

# SHORT TERM RENTAL UNIT PERMITS

City-County Building, Room 549  
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## TRAINING OVERVIEW

- **Permitting process & permit types**
- **How to find information required for permitting**
- **Other required information**
- **How to fill out the Neighborhood Notice form**
- **Paying taxes to the City and the State**
- **Enforcement and violations**



## OVERVIEW OF PERMITTING

- **A permit is required for the operation of any Short Term Rental in the City of Knoxville; operation without a permit is illegal.**
- Cost is \$70 for a Type 1 Permit, \$120 for a Type 2 and Type 3 Permits; annual renewals, if allowed, will be \$50
- A business license is required from the City and County prior to applying for a permit; the cost is \$15 per jurisdiction
- Permits will be issued through the Business License & Tax Office
- Private agreements (HOA rules, for example) are not within the scope of the City's authority for regulation



## PERMIT TYPES

### **Type 1 Permit: Owner Occupied in Residentially Zoned Districts**

- Permit available ONLY to a natural person who owns AND lives in the home
- Criteria for determining residency and ownership (deed and governmental documents)
- Available in all residential districts

### **Type 2 Permit: Non-Owner Occupied in Non-Residentially Zoned Districts**

- Permit available to the owner, or a lessee with owner's permission
- Available in all non-residential districts that allow dwelling
- Limit of two permits per permittee

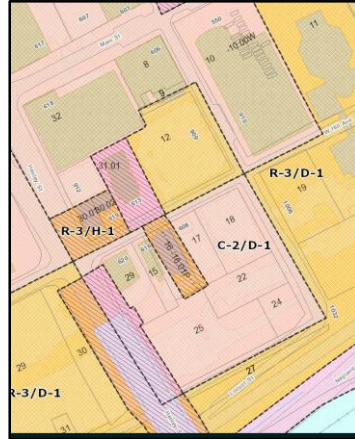
### **Type 3 Permit: Non-Owner Occupied in Residentially Zoned Districts**

- Permit available ONLY until February 1, 2018 and available ONLY to operators who operated prior to March 1, 2017
- Valid until January 2, 2019, but non-renewable
- Available in all residential districts



## FINDING YOUR ZONING DISTRICT

1. Visit [KGIS Maps](#), an online mapping tool.
2. Enter address of proposed STRU location and choose the address from the left-hand column, if needed.
3. Choose the Maps tab at the top left.
4. Click the dropdown arrow next to Planning and Zoning Maps and choose the button next to Zoning.
5. The color-coded zoning map will appear and should indicate your zoning district (e.g., R-1, R-1E, C-2).



## GOOD STANDING FOR ENTITIES

1. Visit the [Tennessee Secretary of State](#) website.
2. Click on Business Services from the option menu at the top. Then, choose Business Information Search in the dropdown menu, or on the following page.
3. Input your entity name (and verify you're not a robot!).
4. When the business entity detail page populates, choose "Printer Friendly Version" in the gray box on the right side of the page.



### Business Information Search

Search by business name or Secretary of State Control Number in order to file annual reports and other amendments or to view the business detail.  
[Read more»](#)

[Printer Friendly Version](#)



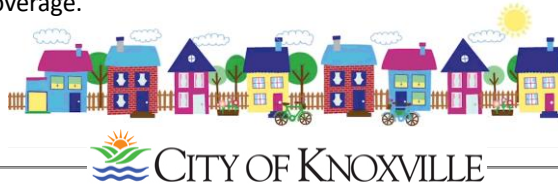
## SAFETY AND INSURANCE

### ***What are the minimum safety requirements?***

The application requires signing a form verifying the installation and functionality of smoke alarms, fire extinguishers, and carbon monoxide detectors. The number required depends on the configuration of the Short Term Rental.

### ***Does the City require insurance?***

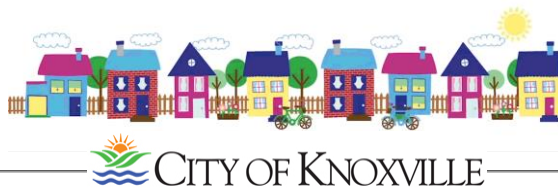
The City does not require insurance as part of the permitting process. You should be aware that renting out your home may be considered commercial activity by your insurer. Check with your insurance provider and the platform to clarify insurance coverage.



## SITE PLANS

**The site plan is intended to show the floorplan of the STRU and the layout of the property on which the STRU is located.**

- There are two forms for the site plan; one is an overview that summarizes the STRU and the other is a space for drawing the STRU floorplan and the exterior of the property
- Please remember to include the designation of parking spaces




## NEIGHBORHOOD NOTICE

***For Type 1 and Type 3 Permits, an Applicant must send notice of their activity to adjacent and nearby neighbors and the neighborhood group for the area.***

- A Neighborhood Notice form is included as part of the packet. We suggest you fill this out and bring it in with your application. The Tax Office can make copies for you.
- You will also need to print out the Standard KGIS map in order to demonstrate to which neighbors you will be sending the notice.



