

Short-term Rental Ordinance

Frequently Asked Questions (“FAQ”)

This FAQ is This FAQ is designed to help the public and the Town Selectboard and Village Trustees understand the proposed Short-term Rental Ordinance by the Planning Commission. It is a summary, not exhaustive, prepared by the Planning and Zoning Department staff. It is not intended to interpret the ordinance or serve as legislative intent.

Under the proposed Short-term Rental Ordinance:

What is a short-term rental (“STR”)?

An STR refers to renting out a furnished house, condo, or part of a house for less than 30 days but more than 14 days a year to vacationers or travelers.

A short-term rental is a “public building” subject to the jurisdiction of the State of Vermont Division of Fire Safety, pursuant to 30 V.S.A. §2730(a)(1)(D).

What is staying the same?

The previous regulations and proposed ordinance make exceptions for casual/seasonal operators who wish to rent their homes for 14 days or less a year or more than 30 days at a time. This is not only in-line with the definition of short-term rental at the state level but preserves the community’s request to generate additional income during our busiest times (like foliage) without creating a business use for their home.

What is changing?

Currently there are separate regulations for the Village and the Town, and limitations for times rented based on districts. The Planning Commission is proposing one unified ordinance instead of separate regulations or amending the current regulations. The Planning Commission is recommending removing the limitation on the number of times operators are allowed to rent, and implementing registration limits which will limit supply and drive demand for registration-holding operators. The fees and mechanism of enforcement are changing.

While there were previously one-time permit fees the Planning Commission is recommending an annual registration fee based on whether the short-term rental is owner-occupied and how many occupants it can be rented to.

The current average permit fee to operate a short-term rental cost is \$1,045.

Where are short-term rentals permitted in Woodstock?

Short-term rentals are no longer subject to the zoning regulations and are permitted across all zoning districts within both the Town and Village of Woodstock.

How many short-term rental registrations will the Town and Village be issuing each year?

A collective limit of 55 owner-occupied STR registrations and 55 non-owner occupied STR registrations each year.

110 registrations are roughly 5% of housing units in Woodstock (~2,100). We have seen and spoken with other communities who have seen detrimental impacts to their housing stock at 9%.

The Planning Commission has allocated 55 registrations for owner-occupied STRs and 55 for non-owner-occupied STRs.

What is the process for obtaining a short-term rental registration?

For “existing permit holders,” “preexisting multiple unit operators,” or “preexisting rural operators,” the application period is August 1 to September 15, 2024. Others can apply from November 1, 2024, to June 30, 2025. Applicants need to complete forms, pay fees, and provide necessary documents. If you do NOT qualify under those categories, your application window is November 1, 2024 – June 30, 2025 (subject to availability).

Can I convert multiple units on one property into STRs?

Typically, only one STR per property is allowed. However, exceptions exist for those who ran multiple units before September 1, 2023, or with over five distinct units on the same parcel.

If I own multiple properties, can I have an STR on each of my properties in Town?

Typically, only one STR per individual is permitted. Yet, exceptions apply for those with multiple units before September 1, 2023.

Are there other requirements (non-municipal) for obtaining an STR registration?

Yes, compliance with fire and safety codes, tax obligations, insurance, and adherence to the ordinance are mandatory.

NOTE: Some internet platforms, such as AirBnB have an agreement with the Vermont Department of Taxes to collect and remit tax on behalf of its operators. If you use a platform that remits the tax on your behalf, you must provide proof of registration as provided by the platform.

What interior signage is needed?

Every STR must display a valid certificate of occupancy, issued by the State of Vermont Fire Marshal, in a conspicuous place inside the dwelling unit.

Can a property owner use a representative, manager, or property management company for the unit?

Yes. In fact, every STR must appoint an “STR operator.” The STR operator must be able to respond to incidents and provide interior and exterior access to the STR within 30 minutes.

What are the costs associated with an STR registration process?

