

Frequently Asked Questions

Below is a list of frequently asked questions regarding the proposed revisions to the short term rentals ordinance to be considered at the Town Council meetings on and October 1 and November 5 at 2:00 p.m. Please remember that the proposed ordinance has not been approved, is subject to change up to and until approval, and the language of the final ordinance will supersede any information provided below.

1) What is the purpose of the ordinance?

Like other communities, Kiawah is trying to better manage the impact of short term rentals on the community and address changing trends. In addition to the growing number of rental properties, these trends include more full-time rentals, investor or corporate ownership of properties, conversion of single-family residential homes to rentals, rentals operating without local property management, and higher occupancies as larger homes enter the rental market. The ordinance addresses concerns expressed by residents and property owners about the oversight and management of existing rental homes, enforcement of rules and regulations, and the potential long term impact of short term rental homes on the character of the community and neighborhood, livability, and property values.

2. Who is responsible for establishing regulations on rental laws?

Municipalities are granted the authority by the State to regulate land use through zoning and establish and enforce ordinances in their municipal code within their jurisdiction. Business licensing, including rental business licensing, is included in this responsibility.

3. What is a short term rental?

Short term rental (STR) property means any accommodation, rented or leased for less than thirty (30) consecutive days when the property on which the accommodation is located is assessed, for county property tax purposes, as residential property.

A property that is rented for 14 or fewer days in total during a calendar year is not considered a short-term rental and is excluded from the provisions of this ordinance.

Any property which is leased from its owner on a long-term lease basis (30 days or greater), then made available by the leasee for short term rental or occupancy to a different party shall be considered a short term rental and both lessor and leasee are subject to this ordinance.

4. Who is covered by the ordinance?

Every owner of property in the Town of Kiawah Island who operates their property as a short term rental is covered and must comply with the provisions of the ordinance. Any

individual or firm operating as a rental manager or agent is also subject to the provisions of the ordinance.

5. Do I need a license to rent my property and how long does it last?

You are required to have a current license during any calendar year in which you operate a short term rental, and you must have a separate license for each property if you own multiple STR properties. Licenses expire on December 31 or each year, are not automatically renewed and must be reapplied for no later than February 28, without penalty.

6. How are rental licenses issued?

Licenses are distributed by the Town of Kiawah Island finance department. They can be applied for through the online services portal via <https://www.kiawahisland.org/business-licenses>. Licenses for rental properties are distributed on a first-come, first-served basis. Existing STR license holders will have first preference to renew by February 28th to maintain their license, as long as the license is in good standing with the Town. Active licenses expire annually on December 31 of each year and must be renewed no later than February 28 annually to avoid penalties.

7. What are the requirements to obtain a new rental license?

- The property must be subscribed to twice a week backdoor trash collection.
- Owners must have an active account with the South Carolina Department of Revenue and Charleston County to submit accommodations tax.
- Owners will need to apply for a rental business license with the Town and pass an inspection of the rental properties for conformance to building codes.

8. Do I have to apply personally?

No, you may apply online or have an authorized agent apply on your behalf. However, the failure of your agent to apply in a timely manner does not relieve you of any applicable late fees or penalties.

9. What has not changed about the ordinance?

Most elements of the Town's existing ordinance remain unchanged, including the definition of a short term rental, the annual requirement for a rental business license, the limitations on occupancy, the requirements regarding advertising of a rental home, the inspection of rental properties for conformance to building codes, and the requirement for owners and rental managers to inform renters of and require them to abide by rental rules and regulations.

10. What changes are being proposed to the STR ordinance?

- Rental owners or their agents must post in all advertisements for a rental property their business licenses number, the number of authorized bedrooms, maximum occupancy and the maximum number of cars allowed for overnight parking.
- The maximum number of authorized automobiles for overnight parking will be separately determined for each rental home based on the amount of paved and garage parking space on the property.
- Inspections sheets will be revised to include existence of smoke alarms, carbon monoxide detector, fire extinguishers, available parking spaces, bedroom count, trash can locations and contact information.
- A local property manager or agent must be available to respond to an issue with the property within two hours of notification by either a guest or Town official.
- Licensed applicants must provide proof of the ATAX payments from the previous year at the time of renewal.
- Separate rentals of individual rooms or bedrooms would not be permitted.
- Commercial businesses are not to be operated out of any STR property.
- Licenses do not run with the property. If a home with a license is sold, the new owner must apply for their own STR license, subject to Section 15-802, and all other provisions in the STR ordinance.
- Destination or Vacation clubs, that commonly provide accommodation to members or participants on the basis of membership rather than nightly or weekly rental are nonconforming properties if the property is located in an R-1, R2 or R3 zoning district. Existing licensed properties will be grandfathered, so long as their license is renewed on a timely basis, but no new licenses will be issued to businesses meeting this definition.
- When licensing caps are reached, existing license holders will have a right to retain and continue the license on an existing licensed STR property if they renew their licenses by February 28 annually. If the license holder fails to renew their license, they will be placed on a waitlist on a first-come, first-served basis.
- Owners may not separately rent pool houses or guest houses as standalone rental units.

