STR FREQUENTLY ASKED QUESTIONS (UPDATED DEC 9, 2024)

WHAT IS A SHORT TERM RENTAL (STR)?

In Massachusetts: A dwelling unit or portion(s) thereof that is not a transient residential facility, where: (i) at least one room or dwelling unit is rented to an occupant or sub occupant; and (ii) all accommodations are reserved in advance. Rental periods with a change in occupancy in excess of 31 calendar days shall not be considered a short-term rental. The rental of property for a total of 14 days or less in any calendar year shall not be considered a short-term rental.

A transient residential facility includes hotels; rooming, lodging or guest houses; and time sharing or time-interval-ownership dwelling unit(s).

If all your rentals are in excess of 31 days or are 14 days or less in any calendar year, you need not register with the state or the town as an STR.

CURRENT REGULATIONS, REGISTRY & ENFORCEMENT

What regulations in the town's code currently control the operation of STRs?

- 1. <u>Chapter 123 of the Nantucket Code</u> is the general bylaw whose intended purpose is to "...provide for an orderly process for identifying, registering, and regulating short term rentals within the Town so as to insure that such short-term rentals do not create or cause any nuisance conditions within the Town."
- 2. Chapter 123 authorizes the Board of Health, subject to the approval of the Select Board, "...to promulgate regulations to carry out and enforce the provisions of this chapter". Chapter 338 contains more specific requirements for STR operators including STR registration, insurance, operational, inspection, reporting and renter notification requirements, fees and penalties for non-compliance.
- 3. Current zoning bylaws have no definition of permitted use of STRs and ambiguity in the definitions of primary and accessory use. In recent remand rulings on the Land Court cases, the Zoning Board of Appeals (ZBA) "...interprets the Bylaw in light of what is considered a customary use particular to Nantucket and bases this decision on the facts particular to the case and the totality of circumstances." The full text of the ZBA ruling (which has since been appealed in the Grape Case but not the Keith case) can be found here:
 - a. Pages 45-51 Ward vs. Grape Ruling
 - a. Pages 55-57 Quick vs. Keith Ruling

How will STR owners be contacted now that the new Nantucket local STR online registry is live?

For the initial launch, the STR registry vendor, GovOS sent letters to potential STR operators or property owners whose properties were identified as having STR listings through techniques that search the internet. These $\sim\!900$ property owners were contacted during March 2024 via US Mail (in the future it may be online for renewals) using the mailing address listed in the town assessor's records used to mail quarterly tax

bills. A second mailing used the MA DOR STR Registry information. Each property owner will receive a unique activation QR code and 6- digit Nantucket STR certificate number to use to create an on-line account using their e-mail address. Once the account is created, the property or properties (if more than one STR property has the same owner) can be registered. Further information and instructions will be provided in the letter and on the Town of Nantucket's STR Website.

What should I do if I currently or plan to operate an STR and did not get a letter?

It is the responsibility of the STR owner to contact GovOs customer service via email (blt.str.support@govos.com) or phone (1-888-751- 1911) and they will create an account and activation ID(s) so you can register.

Who is required to register?

Any property owner who currently operates or plans to operate a STR in 2024 or after. The annual registration cycle requires that STR operators register their properties with the town by 1 November of the year preceding their operation. For 2024, that date passed before the registry was operational so 2024 will be used as a year where enforcement of STR regulations will be limited to egregious offenses and gathering of census information. On October 17, 2024, the town approved a STR Registration Policy that confirms that registering by 11/1/2024 will apply to calendar years 2024 and 2025. You can print your 2025 STR certificate by following directions that can be found here.

What is the process for Nantucket STRs to be registered? Property owners must first register their STR(s) with the MA State STR Registry online using MassTaxConnect. [NOTE: LETTERS SENT OUT BY GOVOS MAY HAVE THE INCORRECT LINK - PLEASE USE THIS ONE]. If you own more than one rental property, during the registration process you will be asked to list the properties and you will receive a separate certificate number for each one. Registration is free and does not expire as long as there is no ownership change. Only 1 MA STR Certificate is needed for each STR property regardless of the number of dwelling units on the property that are used as STRs.

What is the website link for the Nantucket Local STR Registry? The link to begin the local registration process is: https://nantucket-ma.munirevs.com/. You will be required to create an account using your email address along with a password and verify that email address. You will then be asked to login again using your email address and password along with the account ID and activation code from the letter you received or acquired by contacting the GovOs Help Desk. The property associated with your activation code(s) will be listed (one activation code per property ID) and you will be asked to link them to your account.

Who do I call with a complaint against an STR?

In most cases, you should contact GovOS STR Hotline (508 315-6372) or via email (blt.str.support@govos.com) and they will log your concern and route it to the proper entity for resolution depending on its type and severity. Do not call the Nantucket Board of Health. If their services are needed, they will be contacted by GovOS. Your call/email will be logged and vetted before the imposition of penalties.

<u>IF THERE IS AN EMERGENCY SITUATION (e.g. fire, medical, vehicle or immediate safety emergency)</u> CALL 911 instead of GovOs!

What information will I need to register my STR on Nantucket?

