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1   **SENATE BILL NO. 1579**
2   Offered January 20, 2017
3   *A BILL to amend the Code of Virginia by adding in Article 5 of Chapter 9 of Title 15.2 a section*
4   *numbered 15.2-983, relating to the short-term rental of property.*
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                           Patron—Stanley
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7   Referred to Committee on Local Government
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9   **Be it enacted by the General Assembly of Virginia:**
10 **1. That the Code of Virginia is amended by adding in Article 5 of Chapter 9 of Title 15.2 a**
11 **section numbered 15.2-983 as follows:**
12   *§ 15.2-983. Regulation of the short-term rental of property.*
13   *A. As used in this section:*
14   *"Applicable taxes" means any state or local tax imposed on a transaction involving a short-term*
15 *rental pursuant to § 15.2-1104, Chapter 6 (§ 58.1-600 et seq.) of Title 58.1, § 58.1-1742, Article 6*
16 *(§ 58.1-3819 et seq.) of Chapter 38 of Title 58.1, § 58.1-3840, or any other transaction tax imposed by*
17 *a city or town charter.*
18   *"Hosting platform" means any person or entity that is not an operator and that facilitates*
19 *reservations or collects payments for any transaction involving a short-term rental on behalf of an*
20 *operator through an online digital platform.*
21   *"Operator" means the proprietor of any dwelling, lodging, or sleeping accommodations offered as a*
22 *short-term rental, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee,*
23 *or any other possessory capacity.*
24   *"Residential dwelling unit" means a residence where one or more persons may maintain a household,*
25 *including a manufactured home. "Residential dwelling unit" does not include:*
26   *1. Residence at a public or private institution, if incidental to detention or the provisions of medical,*
27 *geriatric, educational, counseling, religious, or similar services;*
28   *2. Occupancy by a member of a fraternal or social organization in the portion of a structure*
29 *operated for the benefit of the organization;*
30   *3. Occupancy in a hotel, motel, extended stay facility, boardinghouse, bed and breakfast*
31 *establishment, or similar lodging;*
32   *4. Occupancy under a rental agreement covering premises used by the occupancy primarily in*
33 *connection with business, commercial, or agricultural purposes; or*
34   *5. Occupancy in a campground as defined in § 35.1-1.*
35   *"Short-term rental" means the provision of a room or space that is suitable or intended for*
36 *occupancy for dwelling, sleeping, or lodging purposes, for a period of fewer than 30 consecutive days,*
37 *in exchange for a charge for occupancy.*
38   *B. Any locality may regulate, by ordinance, the short-term rental of property.*
39   *C. If the short-term rental of residential dwelling units, or space within a residential dwelling unit, is*
40 *authorized by a locality, the locality shall require:*
41   *1. That the operator provide written notice to all landowners with property adjacent to the*
42 *residential dwelling unit of the intent to offer the residential dwelling unit for short-term rental;*
43   *2. That the operator request and obtain permission of the locality to offer a residential dwelling unit*
44 *for short-term rental. Permission of the locality shall be granted only upon agreement of the operator to*
45 *pay all applicable taxes related to the short-term rental transaction; and*
46   *3. That the operator offering a residential dwelling unit for short-term rental maintain a minimum of*
47 *$500,000 in commercial premises liability insurance that covers all renters, third parties, and, for*
48 *purposes of any damage that might be caused by a renter, persons and property immediately adjacent to*
49 *the residential dwelling unit.*
50   *D. If a hosting platform facilitates the short-term rental of residential dwelling units in the locality,*
51 *or collects payments for such transactions, such hosting platform shall comply with all applicable laws*
52 *of the Commonwealth related to real estate brokers and the offering of property for rent in the*
53 *Commonwealth.*
54   *E. If a locality prohibits the short-term rental of residential dwelling units, any person or entity,*
55 *including a hosting platform, that advertises or promotes such a rental in the locality shall be subject to*
56 *a $10,000 fine for each violation, payable to the locality.*

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