



## ORDINANCE 24-312

### **AN ORDINANCE OF THE TOWN OF CORNERSVILLE, TENNESSEE, TO AMEND TITLE 20 OF THE CORNERSVILLE TOWN CODE BY ENACTING A NEW CHAPTER 1 THEREOF TO ADDRESS REGULATION OF SHORT TERM RENTAL UNITS WITHIN THE TOWN OF CORNERSVILLE**

**WHEREAS**, the Town of Cornersville Board of Mayor and Aldermen recognizes the increasing local existence of commercial and/or quasi-commercial endeavors whereby residential dwelling units are leased, rented, utilized or occupied, in exchange for a fee and/or various forms of consideration, on a short term basis, and often advertised on or promoted pursuant to internet or digitally based platforms and/or other forms of social media; and,

**WHEREAS**, the Town of Cornersville Board of Mayor and Aldermen determines that commercial and/or quasi-commercial short term rental units within the Town, are acceptable; and,

**WHEREAS**, short term residential rental units should be required to comply with certain public safety and operational standards.

**NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF CORNERSVILLE, TENNESSEE AS FOLLOWS:**

**SECTION 1.** That the Cornersville Town Code, Title 20, be amended by adding Chapter 1, Short Term Rental Units, with the following definitions and provisions to, as follows:

**Section 20-1-101.**

- (A) “Short Term Rental Unit” or “Unit”: “Short Term Rental Unit” or “Unit” means a residential dwelling unit that is rented wholly or partially for a fee for a period of less than thirty (30) continuous days and does not include a hotel as defined in T.C.A §68-14-302, or a bed and breakfast establishment or a bed and breakfast homestay as those terms are defined in T.C.A. §68-14-502.

- (B) As per the provisions of T.C.A. §13-7-601 et seq., certain limited provisions of this Ordinance may not be applicable or wholly applicable to “Grandfathered short term rental units.”

**Section 20-1-102.**

- (A) Short Term Residential Rental Agent: a natural person designated to be responsible for daily operations by the owner of a short term residential rental or short term residential rental permit application. Such person shall be available for and responsive to contact at all times and someone who is customarily present at a location within Cornersville, Tennessee, for purposed of transacting the short term residential rental business. The short term residential rental agent must meet all other requirements set forth by state law.
- (B) Short Term Residential Rental Occupants: Guests, tourists, lessees, vacationers or any other person who, in exchange for compensation, occupy a short term residential rental dwelling unit for lodging for a period of time not to exceed thirty consecutive days, but not in any event to be for a period time less than overnight.

**Section 20-1-103.** Permit required.

No person or entity shall operate a Short Term Rental Unit, including without limitation a Grandfathered short term rental unit, unless a Short Term Rental Permit has been first obtained from the Town Administrator, or the Town Administrator’s designee. To obtain a Short Term Rental Permit, an otherwise eligible applicant must submit an application in compliance with the provisions of this Chapter of the town code on a form provided by the Town. If approved, a legible copy of the Short Term Rental shall be posted within the unit and shall include all of the following information:

- (a) The name, address, telephone number and email address of the owner of the short term rental unit and the short term rental agent, if applicable;
- (b) The Business License Number;
- (c) Any applicable Hotel-Motel tax certifications and or numbers as are applicable pursuant to T.C.A. §67-4-1401 et seq.;
- (d) The maximum occupancy of the unit; and,
- (e) The maximum number of vehicles that may be parked at the unit;
- (f) The Short Term Rental Permit number.

All Short Term Rental Units must be properly maintained and regularly inspected by the owner to ensure continued compliance with applicable zoning, housing, building, health and life safety code provisions.

**Section 20-1-104.** Minimum standards for short term rental units:

- (A) Short Term Rental Unit shall meet the following minimum standards:

- (i) A short term rental unit may include a primary dwelling unit and/or a secondary dwelling unit, but cannot include uninhabitable structures such as garages, barns, or sheds.
- (ii) A short term rental unit must meet all applicable laws related to zoning, housing, building, health, electrical, gas, plumbing and life safety.
- (iii) There shall be no more than five (5) sleeping rooms made available for rental.
- (iv) Maximum occupancy: the maximum occupancy shall be determined by the total of:
  - (1) Two (2) persons per bedroom up to 140 square feet.
  - (2) For bedrooms over 140 square feet, the occupant load will be determined by the area of the room divided by 70 square feet.
  - (3) The occupancy maximum shall be conspicuously posted within the short term residential rental unit.
  - (4) The short term rental unit Owner shall not receive any compensation or remuneration to permit occupancy and shall not permit occupancy of a short term rental property for any agreed or contracted period of less than twenty-four (24) hours.
- (v) The short term rental Permit holder shall be responsible for collecting and remitting all applicable Hotel/Motel taxes, sales taxes, and any other taxes required by state law and/or by the Town Code of the Town of Cornersville.
- (vi) Adequate on-site parking shall be provided, as determined by the Town after considering proposed/maximum permitted number of guests, frequency of operations, and availability of on-street parking (if any). As a general rule, parking shall not be allowed on any vegetated area of the premises on which the short term residential rental is located.
- (vii) All occupants shall abide by all generally applicable codes, ordinances and regulations, including without limitation, applicable noise restrictions and all applicable waste management provisions of the Cornersville Town Code,
- (viii) The name and telephone number of the owner of the short term rental unit or the short term rental agent shall be conspicuously posted within the short term rental unit.
- (ix) As per the provisions of T.C.A. §13-7-601 et seq., certain limited provisions of this subsection may not be applicable or wholly applicable to “Grandfathered Short Term Rental Units.”

