



Nantucket Short Term Rentals Work Group

Refining the Package: June 20, 2023

Bylaw Purposes



- (1) Protect the time-honored tradition of home rentals on Nantucket and preserve economic opportunities for persons to keep their homes, now and into the future, through short-term rentals, to allow such persons to afford to live either full-time or part-time on Nantucket;
- (2) avoid adverse impacts on the local economy stemming from a loss of existing short term rental revenue, STR taxes, and visitor spending, **and adverse impacts to property owners who purchased their homes based on previous assumptions;**
- (3) prohibit additional corporate ownership **discourage investor-only ownership** of residential properties for the exclusive purpose of operating them as short-term rentals rather than housing for either full-time or part-time residences;
- (4) **reduce the neighborhood churn caused by numerous turnovers of occupancy of STRs in residential neighborhoods;**
- (5) limit the conversion of residential units to short-term rentals which has had the deleterious effect of removing residential units from the available year-round rental housing stock; and
- (6) provide a regulatory structure that reduces the threat of litigation challenging short-term rental use by full-time and part-time residents.

STRWG Draft Policy Proposals with alternatives



General Bylaw Provisions (to take effect ONLY if Zoning Bylaw also passes):

- An owner may register to operate only one property as a short-term rental.
 - The property can contain up to two dwelling units in a single registration, as long as all dwelling units covered by the registration are located on the same lot and are rented to the same person or legal entity.
- Dwelling units owned by a corporation shall not be eligible to receive a certificate of registration - every shareholder, partner, and members of Trust, LLCs, or other legal entities must be a “natural person”.
- Short-term rentals are not allowed in units deed restricted for affordable or attainable housing
- Short-term rentals in apartment buildings, multi-family dwelling units, and townhouses will be limited to 4 weeks per year
- No short-term rental unit may change occupancy more than 9 times during July and August
- If a property is sold after this bylaw, the unit cannot change occupancy more than 4 times during July and August, unless the dwelling unit is subject to a residential tax exemption
 - Apply for the residential exemption based on it being their primary residence
 - After 5 years of ownership, the unit’s change of occupancy limit reverts to 9 times
- Any person or other legal entity who receives a certificate of registration prior to the effective date of this Chapter or within 60 days of the Town’s establishment of the rental registration program, if it hasn’t been established at the time of this vote, may continue to engage in short-term rentals in accordance with the existing certificate of registration, except for subsection K of this section which shall apply to all short-term rentals, until the dwelling unit is transferred or conveyed, or the certificate of registration is not renewed. (clarify that this protects those who apply for certificates within 60 days of the system being operational, specify definition to clarify that inheritance is not included)
- Hosted Stays (and cottage colonies) are exempted, and an agency designated by the Select Board can provide waivers

STRWG Initial Policy Proposal



Zoning Bylaw Provision (to take effect ONLY if General Bylaw also passes):

- Add a definition of Short-Term Rental as “A dwelling unit or portion thereof registered and operated by the owner in accordance with Chapter 123 of the Town Code.”
- Amend the use chart to allow Short-term rentals as a permissible use in all districts.

STRWG Additional Policies (a la carte)



Additional Provisions (stand alone and each voted separately)

- **Majority Vote:** Pass the 3% Community Impact Fee - a 3% fee on rent for properties that are not the owner's primary residence if the owner has 2 or more short term rentals. At least thirty-five percent (35%) of the impact fee must be dedicated to affordable housing or local infrastructure projects. The remaining 65%, will be general fund revenue of the city/town and may be appropriated for any municipal purpose.
- **2/3s Vote:** 100% of any Community Impact Fees will be dedicated to affordable housing or local infrastructure projects.