



**Special City Council**  
5:00 p.m., Tuesday, July 11, 2023  
Isle of Palms Recreation Center  
24 28<sup>th</sup> Avenue, Isle of Palms, SC

**Public Comment:**

All citizens who wish to speak during the meeting must email their first and last name, address, and topic to Nicole DeNeane at [nicoled@iop.net](mailto:nicoled@iop.net) no later than **3:00 p.m. the business day before the meeting**. Citizens may also provide public comment here: <https://www.iop.net/public-comment-form>

**Agenda**

1. **Call to Order** and acknowledgement that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.
2. **Citizens' Comments** – All comments will have a time limit of three (3) minutes.
3. **Purpose**
  - a. Discussion of petition received: "To Limit Investment Short Term Rental Business Licenses to a maximum of 1,600" and statutory requirements per section 5-17-30 of state law
  - b. Consideration of sending petition to the Charleston County Board of Voter Registration & Elections for certification of signatures
  - c. Consideration of first reading of ordinance by petition 2023-12 "To Limit Investment Short Term Rental Business Licenses to a maximum of 1,600"
4. **Adjournment**

## South Carolina Code of Laws Unannotated

### Title 5 - Municipal Corporations

#### CHAPTER 17

##### Initiative and Referendum

**SECTION 5-17-10.** Electors of municipality permitted to propose ordinances.

The electors of a municipality may propose any ordinance, except an ordinance appropriating money or authorizing the levy of taxes. Any initiated ordinance may be submitted to the council by a petition signed by qualified electors of the municipality equal in number to at least fifteen percent of the registered voters at the last regular municipal election and certified by the municipal election commission as being in accordance with the provisions of this section.

HISTORY: 1962 Code Section 47-220; 1975 (59) 692; 1978 Act No. 435, Section 4.

**SECTION 5-17-20.** Electors' petition requesting repeal of ordinance authorizing evidences of debt requiring pledge of full faith and credit of municipality.

Within sixty days after the enactment by the council of any ordinance authorizing the issuance of bonds, notes or other evidence of debt the repayment of which requires a pledge of the full faith and credit of the municipality, a petition signed by the qualified electors of the municipality equal in number to at least fifteen percent of the registered voters at the last preceding regular municipal election may be filed with the municipal clerk requesting that any such ordinance be repealed; provided, however, that this section shall not apply to bond issues approved by referendum or to notes issued in anticipation of taxes.

HISTORY: 1962 Code Section 47-221; 1975 (59) 692; 1977 Act No. 33, Section 2.

**SECTION 5-17-30.** Special election subsequent to council's failure or refusal to act upon initiative petition in manner desired by electors.

If the council shall fail to pass an ordinance proposed by initiative petition or shall pass it in a form substantially different from that set forth in the petition therefor or if the council fail to repeal an ordinance for which a petition has been presented, the adoption or repeal of the ordinance concerned shall be submitted to the electors not less than thirty days nor more than one year from the date the council takes its final vote thereon. The council may, in its discretion, and if no regular election is to be held within such period, provide for a special election.

HISTORY: 1962 Code Section 47-222; 1975 (59) 692.

STATE OF SOUTH CAROLINA )	Petition
)	To Limit Investment Short Term
CITY OF ISLE OF PALMS )	Rental Business Licenses to a
)	maximum of 1,600

**To the Mayor and City Council of City of Isle of Palms:**

We the undersigned voters of the City of Isle of Palms request that the City adopt the following ordinance: TO LIMIT INVESTMENT SHORT TERM RENTAL BUSINESS LICENSES TO A MAXIMUM OF 1,600. This Petition is submitted pursuant to the South Carolina Code of Laws, section 5-17-10, *et seq.*

**WHEREAS**, the requisite number of voters have affixed their names to this **PETITION TO LIMIT INVESTMENT SHORT TERM RENTAL BUSINESS LICENSES TO A MAXIMUM OF 1,600**, pursuant to South Carolina Code of Laws, section 5-17-10 *et seq.*

**NOW THEREFORE:**

**We the undersigned request that the following additions be inserted into Title 7 of the City of Isle of Palms Code of Ordinances:**

**CHAPTER 8. - SHORT TERM RENTAL BUSINESS LICENSES:**

**Sec. 7-8-1. - Definitions.**

The following words, terms, and phrases, when used in this chapter, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning.

*Existing investment short-term rental* means a short-term rental that is licensed by the City as a short-term rental pursuant to § 5-4-201, *et seq.*, as of April 30, 2023 and is not the legal residence of the owner.