What are the costs associated with an STR registration? Fees vary based on owner type and occupancy. For owner-occupied STRs, the fee is \$750 plus \$250 per occupant, while for non-owner occupied STRs, it's \$3,000 plus \$250 per occupant. A nonrefundable \$250 processing fee is also applicable. If your application is denied you will only pay \$250 admin fee.

Failure to pay the correct fee amount on time will result in the denial of the application.

An STR that qualifies as both an owner-occupied and preexisting rural operator may submit a request for fee waiver up to \$2,000 (less the \$250 administrative processing fee).

What if I've been operating an STR without a permit?

First, please stop. You can apply for registration in November 2024 (pending availability). Operating without one after January 1, 2025, may result in fines up to \$800. Added fines apply for violations like noise disturbances or improper waste disposal.

Except in the Residential Five Acre and Forestry Reserve zoning districts, The Town of Woodstock has had some form of permit requirement since 2002. The Village has required conditional use approval in all zoning districts since 2005.

The Ordinance expressly defines an existing permit holder as “a short-term rental operator who applied for and received a zoning permit prior to September 1, 2023, as determined by the Short-term Rental Officer.”

If I sell or buy a property with an existing short-term rental registration, does that registration transfer to the new owner?

No. A STR Registration cannot be assigned by the owner and does not transfer with the land upon transfer of the property. This specifically important as it applies to STRs that qualify as “preexisting rural operators” and “preexisting multiple unit operators.” Upon the transfer of property, even to another individual that qualifies under one of these designations, that designation lapses upon transfer.

Are there occupancy standards for short-term rentals?

Yes. The maximum occupancy is figured out by the Fire Marshall's certificate of occupancy.

Are there parking requirements for short-term rentals?

Yes. Every STR must provide at least one (1) on-site parking space for every four (4) allowable occupants.

What if I've recently gone through the zoning permit process and have a permit to run a short-term rental (STR)?

If you're advertising or running an STR in Woodstock, you need to apply for and get an STR registration under this new Ordinance. Even existing permit holders need to do this. For the first year (2025), you can apply between August 1, 2024, and September 15, 2024. We appreciate your cooperation, and we've made sure that if you want to apply, you'll get an STR registration. Plus, this new Ordinance removes the old limit on the number of times you can rent out your STR.

I've been running an STR without a permit, and nobody from the Municipality has told me to stop. How will this Ordinance be enforced differently than before?

Again, please stop. Also know that we have partnered with one of the top STR identification software tools in the market. Together, we will be scrubbing between 80-100 STR platform sites every 10 minutes. If you advertise a STR without an STR registration, we will find out about it. Assuming there is registration availability, we will work and prepare for you to submit your registration in November 2024.

If needed, the Ordinance allows the municipality to issue citations as follows:

Beginning Jan. 1, 2025, any person who is advertising or operating an STR without a valid STR registration may be cited up to \$800 per offense.

Other violations, such as: noise, trash, failure to respond, false advertising of occupancy, etc. may also result in a citation:

- First offense - \$500

- Second offense - \$500, plus a written warning

- Third offense - \$800, plus potential revocation of any existing permit and potential ban (up to 12 months)

- Fourth and later offenses - \$800, plus potential revocation of any existing permit and potential ban (up to 24 months)

DEFINITIONS

“Owner-occupied” means the owner lives in the property and meets Vermont's "homestead" criteria set by the Vermont Department of Taxes.

“Non-owner-occupied” means any property that does not meet Vermont's "homestead" criteria, according to the Vermont Department of Taxes.

“Preexisting multiple unit operator” means an “existing permit holder” who has been managing more than one short-term rental since before September 1, 2023.

“Preexisting rural operator” means any short-term rental owner whose property is in the Forest Reserve or Residential Five Acre Zoning District who has never applied for or received a zoning permit because under the earlier zoning regulations, the short-term rental was considered a legal preexisting nonconforming use.

“Existing permit holders” means any STR operator who applied for and received a zoning permit prior to September 1, 2023.

“Short-term rental operator” means the person appointed to manage the short-term rental property and communications.