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Accommodations Tax And Short-Term Rentals Don't get caught short on short-term rentals!

Short-term rentals are the latest challenge in collecting accommodations taxes.

1. Have a short-term rental ordinance. Older zoning ordinances do not specifically address the unique situation of short-term rentals. Attached is a copy of Charleston County's most recent ordinance on the subject.
2. Once you have an ordinance in place, I would advise contacting Airbnb and start the process of reaching an agreement with them to collect the local accommodations taxes. Airbnb requires a copy of your ordinance regarding accommodations and short-term rentals before they will enter into an agreement to collect local accommodations taxes. They currently only collect those taxes due to the state on their rentals in South Carolina. They will not collect on your behalf unless they see an ordinance referencing short-term rentals.

The current contact at Airbnb:
Erin Mariano erin.mariano@airbnb.com

Other contacts that can be helpful are:
Abby Barnett abby.c@airbnb.com
Jillian Irvin jillian.irvin@airbnb.com

3. The next step is identifying your short-term rentals. If you are a small town, it is possible to do a search on a short-term rental site and find accounts that way. However, if you are larger I would recommend a company that specializes in finding short-term rentals. Most of Charleston County is using STR Helper.

Contacts for STR Helper:
Bob Peterson bpeterson@strhelper.com
Karina Serrano kserrano@strhelper.com

For those interested I have copies of the City of Charleston's RFP for a compliance company.

ARTICLE 6.8 SHORT-TERM RENTALS

§6.8.1 Purpose and Applicability

- A. Purpose.** The County is committed to working to protect the traditional quality of life and character of its residential neighborhoods. The County has concerns about permitted short-term rentals resulting in increased traffic, noise, trash, parking needs, safety and possible adverse impacts and other undesirable changes to the nature of the County's neighborhoods. Therefore, after providing many opportunities for public input and following careful study and consideration, County Council finds it appropriate and in the best interests of its residents, property owners, and visitors to regulate Short-Term Rental Properties (STRPs) within unincorporated County of Charleston.

This Article sets out standards for establishing and operating Short-Term Rental Properties. These regulations are intended to provide for an efficient use of residential dwellings as STRPs by:

1. Providing for an annual permitting process to regulate STRPs;
2. Balancing the interests of owner-occupied dwellings with properties that are frequently used in whole or in part by Short-Term Rental Tenants;
3. Allowing homeowners to continue to utilize their residences in the manner permitted by this Ordinance for the Zoning District in which a particular home is located;
4. Providing alternative accommodation options for lodging in residential dwellings; and
5. Complementing the accommodation options in environments that are desirable and suitable as a means for growing tourism.

B. Applicability.

1. Short-Term Rental Types. The following Short-Term Rentals shall be authorized pursuant to this Article:
 - a. Limited Home Rental (LHR) - a property with an owner-occupied residential dwelling, located in the RM, AG-15, AG-10, AG-8, AGR, RR-3, S-3, R-4, M-8, M-12, or MHS Zoning Districts, where lodging is offered, advertised, or provided to Short-Term Rental Tenants (excluding family members) for a fee or any form of compensation, not to exceed 72 days in the aggregate during any calendar year, with individual rental terms not exceeding 29 consecutive days.
 - b. Extended Home Rental (EHR) - a property with an owner- or non-owner occupied residential dwelling, located in the S-3, R-4, M-8, M-12, or MHS Zoning Districts, where lodging is offered, advertised, or provided to Short-Term Rental Tenants (excluding family members) for a fee or any form of compensation, for more than 72 days but not to exceed 144-days in the aggregate during any calendar year, with individual rental terms not exceeding 29 consecutive days. To establish a EHR, a property owner must obtain a Special Exception from the Board of Zoning Appeals (BZA) pursuant to the requirements of Article 3.6 of this Ordinance.
 - c. Commercial Guest House (CGH) - a property located in the OR, OG, CN, CR, CT, or CC Zoning Districts, where lodging is offered, advertised, or provided to Short-Term

Rental Tenants (excluding family members) for a fee or any form of compensation, for intervals of 29 days or less during a calendar year.