*Dwelling* means a building, or portion of a two-family, multifamily, apartment house, or residential condominium building, used, arranged or designed to provide human residential occupancy.

*Eligible family member* means a spouse, parent, step-parent, sibling, step-sibling, sibling-in-law, child, step-child, grandparent or step-grandparent.

*Legal residence* means a dwelling assigned a four percent property tax ratio by the Charleston County Assessor's Office under the requirements of S.C. Code Ann. § 12-43-220.

*Investment Short-Term Rental (ISTR) Business License* means a license issued pursuant to this chapter for a short-term rental that is not the legal residence of the owner.

*Legal Resident Short-Term Rental (LRSTR) Business License* means a license issued pursuant to this chapter for a short-term rental that is the legal residence of the owner.

*Short-term rental* means the use of any dwelling, including the lot upon which the dwelling is located, anywhere within the City whereby the dwelling is leased or otherwise made available by the owner to another person for a term of three (3) months or less.

**Sec. 7-8-2. Short term rental business licenses.**

(a) No person shall operate, advertise, hold-out, offer, or otherwise make available a short-term rental without an ISTR or LRSTR Business License.

(b) The ISTR and LRSTR Business Licenses issued under this chapter shall be an annual license, which shall be subject to renewal based on the schedule as determined by the City's business license official. The license official shall establish a reasonable fee to process applications and administer the provisions of this chapter. The fees and licenses required under this chapter shall be in addition to the obligations of City's business license ordinances and taxes under § 7-1-1, *et seq.*

(d) There will be no limit on the number of LRSTR Business Licenses.

(e) The maximum number of ISTR Business Licenses issued shall be 1,600 (the "Cap"), except as provided below.

(1) The owner of an existing investment short-term rental shall have sixty (60) days from the effective date of this chapter to apply for an ISTR Business License. An ISTR Business License issued to an existing investment short-term rental shall count towards the Cap; provided, however, if the number of existing investment short-term rental applicants received during the initial 60-day application period exceed the Cap, then the City may issue an ISTR Business License for an existing short-term rental in excess of the Cap.

(2) Upon expiration of the initial 60-day application period for existing short-term rentals, the City may accept applications for and issue ISTR Business Licenses, subject to the Cap. ISTR Business Licenses will be processed and issued in chronological (first-come, first-served) order based on the time and date of application. When the number of ISTR Business Licenses meets the Cap, a waitlist will be established and maintained by the City. New ISTR Business Licenses will be issued to applicants on the wait list in chronological order as they become available under the Cap.

(f) Transferability; Termination.

(1) Other than a transfer to an eligible family member, ISTR and LRSTR Business Licenses terminate upon transfer of the dwelling, including the lot upon which the dwelling is located. A LRSTR Business License also terminates if the short-term rental is later found not eligible or loses eligibility as the owner's legal residence.

(2) Any applicant on the waitlist for a ISTR Business License shall be removed from the waitlist upon transfer of the dwelling, including the lot upon which the dwelling is located, to an owner other than an eligible family member.

- (3) An owner whose ISTR or LRSTR Business License terminates under the provisions of this section shall notify the City's business license official of the event giving rise to the termination within thirty (30) days thereof.

**Sec. 7-8-3. Enforcement; Violations; Penalties.**

- (a) The City's license official shall administer the provisions of this chapter, collect business license taxes and fees, issue licenses, make or initiate investigations and audits to ensure compliance, initiate denial or suspension and revocation procedures, report violations to the City attorney, assist in prosecution of violators, produce forms, undertake reasonable procedures relating to the administration of this article, determine the documentation necessary to establish eligibility for licensure, and perform such other duties as may be duly assigned.
- (b) It shall be a violation of this chapter to operate, advertise, hold-out, offer, or otherwise make available a short-term rental without an ISTR Business License or a LRSTR Business License or to otherwise fail to comply with the requirements of this chapter.
- (c) A violation of this chapter may result in a penalty pursuant to the general penalty provision of § 1-3-66 or revocation, suspension, or non-renewal of the ISTR or LRSTR Business License. Each day of violation shall constitute a separate offense.
- (d) The denial, revocation, suspension, or non-renewal of an ISTR or LRSTR Business License shall be subject to the appeal provisions of § 7-1-16. All other penalties imposed under § 1-3-66 shall be subject to the jurisdiction of the City Court under § 1-7-1, *et seq.*