At the beginning of this legislative session, the town board was advised that laws regulating short-term rentals might be forthcoming. Our staff and attorneys, as well as the North Carolina League of Municipalities, began to monitor proposed legislation pertaining to STRs and other land use and zoning issues.

In January the legislature got underway, but spent most of the month in organizational and procedural issues. In February discussions about legislation and some bills were introduced, but nothing was related to STRs. In March SB 290 was introduced as changes to the Vacation Rental Act—most of those changes centered around inspections for fire alarms and other vague items.

There was also the introduction of SB 312- which was a workforce housing bill. It would overrule any local zoning ordinances and permit workforce housing units in all residential zones. This bill got the attention of the league and mayors, not because they were against workforce housing, but rather because the bill would cross the line and pre-empt local zoning ordinances, many of which are long-standing statutes regulating local development and zoning.

There have been other legislation proposed about development issues related to towns and cities. One piece of legislation would place a time limit on how long a town could review proposed development plans or permit applications. This legislation has been likened to having a shot clock in place as in basketball, where a town must permit or deny an application with in a given period of time, or the application is automatically approved.

On April 6, Senators Moffitt and Hanig introduced SB 667. It is described as a bill to limit the regulation of short-term rentals by local governments to protect property rights. Our staff and attorneys were watching for this kind of legislation in this legislative session. It can be viewed as the state interceding in an area that has been the purview of local governments.

The bill would not allow a town or city to prohibit residential property to be used as a short term rental. Nor could a town limit the number of days a property could be rented short term.

On the other hand, a town could require permits for STRs with certain limitations. The town could limit the number of occupants in a given unit and the number of vehicles at the residence. All general ordinances applied to residential zones would continue to be enforced.

Currently, SB 667 is a proposed bill that is under review. It may, or may not, be passed during this session. Or, it may be amended in the review process. It is all speculation at this point, but I’m pretty sure the short-term lobby is pleased with the content of SB 667.

If SB 667 were to become law, Highlands’ current ordinance of September 15, 2022 would certainly come under scrutiny. I suspect it would be invalidated, and new ordinances that comply with the state law would have to be enacted.

While I know some residents would be very disappointed with this legal preemption by the legislature, others would welcome it. For the past several years, the community has had two camps of differing opinions of STRs.

I will be contacting our representatives about this proposed legislation. My position will be that these land use and zoning issues are best handled at the local level, not by a sweeping state statute. I am sure the board will want a thorough review and analysis by our attorneys and staff as events develop.