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);
Amended April 20, 2026 (effective July 1, 2026);
Amended November 16, 2026 (effective January 15, 2027).

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 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.

B. "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.

C. "Short-term rental" or "STR" means a furnished house, condominium, apartment, cabin, or other 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" means that the owner of the STR or another person authorized in writing by the owner to act on their behalf, will be present at and residing on the property where the STR is located during every rental period; or,

2. "Unhosted" means that neither the owner nor another person authorized in writing by the owner to act on their behalf, will be present at and residing on the property where the STR is located during every rental period.

D. Dwelling Unit Capacity or DUC means the total occupancy limit for an STR as determined by the maximum capacity of one of the following:

a. the property's wastewater disposal system based upon a State of Vermont Wastewater and Potable Water Supply Permit for the property for dwelling units or wastewater and potable water supply systems constructed, modified, or occupied after June 30, 2007;
b. the local zoning or septic permit for dwelling units constructed before July 1, 2007; or
c. the number of bedrooms indicated in the Town listers' property database if a local zoning or septic permit does not exist for dwelling units constructed before July 1, 2007. [In the absence of a. or b., such that c. determines DUC, it shall be a maximum of two occupants for every bedroom in the listers' property database,

plus an additional two occupants.];

d. The DUC as determined by subsection a, b, or c above shall be enforced by the STR Administrator according to the practices and regulations of the Vermont Department of Fire Safety, specifically with regard to sleeping spaces and occupancy loads or occupancy limits. Occupancy limit is defined in accordance with the DFS practices and regulations. King, Queen and double beds shall be designated two occupants; twin beds, bunk beds and daybeds are designated one occupant each. The DUC means that the bed spaces must not exceed the DUC as determined in subsection a, b, or c above.

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

F. Short-Term Rental (STR) License means authorization from the Town to operate a short-term rental in accordance with this Ordinance.

G. "Bed and Breakfast", "Boarding House", "Motel" and "Inn" shall have the same definitions as contained in the Town of Londonderry Zoning Bylaws as amended from time to time. This STR 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 Bylaws.

H. "Rental Arbitrage" is the practice of a long-term lease-holder converting the leased property into an STR 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.

I. Lock 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.

J. Good Standing for the purpose of STR licensing describes a current STR licensee seeking to renew a license, or a new applicant, who: owes no late or delinquent taxes to the Town; has no outstanding municipal violations from the Town; has no open Division of Fire Safety inspection report for the STR property; and meets all conditions in this Ordinance; has satisfied all conditions set by the STR Administrator in a prior year's conditional permit.

K. Designated Agent means a person authorized by an Owner with responsibilities to include: facilitating access to the property for first responders and the STR Administrator; responding to complaints about the property due to rental activity,

responding to STR guest issues at the property, and residing within a 45 minutes driving distance of the STR.

ARTICLE 4. SHORT TERM RENTAL REGISTRATION.

A. The short-term rental of a dwelling unit requires the annual issuance of a STR License from the STR Administrator. A person shall not commence the use of a dwelling unit as an STR or advertise for STR activity unless and until the STR Administrator issues the requisite STR License.

B. An STR License will include an annual license number and Dwelling Unit Capacity (DUC) that shall be included in all advertising and listings of the property for STR use. An Owner shall not advertise or permit occupancy of more than the DUC. An STR License will also include a physical placard that shall be displayed plainly inside the STR.

C. 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.

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

E. An applicant for an STR License may only register one STR dwelling unit in the Town of Londonderry in any calendar year. For the purposes of this section, STR dwelling units licensed by an entity the applicant has an ownership interest in shall be counted toward this limit. An STR license may be issued for one STR unit on a property, provided:

1. The property Owner is in good standing with the Town of Londonderry; and

2. An Owner who has more than one property or rental unit currently registered shall be entitled to renew the pre-existing STR licenses for so long as the Owner is the recorded 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 license the Property or upon any conveyance of the Property; and

3. A property may not be licensed as an Unhosted STR within one calendar year of its transfer to a new Owner; and

4. A property being licensed as an Unhosted STR for the first time shall not

exceed the maximum permitted 50 STR rental nights within any calendar year.

F. A Lock Box shall be installed at any STR with an automatic fire alarm system. Whether the automatic fire alarm is required by Fire Safety code or not, a Lock Box will be available for use in an emergency by the Londonderry and South Londonderry Fire Companies and Londonderry Volunteer Rescue Squad.

