

SB372 (Overbey) / HB497 (McCormick) – Tennessee Hospitality Association Bill

ZONING

City may prohibit STRPs, if owner does not reside in home.

Single-family residence, apartment, condo, trailer, RV, tent, temporary structure or cooperative unit not included in definition of STRP if owner resides on the property and only one room is offered for rent and rent room for no more than 3 weeks in a calendar year.

May not prohibit owner-occupied STRPs in city; however, no restriction on zoning. Not clear whether can preclude the 1 room, 3 week under zoning or must allow in residential neighborhoods. Think intent was to allow 1 room/3 week in residential areas in spite of zoning.

HOA, Condo Associations and co-ops can prohibit STRPs, including owner-occupied.

City may require STRP to obtain permit and business license. May need specific authorization for permit for STRPs

Violations provision of bill subject to fine of \$1,000

TAXES

STRP subject to sales tax

STRP subject to hotel-motel tax

STRP subject to business tax

Company can collect and remit on behalf of owner. If do so, then must provide data and info for audit to city or state

Permitting or licensing will assist this effort.

HEALTH AND SAFETY

STRPs required to have \$500,000 in p/c and \$1 million in liability. Cities may increase these amounts.

STRP owners may not prepare or serve food to guests.

Nothing specific on detectors and alarms, sprinkling, pools or inspections – but might be by definition or reference

ADVERTISING

STRP owners may not advertise, unless have obtained permit or license from city.

STRP must include permit or license number in all advertisements

STRP listing must be removed if violates anything in bill that is not resolved in 30 days