**Section 20-1-105.** Permit Application; action on permit application; application approval or appeals to the Cornersville Board of Mayor and Aldermen.

(A) Permit applications. Applicants for a short term rental units Permit shall submit an application to the Town Administrator or the Town Administrators designee. The application shall be furnished under oath on a form specified by the Town. This provision shall apply whether the application is for a short term rental unit or a “grandfathered short term rental unit” together with documentary evidence which supports classifying the

(proposed) Short Term Rental Unit as a “Grandfathered Short Term Rental Unit.” Such application shall include:

- (i) The names, address, telephone number, and email address of the owner of the short term rental unit and the short term rental Agent, if applicable;
  - (ii) Documentation that applicant is the owner or the short term rental Agent;
  - (iii) The Business License Number;
  - (iv) Certification and/or registration number relating to the Hotel/Motel occupancy tax authorized by T.C.A. §67-4-1401 et seq.;
  - (v) A concept plan, indicating the subject property, the building (s) on the site intended for short term rental unit, proposed parking and guest access;
  - (vi) A narrative with the following:
    - (1) A description of the area available for short term rental (i.e. the entire property and house, a guest cottage, a portion of the house, etc.);
    - (2) A description of the number of bedrooms proposed for rental, which shall not be more than five (5) bedrooms under any circumstance;
    - (3) The maximum number of guests to be accommodated at one time;
    - (4) The days of operation (all year, just holidays, weekend/weeknights, etc.);
    - (5) How trash will be handled, and the method of informing occupants about method of disposal of trash; and
  - (vii) Proof of insurance on the dwelling unit.
    - (1) As per the violations of T.C.A. §13-7-601 et seq., certain limited provisions of this subsection may not be applicable or wholly applicable to “Grandfathered Short Term Rental Units.”
- (B) Application fee.
- (i) The permit application fee for owner-occupied short term rental units shall be two hundred fifty dollars (\$250.00).
  - (ii) The permit application fee for all other nonowner-occupied short term rental units shall be three hundred dollars (\$350.00).
- (C) Application review.
- (i) The Town Administrator or the Town Administrator’s designee shall review the application.

- (ii) The Town Administrator or the Town Administrator's designee shall notify the Marshall County Building Codes Office to ensure compliance with state and local laws.
- (iii) If the application meets all of the requirements set forth in this Chapter, the Town Administrator or the Town Administrator's designee, shall issue a permit to the applicant within thirty (30) days of receipt of the application.
- (iv) If objections or appeals are made relating to the issuance of the short term residential rental permit and upon notice to the applicant and the objecting parties, the Cornersville Board of Mayor and Aldermen shall determine whether to grant or deny the short term rental unit Permit based upon the minimum standards for review as set forth herein, and any generally applicable health, safety, and/or building codes with respect to the short term rental unit. Such hearing shall take place not later than forty-five (45) days after the application has been submitted to the Town Administrator or the Town Administrator's designee. The decision of the Board of Mayor and Aldermen whether to issue, deny, or revoke any Permit shall be final.
- (v) As per the provisions of T.C.A. §13-7-601 et seq., certain limited provisions of this subsection may not be applicable or wholly applicable to "Grandfathered Short Term Rental Units."

**Section 20-1-106.** Permit approval, transferability, conditions, renewal and revocation.

(A) Permit is site-specific. If approved, the permit shall be issued for a specific site location and/or address of the short term unit as provided in the application.

Upon receipt of a short term rental unit permit, permit numbers shall be displayed on any materials or digital platforms used to advertise the short term rental unit.

(B) False statements. Any false statements or information provided in the application are grounds for revocation, suspension and/or imposition of penalties, including denial of future applications. The decision by the Town Administrator to revoke, suspend, and/or impose penalties is appealable to the Board of Mayor and Aldermen.

(C) Transferability. The Permit is nontransferable to another site, property, location or owner. Grandfathered short term rental unit Permits are subject to additional transferability as provided in T.C.A. §13-7-601, et seq., as now enacted or hereafter amended.

(D) Revocation. The Town reserves the right to suspend, revoke and/or modify any Permit for violations of this Chapter at any time upon notice to the property owner at the address of record for the short term rental unit.

Once the property has three (3) documented Town Code, Town Ordinance or Resolution, other violations of any generally applicable state laws or breaches of the peace, or the unreasonable interference with the use and enjoyment of adjoining or nearby properties within any continuous 12-month period, the Town can revoke, suspend, or modify the permit. Three documented violations within the applicable period creates a basis to change the permit, but a change in permit status is not limited to these circumstances.