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

H. An Owner shall provide the following information in an application for STR licensing 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 License.

2. 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).

3. Property owner of an Unhosted STR shall provide the name and contact information of a designated agent, and a signed statement from their designated agent accepting responsibility for this role as part of their required STR registration.

4. The posting of contact information required by 18 V.S.A. § 4467 within the STR.

5. The education materials required by 18 V.S.A. § 4468(a), including without limitation the Owner's 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).

6. Confirmation of commercial liability insurance, with proper notification of STR activity to that insurer of not less than $1,000,000 per occurrence to cover each STR, unless such STR 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 an STR.

7. 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 an

STR. An STR is a "public building" as defined by 20 V.S.A. § 2730, subject to inspection and regulation by the Vermont Division of Fire Safety.

8. 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 STR are operational, meet current VT Division of Fire Safety specifications, and are within their expiration date.

9. The owner of a licensed STR is responsible for keeping a registry of STR guests, including the dates and duration of each guest stay, and the number in each guest group. That registry will be maintained for a minimum of two years, and shall be available upon request of the STR Administrator within seven days. Annually, beginning with the first renewal of said STR license, the owner shall file with the Town a copy of their STR rental registry from the proceeding twelve months, signed to attest to its accuracy.

10. The failure to submit all required information or comply with the application requirements—including fee payment—shall result in a denial of a license. Submission of false or misleading information, or material omission, on an STR application shall be considered a violation subject to a fine, and may result in a denial of a license or the suspension or revocation of an existing license.

I. An application for STR licensing, for dwelling units with a capacity of greater than 8 occupants, shall require compliance with subsection H above, plus the following: An inspection report, dated within the two preceding years of the application (and dated within one year for any property that has been conveyed to a new STR applicant), showing satisfactory inspection results with unconditional occupancy approved by the State of Vermont Division of Fire Safety for the requested STR Dwelling Unit Capacity. Any safety violations or an open (rather than closed) report shall not be accepted s satisfactory for STR licensing or renewal.

J. No STR License shall be issued unless the applicant has complied with subsection H above (for all applicants) and has complied with subsection I above (for DUC greater than 8 occupants).

K. An STR License shall expire on June 30 of each year and requires renewal a minimum of fifteen days before the expiration date to continue use of a dwelling unit as an STR. An STR License expires upon the transfer of the property to a new owner.

L. 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 STR. 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 STR registration or annual renewal, regardless of date of application. 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. An STR 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:

a) Fine for advertising a property for short-term rental (online or offline) without first having obtained a permit or complying with local listing requirements:
first offense: $125 per day
second offense: $250 per day
third offense: $500 per day
fourth offense: $650 per day, plus revocation for 12 months before a new STR application may be submitted. The revocation can be appealed.

b) Fine for all other violations:
first offense: $150 per day
second offense: $350 per day
third offense: $600 per day
fourth offense: $650 per day, plus revocation for 12 months before a new STR

application may be submitted. The revocation can be appealed.

Offenses for the purpose of calculating waiver fees 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 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:

a) Fine for advertising a property for short-term rental (online or offline) without first having obtained a permit or complying with local listing requirements:
first offense: $200 per day
second offense: $400 per day
third offense: $650 per day
fourth offense: $800 per day, plus revocation for 12 months before a new STR application may be submitted. The revocation can be appealed.

b) Fine for all other violations:
first offense: $250 per day
second offense: $500 per day
third offense: $750 per day
fourth offense: $800 per day, plus revocation for 12 months before a new STR application may be submitted. The revocation can be appealed.

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 STR license(s) registered to the person against whom the civil judgment has been entered including licenses for any other owned or operated by the person and located within Londonderry.

The fees associated with serving a property owner with an STR 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: ADMINISTRATION AND APPEALS.

A Short-Term Rental Administrator shall be appointed by the Town of Londonderry Selectboard and shall report to them on a regular basis. Provisions of this Ordinance shall be interpreted literally, and administered and enforced by the STR Administrator. Actions of the STR Administrator may be appealed by an interested party to a Town of Londonderry Rental Housing Appeals Board, which shall be structured and staffed by Selectboard action.

ARTICLE 11. 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 STR License on behalf of the Londonderry Selectboard, or to pursue any other remedy authorized by law.

ARTICLE 12. 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 13. 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 14. 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 STR 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 15. 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 16. 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 17. 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.

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