- Establishment of licensing caps that would potentially limit, in any calendar year, the number of available rental business licenses. The proposed caps would establish a limit of 20% of all homes, island-wide in R-1 and portions of R-2 and no limit in all other residential zoning districts. The portions of R-2 that would be subject to the caps are defined R-2 districts that include Indigo Park, Ocean Oaks, Ocean Park, Osprey Fingers, Osprey Point, and Silver Moss, Osprey Point (Club Cottage Lane, Marsh Cottage Lane, and Shell Creek Landing).
- Any property with three violations of the STR Ordinance during any 12-month rolling period and found guilty by the Municipal Judge will be considered cause for license revocation. The owner or agent may reapply for a new STR license no sooner than twelve months after revocation, subject to availability of licenses if the property is located in the zones with the CAPS.
- The annual application fee for the Rental Business License, including lot applicants, is \$1,500 for any property in the R1 or R2 zoning districts subject to caps; \$200 for all other properties.
- The owner of an undeveloped lot can obtain a *Provisional Lot License (PLL)*. The PLL is valid for three years from issuance and guarantees the owner the right to obtain a Rental Business License upon issuance of a Certificate of Occupancy.

11. What does it mean to establish a cap on short term rentals?

Before renting or advertising, an owner or the authorized agent is required to obtain a short term rental business license from the Town for each STR property. Under the revised ordinance, the Town may limit the number of rental business licenses island-wide in R-1 and portions of R-2 zoning districts to be issued for that year.

12. What do the caps apply to and how are they determined?

Under the revised ordinance, short term rental caps will be enforced in zoning districts R-1 and a portion of R-2. The cap (number of licenses allowed within a district) is calculated as a percentage of rental licenses (including PLL's) to developed lots within the R1 zoning district, and the specific R2 zoned areas identified below. Developed lot numbers are defined from the County Assessors Office as of December 31 of the prior calendar year.

The new ordinance will allow the following percentages:

Residential 1 and portions of Residential 2 – (R-1 and portions of R-2) 20%
 All other Residential 2 – (R-2) no limit
 Residential 3 – (R-3) no limit

13. What do zone district designations mean?

Each parcel of land or property has a zoning designation associated with it based on density and lots size. The zones addressed in the ordinance are as follows:

Residential 1 – (R-1) Single-family Homes

Residential 2 – (R-2) Single-family Homes & Single-family attached (cottages)

Residential 3 – (R-3) Multifamily (villas)

You can find the zoning district for your property on the [zoning map](#) or by calling the Town's planning department at 843-768-9166.

14. What are the current number of short term rentals in the Town?

Approximately one-third of all homes on Kiawah Island are available for short-term rental during some or all of the year. This includes two of every three multi-family properties (villas, condos, and townhomes) and one of every five single-family homes. At the maximum occupancy allowed per home, this equates to approximately 9,500 possible daily rental occupants.

Some recent numbers per designation are:

- Residential 1 – (R-1) Single-family Homes | Currently there are 1787 dwelling units. Of these, 285 homes have a rental license or 16%. There are an additional 543 developable lots within R-1.
- Residential 2 – (R-2) Single-family Homes | Currently there are 764 dwelling units. Of these, 256 have rental licenses, or 34%, with an additional 245 developable lots within R-2. The ordinance establishes caps on a portion of R-2.
- Residential 3 – (R-3) Multifamily Homes (villas) | Currently there are 719 active rentals within this district. The ordinance does not have a cap for this district.

To see the zoning map of current short term rentals, [click here](#).

15. If I currently rent my property, will I be able to renew?

Under the revised ordinance, properties holding a STR business license will have first preference to maintain their license, as long as the license is in good standing with the Town and they renew by February 28. A license may be subject to expiration or may not be renewed should an owner not report any rental income revenue or not be actively making their property available for rent. The owner will need to demonstrate the short term rental property was available and advertised for rental throughout the previous year.

If/when licensing caps are reached, existing license holders will be grandfathered in as long as they renew their licenses by February 28 annually, as long as the license is in good standing with the Town. If the license holder fails to renew before the deadline, they will lose their license.

If licensing caps have not been reached, properties that do not renew by February 28, the license is renewable subject to a \$1000 late fee, plus all applicable fees.

16. What if I want to sell my property I currently rent?

Licenses do not run with the property. If a home with a license is sold, the new owner must apply for their own STR license.

17. What happens when an owner wants to rent, but the cap has been reached in their district?

If the license cap has been reached, the applicant will be placed on a waiting list until a license becomes available.

18. Do caps on short term rentals affect property values?

While the effects of restricting short term rentals on property values can be debated, there is little evidence to support the conclusion that it will have a negative impact. Capping the number of rental licenses is a mechanism by which a community can protect its residential character and ensure the ratios do not tip the scales to a transient community. It does not remove the ability of owners to rent; it puts into place regulations on how many are allowed in residential zones.

Short-term rentals are a growing segment of Kiawah Island. The character of the island would not exist without the balance of full-time and part-time residents invested in its preservation and protective measures enforced by all the island's entities. Capping rentals helps ensure that the balance and residential character remains for its many primary and second homeowners.

Regulations of short term rentals including the establishment of caps is a mainstream practice by which many municipalities across the nation are moving towards. Some other local jurisdictions examples are below:

Mt. Pleasant, SC – implements a 1% cap (compared to all dwelling units) of STRs – www.tompesc.com

Beaufort, SC – STRs where the owner does not live on the premises is limited to 6% of the lots within a given neighborhood. www.cityofbeaufort.org

19. Who do I contact if I have questions?

If you have questions about any provision in the ordinance, please call or email Stephanie Tillerson, Town Administrator, at 843-768-5103 or stillerson@kiawahisland.org. The October and November Town Council meetings will provide an opportunity for public comments. If you are unable to attend and have a comment, or simply would like to discuss the ordinance, please feel free to email Mayor Craig Weaver at cweaver@kiawahisland.org or Mayor Pro Tem Chris Widuch at cwiduch@kiawahisland.org.