Before attempting to complete your STR application, the following information is required:

- MA STR Registry Certificate Number
- Legal Property Owner Information
- Short Term Rental Property Information
- Property Management Company Information/Agreement (if applicable) if you use a professional property management company to handle your bookings it likely means the upload of that contract is required but management of the maintenance of your property (e.g. caretaker) does not require a contract upload. If your account includes multiple STR properties, you are likely to fall under the additional requirements passed at the 2023 Special Town Meeting (Article 3) which go into effect 1 October 24. All MA DOR registered STRs on Nantucket should have received notification of the new opt-in legislation regardless of its applicability to your situation. It is the responsibility of the STR owner to determine its applicability to their operation and collect and remit the fees.
- Evidence of \$1M Liability Insurance (personal policy and/or online rental platform information depending on how you rent your home). The registry requires at least one document to be uploaded but multiple uploads of all applicable liability coverages is permitted..

What current regulations and restrictions currently apply to STRs? All

STRs must register with the state and the town, submit required information, pay an annual fee, certify compliance with state and town laws and face fines or termination/non-renewal of their certificate for violations of noise and outdoor lighting bylaws. These regulations were approved at the 2022 Annual Town Meeting and are currently in effect for any property used as an STR starting in 2024. In addition, the MA General Bylaws Chapter 64G include similar rules including the requirement to post information regarding the location of any fire extinguishers, gas shut off valves, fire exits and fire alarms in the unit and building.

What restrictions will apply to STRs now that 2024 Citizens Articles 60 (STM 2023) and 4 (STM 2024) are passed?

There are several in these amendments to <a>Chapter 123:

- 1. Corporations (with the exception of S-Corps and LLCs owned solely by natural persons), Real Estate Investment Trusts and Partnerships which pool funds from investors and is engaged primarily in investment activity are banned from operating STRs now and in the future
- 2. Operation of STRs in deed or income-restricted housing will not be permitted
- 3. Operation of STRs in time-share or time-share-interval property will be banned.

What current regulations and restrictions currently apply to STRs? All STRs must register with the state and the town, submit required information, pay an annual fee, certify compliance with state and town laws and face fines or termination/non-renewal of their certificate for violations of noise and outdoor lighting bylaws. These regulations were approved at the 2022 Annual Town Meeting.

What if I do not obtain a Short-Term Rental Certificate?

Renting or advertising your home for rent on a short-term basis without a certificate is in violation of the Town of Nantucket's ordinances and subject to enforcement processes as provided for in the Town Code Chapters 123 and 338.

What is the Room Occupancy Excise Tax? When is it due? How are penalties and interest calculated?

This is required to be paid quarterly by the STR operator, or their agent unless they are using an online rental platform that collects and remits the taxes on behalf of the host. GovOS has no role in these transactions. Please refer to the associated state regulations.

Do I also need to obtain a separate business license?

No. The STR Operator's Certificate is all you need to begin advertising your rental. Please note that the operator must register first with the state (only once) to begin the process and initiate the means to collect taxes. Then the operator must register with the Town of Nantucket and renew their STR Certificate annually.

What is the cost of an STR Certificate?

The annual fee of \$250 is currently defined in the Town of Nantucket Code Chapter 338.

Does my short-term rental certificate apply to multiple properties? No.

You may register more than one short term rental property but each STR property (which may include a secondary dwelling) requires its own certificate and annual fee.

Do I have to display my STR certificate?

Yes. The STR Certificate, visitor emergency information and copies of the Town Noise (Chapter 101) and Outdoor Lighting (Chapter 102) Bylaws, must all be posted in a conspicuous place within the short-term rental unit at all times. Your STR Certificate PDF can be found in the Business Center by clicking your account name under "Manage Your Account(s)". Please note that the Massachusetts STR Certificate also needs to be displayed. Having them in a "Renter's Handbook" along with Nantucket bylaws will

satisfy this requirement. Finally, any advertising must include both the Massachusetts and Nantucket STR Certificate numbers.

Is the Town of Nantucket working with online rental platforms? No.

However, Airbnb and VRBO do collect and remit room occupancy excise taxes to the Commonwealth of MA on behalf of property owners and/or authorized agents and the Commonwealth distributes its portion to the Town of Nantucket.

Is the Town of Nantucket working with Real Estate agencies? No.

However, some members of the Nantucket Real Estate Agency Association (NAREB) collect the room occupancy excise taxes and remit them to the state on behalf of their STR clients.

What documentation will satisfy the Town liability insurance requirement?

Please note the state requirement is not the same as the town bylaw requirement. The town bylaw permits the insurance to be carried by the online platform on behalf of the STR operator where the Real Estate agencies do not offer that protection. This means homeowners must secure their own coverage when not using online platforms that provide the coverage.

What is the Community Impact Fee and which STRs are affected?

At the 2023 Special Town Meeting, voters approved a 3% Community Impact Fee that must be collected on Nantucket short term rentals that are one of two or more units that have the same operator and are not located in an owner occupied single-family, 2-family or 3-family dwelling. Beginning October 1, 2024, if your rental property fits the description above you must collect and remit the 3% Community Impact Fee (along with the State and Local Room Occupancy Excise Taxes) to MA DOR on a quarterly basis **starting 1 October 2024.** This new fee does not apply to multi-dwelling STRs registered as a single entity on a single property. MA DOR administers the collection and distribution of this fee, 100% of which goes to the town of Nantucket as a new source of general fund revenue. For any questions about your account, visit mass.gov/masstaxconnect. If you have further questions, call MA DOR at (617) 887-6367 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m.