When a permit is revoked, the permit holder and/or owner, or agent for the specific property shall not be permitted to have a permit for one (1) year from the date of revocation. Appeals from suspensions, revocations, or modifications are appealable to the Board of Mayor and Aldermen.

- (E) Suspension of Permit. The Town Administrator may suspend a previously issued Permit upon a finding that the permittee is noncompliant with any of the terms, conditions or requirements of this Chapter. Any permit which is suspended for administrative noncompliance with permitting requirements may be reinstated upon payment of a fifty dollar (\$50.00) reinstatement fee. The Permittee must be able to demonstrate compliance to the Town Administrator that noncompliance issues with the permit have been resolved.
- (F) No property shall be operated as a short term rental unit without a permit. Revoked and suspended permits are not valid permits for the purposes of this ordinance.

**Section 20-1-107.** Short term rental unit annual fee.

- (A) There shall be a short term rental unit permit renewal and inspection fee to be paid annually in the amount of \$100.00 per room, which upon inspection by the Town and satisfactory demonstration of compliance by the permit holder and property of the terms, provisions and conditions of the Ordinance shall entitle the permittee to renewal of the permit for the ensuing twelve (12) months.
- (B) Failure to pay the annual renewal fee and to cooperate with permit inspection requirements shall result in suspension of the permit, which if not remedied within sixty (60) days after suspension, shall automatically result in revocation of the permit for that particular location.

**Section 20-1-108.** Short term rental agent.

The owner of a short term unit shall designate a short term rental Agent on his/her application. The agent can be the owner or a designee over 18 years of age. The agent must be reasonably available to handle problems from the short term rental unit. The agent must be able to appear on the short term rental premises within two (2) hours after receiving notice to appear from Town employees or law enforcement.

Although not limited to the following, notice can be given for unreasonable noise, disturbances, disorderly conduct, town code violations, overcrowding, violations of state statutes, criminal activity, and consumption of alcohol or drugs.

Failure of the agent to timely appear on two or more complaints for violations may be grounds for penalties, suspensions, or revocation. This does not create a duty for the short term rental agent to act as peace officer or put him or herself in a perilous situations.

The short term rental agent shall accept service of violations and hearings relating to the short term rental unit. Further, the short term rental unit owner or agent shall monitor the units for compliance with all laws, including the Hotel/Motel tax authorized by T.C.A. §67-4-1404.

There shall always be one designated agent for each location. The agent can be changed at any time by updating the application and the payment of a fifty dollar (\$50.00) fee.

**Section 20-1-109.** Failure to obtain permit; penalties.

- (A) Any violation of this ordinance, including failure to obtain a permit, renew a permit, or operating a short term rental after a permit is suspended or revoked, shall be punishable by a civil penalty of fifty dollars (\$50.00) per violation. Each day the violation continues shall be a separate offense. There is a rebuttable presumption that a person violates this ordinance if the property is listed or held out as a short term rental without first obtaining a short term rental permit. This presumption also applies to dwellings featured on websites whose primary business is short term rental unit reservations.
- (B) The owner or agent of a grandfathered short term unit may be exempt from compliance with some of the requirements of this ordinance. However, a failure by the owner or agent to obtain a permit within thirty (30) days following the effective date of this ordinance, and upon notice of the ordinance, shall lose grandfathered status. A grandfathered unit that is sold, is not used as a short term rental for thirty (30) days, or violates this Chapter three (3) or more times with no appeals remaining may lose grandfathered status.

**Section 20-1-110.** Private agreements and covenants.

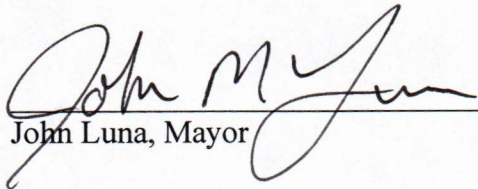
This Chapter shall in no way be used to supersede any privately created agreements or covenants by any homeowner associations or developers restricting certain uses.

**SECTION 2.** If any section, clause, provision or portion of this Ordinance is for any reason declared invalid or unconstitutional by any Court of competent jurisdiction, such holding shall not affect any other section, clause, provision or portion of this Ordinance that is not itself invalid or unconstitutional.

**SECTION 3.** This Ordinance shall take effect and be in full force and effect thirty (30) days after its final passage, the public welfare demanding it.

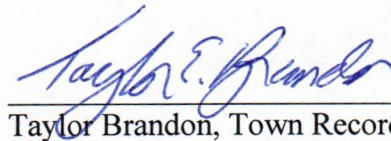
**PASSED FIRST READING:** February 1, 2024

**PASSED SECOND READING AND ADOPTED:** March 7, 2024



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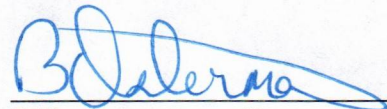
John Luna, Mayor



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Taylor Brandon, Town Recorder

Approved as to legality and form:



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Billy Ostermann, Town Attorney