2. Applicable Zoning Districts. STRPs shall be allowed within the Zoning Districts of this Ordinance in accordance with Table 6.1.1, Use Table, applicable overlay zoning district regulations, and as approved in Planned Development Zoning Districts.
 3. Application. Applications for STRPs shall be made in compliance with this Article.
- C. **Registration.** All STRPs require a Zoning Permit and Business License. Upon adoption of this Ordinance, STRPs will have 30 calendar days to submit applications to comply with the provisions of this Article and an additional 90 calendar days to obtain all required Zoning Permits for the STRP use.

§6.8.2 Operating Standards and Requirements

A. Permits and Renewals

1. After a LHR or CGH STRP use has been authorized through the applicable zoning process(es), a Zoning Permit for a STRP use and a Business License must be obtained prior to offering, advertising, or providing Short-Term Rental Properties for lodging as provided for in this Article.
2. After an EHR STRP use has been authorized by the Board of Zoning Appeals, a Zoning Permit for a STRP use and a Business License must be obtained prior to offering, advertising, or providing Short-Term Rental Properties for lodging as provided for in this Article.
3. Zoning Permits for all STRP uses must be renewed annually in compliance with this Article.

B. Short-Term Rental Property Tenant Notices

1. Each STRP must contain a Short-Term Rental Tenant notice posted in each room where Short-Term Rental Tenants may lodge. The notice must provide the following information:
 - a. Contact information for the owner of the STRP;
 - b. Zoning Permit number for the STRP use;
 - c. Trash collection location and schedules, if applicable; and
 - d. Fire and emergency evacuation routes.

§6.8.3 General Standards

A. Use Limitations and Standards.

1. Legally permitted Principal Dwelling Units and Accessory Dwelling Units may be used as STRPs, even when they are located on the same property; however, Accessory Structures shall not be used as STRPs.
2. Parking for Short-Term Rental Tenants shall be in compliance with Sec. 9.3.2, Off-Street Parking Schedule A, of this Ordinance.
3. Signage advertising STRPs is prohibited in Residential Zoning Districts.

B. **Advertising.** Whether by a hosting platform, via Internet or paid advertising, or other postings, advertisements, or announcements, the availability of a STRP shall include the County issued Zoning Permit Number and Business License Number.

C. Annual Zoning Permit Renewal.

1. Zoning Permits for all STRPs must be renewed annually. An application for annual renewal of the Zoning Permit must include:
 - a. The application fee; and
 - b. A notarized affidavit signed by the property owner stating that the type of STRP use and the information submitted as part of the application for the previous year's Zoning Permit for the STRP use has not changed in any manner whatsoever and that the STRP use complies with the most recently adopted version of this Article (form

- of Affidavit Provided by the County).
- c. The applicant shall file an application for a new Zoning Permit for a STRP use if the aforementioned requirements are not met.
 2. If the Director of the Zoning and Planning Department determines that the STRP use is not consistent with the Special Exception that authorizes the use and/or Site Plan Review approval that authorizes the use, the applicant shall file an application for a new Zoning Permit for the STRP use, including applicable Special Exception and/or Site Plan Review applications and fees.
 3. By the end of January of each calendar year, the owners of all registered STRPs will be mailed an annual renewal notice informing them that they must renew the Zoning Permit for the STRP use on or before April 1st of the same calendar year or their existing Zoning Permit will expire. The Zoning Permit for the STRP use will terminate on April 1st of each year regardless of whether or not the applicant receives notice from the Zoning and Planning Department Director.

§6.8.4 Use Limitations and Requirements

- A. **Applicability.** The limitations and requirements of this Section apply to all types of Short-Term Rental Properties (STRPs).
- B. **Standards.** See Table 6.8.4, STRP Standards.

Table 6.8.4 Short-Term Rental Property (STRP) Standards			
Standard or Requirement	Limited Home Rental (LHR)	Extended Home Rental (EHR)	Commercial Guest House (CGH)
Zoning Districts (pursuant to Table 6.1.1, Use Table)	Use Subject to Conditions of Art. 6.8: RM, AG-15, AG-10, AG-8, AGR, RR-3, S-3, R-4, M-8, M-12, MHS	Special Exception Use (subject to conditions of Art. 6.8): S-3, R-4, M-8, M-12, MHS	Use Subject to Conditions of Art. 6.8: OR, OG, CN, CR, CT, CC
Occupancy Type	Property must be owner-occupied	Property must be owner- or non-owner occupied	Not applicable
Special Events	See ZLDR Article 6.7, Special Events Use		
Maximum Number of Rental Days	72	144	No limit
Zoning Permit Process	See ZLDR Table 6.1.1, Use Table		
Review Type	Administrative Review	Full Site Plan Review and Special Exception	Full Site Plan Review

§6.8.5 Application Submittal Requirements

No application for a STRP shall be accepted as complete unless it includes the required fee and the information listed below.

