



# SENATE BILL 118: Short-Term Rentals/Regulate & Study.

2019-2020 General Assembly

<b>Committee:</b>	House State and Local Government. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	July 15, 2019
<b>Introduced by:</b>	Sens. B. Jackson, Krawiec, Ballard	<b>Prepared by:</b>	Billy R. Godwin Committee Counsel
<b>Analysis of:</b>	PCS to Third Edition S118-CSST-54		

**OVERVIEW:** *The Proposed Committee Substitute (PCS) to Senate Bill 118 would (i) authorize counties and cities to enforce existing ordinances regulating short-term residential rental property adopted on or before June 30, 2019, (ii) authorize counties and cities to adopt new ordinances regulating short-term residential rental property after June 30, 2019, subject to certain limitations, (iii) subject a residential vacation rental or a long-term residential rental to zoning regulations applicable to land use regulations, and (iv) establish the Joint Legislative Study Committee on Short-Term Rentals.*

[As introduced, this bill was identical to H108, as introduced by Reps. Horn, Lucas, which was ordered enrolled on July 11, 2019.]

**CURRENT LAW:** Regulation of residential tenancies is generally governed by State law found in Chapter 42 of the General Statutes. Those statutes generally contain provisions addressing rights between landlord and tenant, ejection of tenants, residential rental agreements, and security deposits. State law also governs regulation of vacation rental property (Chapter 42A of the General Statutes). Counties and cities have limited authority to regulate residential rental property, with explicit authority to conduct inspections of hazardous or unsafe buildings, and general authority to zone.

### BILL ANALYSIS:

**Section 1** of the PCS to Senate Bill 118 would authorize counties and cities to enforce existing ordinances regulating short-term residential rental property that were adopted on or before June 30, 2019. After June 30, 2019, counties and cities would be authorized to amend existing short-term residential rental ordinances or to adopt new short-term residential ordinances provided the amended ordinance, or the new ordinance, does not do any of the following:

- Prohibit rentals, impose occupancy restrictions, or regulate rental frequency or duration.
- Require licensing or registration of rentals or their owners.
- Require inspections of rentals, except those for hazardous or unlawful conditions.
- Regulate or require licensing or registration of a landlord's real estate broker except as required by the North Carolina Real Estate Commission.

The PCS would require local governments to treat a residential vacation rental or a long-term residential rental as residential property for purposes of zoning regulations applicable to land use regulations.

**Section 2** of the PCS would establish the Joint Legislative Study Committee on Short-Term Rentals to study the regulation of residential rental and vacation property and to submit a final report on the results

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of its study, including any proposed legislation, to the Senate and the House of Representatives on or before the convening of the 2020 Regular Session of the 2019 General Assembly.

**EFFECTIVE DATE:** The act would be effective when the bill becomes law.