## STANDARD KGIS MAP

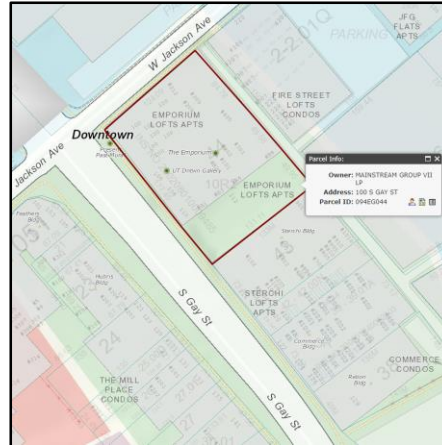
1. Visit [KGIS Maps](#), an online mapping tool
2. Enter address of proposed STRU location and choose the address from the left-hand column, if needed
3. Once your STRU location is highlighted on the map, print the map using the print icon at the top.  This will create a PDF document in a new window.\*
4. You can mark your adjacent and nearby neighbors using your computer before you print the map, or you may mark them by hand prior to submitting your application.

\*If your PDF doesn't capture all the neighbors necessary, you may need to shift the map or zoom in or out.



## FINDING YOUR NEIGHBORHOOD GROUP

1. Visit [KGIS Maps](#), an online mapping tool
2. Enter address of proposed STRU location and choose the address from the left-hand column, if needed
3. Choose the Maps tab at the top left
4. Click the dropdown arrow next to Other Maps and choose the button next to Neighborhoods
5. The color-coded zoning map will appear and should indicate your Neighborhood Group



## CONTACTING YOUR NEIGHBORHOOD GROUP



Once you have identified your neighborhood group, you need to send the group the completed Neighborhood Notice form.

You can find the contact information for the neighborhood group online through the Office of Neighborhoods [here](#).

If you questions about your neighborhood group, contact Debbie Sharp at 215-4832.



## REMITTING TAXES

**Tax collection includes hotel occupancy tax, sales tax, and gross receipts tax.**

- **ALL** permit holders are required to remit **hotel occupancy taxes** to the City of Knoxville. The hotel occupancy tax rate is 3%. The City is negotiating an agreement with Airbnb by which Airbnb would remit occupancy taxes for you.
- **Sales tax** is collected by the **State of Tennessee**. The sales tax rate is set by the State of Tennessee.
- **Gross receipts tax** is collected by the State of Tennessee, but tracked using local **business licenses** (City of Knoxville and Knox County); the requirement to obtain business licenses depends on the income produced. The business tax rate is set by the State of Tennessee.



## REMITTING TAXES

- **Hotel occupancy tax:** [http://www.knoxvilletn.gov/government/city\\_departments\\_offices/Finance/business\\_license\\_tax\\_office/](http://www.knoxvilletn.gov/government/city_departments_offices/Finance/business_license_tax_office/)
- **Sales tax:** <https://www.tn.gov/revenue/taxes/sales-and-use-tax/forms.html>
- **Gross receipts tax:** <https://apps.tn.gov/biztax/>



## RULES OF GENERAL APPLICABILITY

- Operator does not have to be present during the rental, but must nominate a local agent who is available at all times
- The number of occupants in a Short Term Rental Unit shall not exceed the sum of two (2) people per bedroom plus two (2) additional people.
- Due to state law regarding fire safety, the maximum occupancy of any Short Term Rental Unit, regardless of the number of bedrooms, shall not exceed 12 people at one time, including any transients renting the unit **and** anyone who resides or is otherwise staying at the Unit.



## BEING A GOOD NEIGHBOR!

- Neighbors will be aware of your short term rental activity due to the Neighborhood Notice form and they will also have your contact information
- By setting up house rules and clear expectations of your guests, you may be able to avoid the common nuisance complaints that are made about Short Term Rental Units
  - Parking locations
  - Trash locations
  - Quiet hours
- The City is launching a 24-hour hotline for STRU complaints
- Airbnb launched a neighbor complaint mechanism, online [here](#)





## ENFORCEMENT & VIOLATIONS

### ***How will the City deal with violations?***

This depends on whether the violation is operating without a permit, a violation of the ordinance by a permit holder, or a violation of other City Codes.

- Operating without a permit will be handled through citations and other legal means, as needed. The City may employ enforcement software to aid in tracking unpermitted STRs.
- A permit holder will receive notification of complaints and the City will investigate those complaints. Violations may result in revocation of the permit. Any STR Operator who has a permit revoked is prohibited from making a new application for a STR permit for 6 months.
- For immediate issues, a local contact person is expected to respond as appropriate and City of Knoxville officials will respond, as needed.



## QUESTIONS?

Don't forget to check the [FAQs document](#).

*Thank you!*