- A. The name, address, email, and telephone number of all property owners of the Short-Term Rental Property (STRP).
- B. Completed Short-Term Rental Property application signed by all current property owner(s). For properties owned by corporations or partnerships, the applicant must submit a resolution of the corporation or partnership authorizing and granting the applicant signing and authority to act and conduct business on behalf of and bind the corporation or partnership.

- C. Restricted Covenants Affidavit(s) signed by the applicant or current property owner(s) in compliance with state law.
- D. Address and Property Identification Number of the property on which the STRP is located.
- E. The type of STRP that is the subject of the application, which may be a:
 - 1. Limited Home Rental (LHR);
 - 2. Extended Home Rental (EHR); or
 - 3. Commercial Guest House (CGH).
- F. The type of Dwelling Unit(s) that is proposed to be used as a STRP including, but not limited to, Principal Dwelling Unit, Accessory Dwelling Unit, Single Family Detached, Single Family Attached, Manufactured Housing Unit, and/or Multi Family, and documentation of Zoning Permit and Building Permit approvals for the structures, as applicable.
- G. The maximum number of bedrooms in the Dwelling Unit(s) proposed to be used as a STRP.

§6.8.6 Enforcement and Violations

- A. Notwithstanding the provisions of Chapter 11 of this Ordinance, a STRP Zoning Permit may be administratively revoked by the Zoning and Planning Department Director or his designee if the STRP has violated the provisions of this Article on three or more occasions within a 12-month period. Provided however, a STRP Zoning Permit may be immediately revoked if the Zoning and Planning Department Director determines the STRP has Building Code violations, there is no Business License for the property, the property is being used in a manner not consistent with the Zoning Permit issued for the STRP use, or the advertisement for the STRP does not include the County issued Zoning Permit Number and Business License Number.
- B. If a STRP Zoning Permit is administratively revoked or an application for a STRP Zoning Permit is administratively denied, a STRP owner (or authorized agent) may appeal the Zoning and Planning Department Director's administrative decision revoking or denying the STRP Zoning Permit to the Board of Zoning Appeals within 30 calendar days from the date of the denial or revocation. All appeals shall be addressed in accordance with the appeal procedures of Chapter 3, Article 3.13, of this Ordinance.
- C. Subsequent Application. Once a County-issued Zoning Permit and/or a Business License for a STRP use has been revoked, no new Zoning Permit and/or Business License for a STRP use shall be issued to the applicant for the same property for a period of one year from the date of revocation. Upon expiration of the revocation period, a new Zoning Permit application for a STRP use must be submitted in accordance with this Article.

a guide to

ACCOMMODATIONS TAX

What is Accommodations Tax?

A 7% charge for the rental of rooms, lodgings or sleeping accommodations for guests. Lodgings include rooms, campground spaces, or sleeping accommodations provided by a hotel, inn, motel, campground, or residence. The person providing the accommodations is responsible for the accommodations tax and may need a retail license.

Do I need to pay Accommodations tax?

Do you charge a guest/guests to rent a room/space/lodging for less than 90 continuous days?

yes

no

Do you live in your home and rent rooms to others on a daily or weekly basis?

You are not required to pay Accommodations Tax.

yes

no

You are required to remit Accommodations tax on the charge collected.

Does your home have more than five bedrooms?

Do I need a retail license?

no

You are not required to pay Accommodations Tax.

You are required to remit Accommodations Tax on the charge collected.

Did you provide accommodations to guests for more than one week in any calendar quarter?

yes

no

You need a retail license.

You don't need a retail license, but do need to pay Accommodations Tax.

Ready to File & Pay?

Accommodations tax is due the 20th day of the month after the close of the period ended. Use MyDORWAY at dor.sc.gov/MyDORWAY to file online and register for your retail license.

To paper file, visit dor.sc.gov/accommodations to find and print paper forms. The county/municipality where the rental is located may impose additional taxes.

For more information:
visit dor.sc.gov/accommodations or call 803-898-5970

SOUTH CAROLINA

