving a property owner with a Short-Term Rental Ordinance non-compliance violation will be borne by the ticketed party, unless the ticketed party is found by the Vermont Court not to be in violation of the Ordinance or subject to it.

ARTICLE 10. OTHER RELIEF. In addition to the enforcement procedures available under Chapter 59 of Title 24, the Londonderry Town Administrator is authorized to commence civil action in the Civil Division of the Vermont Superior Court to obtain injunctive and other appropriate relief, to request revocation or suspension of any Short-Term Rental Registration on behalf of the Londonderry Selectboard, or to pursue any other remedy authorized by law.

ARTICLE 11. OTHER AUTHORITIES NOT PREEMPTED. This Ordinance is not intended to preempt or be exclusive with regard to any other permitting or regulatory law or authorities that pertain to the ownership, operation, management or use of property or dwelling units engaged in Short-term rentals.

ARTICLE 12. SEVERABILITY. The provisions of this ordinance are declared to be severable and if any provisions hereof be adjudged invalid such judgement shall not affect the validity of any other provisions.

ARTICLE 13. DESIGNATION. This ordinance is hereby designated as a civil ordinance pursuant to Title 24, Vermont Statutes Annotated Section 1971(b), and may be referred to as the Short-Term Rental Ordinance and in a prosecution hereunder a copy of such ordinance, certified by the Londonderry Town Clerk shall be prima facie evidence thereof. An allegation that the act constituting the offense charged is contrary to a specified provision of this ordinance shall be a sufficient reference hereto.

ARTICLE 14. PUBLICATION AND POSTING. This Ordinance and any subsequent amendment of this ordinance, or a concise summary thereof, shall be published in a newspaper of general circulation in Londonderry, within fourteen (14) days of its adoption, and shall be filed with the Town Clerk and posted at five (5) conspicuous places within the community.

ARTICLE 15. RIGHT OF PETITION. Notice is hereby given of the right to petition for a permissive referendum vote on this ordinance at an annual or special meeting as provided for in 24 V.S.A. § 1973. Such petition for a permissive referendum must be signed by not less than five (5) percent of the qualified voters of the Town of Londonderry and shall be presented to the Selectboard or the Town Clerk within forty-four (44) days following the date of adoption.

ARTICLE 16. EFFECTIVE DATE. Unless a petition is filed in accordance with 24 V.S.A. § 1973, the Ordinance shall become effective sixty (60) days after its adoption. However, the Short-Term Rental registration requirements under Article 4 shall not take effect until July 1, 2025, though registration applications may be accepted by the STR Administrator beginning May 1, 2025.

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