



## **Rental Licensing Program**

### **Frequently Asked Questions**

**1. When was the new ordinance adopted?**

The ordinance was adopted by the Mayor and City Council during their meeting on October 10, 2022.

**2. When does the ordinance go into effect?**

The ordinance goes into effect on January 1, 2023.

**3. How do I obtain a Residential Rental License Application?**

The Residential Rental License Application can be found on the city's website under "How Do I Apply For". Complete and submit the application form to the City of Lewes attention Licensing, P.O. Box 227, Lewes, DE 19958. For questions, please contact 302-645-7777 ext. 124.

**4. Does the ordinance impact a current rental contract?**

This ordinance shall not impair any rental contract in effect prior to January 1, 2023.

**5. Why has the City of Lewes adopted new rental regulations?**

The City of Lewes has experienced increases in tourism, changes in the rental industry, growth of unlicensed rentals, and difficulties in enforcing past regulations.

**6. How were these regulations developed?**

The Mayor and City Council appointed a 5-member Short Term Rental Ad Hoc Committee in March of 2022. Over several months of work that included eight public meetings, this group analyzed all aspects of renting in Lewes. The Committee concluded its work by recommending policy changes to the City's regulations.

On October 3, 2022, Mayor and City Council held a public hearing to obtain public comments. Councilmembers studied the issues in detail, made changes, and adopted the Ordinances on October 10, 2022. The new ordinances can be found by going to <https://www.ci.lewes.de.us/352/Short-Term-Rentals>

**7. What is stated in the new regulations?**

These regulations provide clarification between short-term and long-term rentals. They also provide additional eligibility, licensing, safety, and owner compliance requirements to protect the quality of life for residents and visitors alike.

**8. How are these regulations different than the previous ordinances?**

These new ordinances were developed under a collaborative process involving multiple public input opportunities and representatives of all areas of the city. There are now more stringent licensing, safety, and owner compliance requirements. A variety of new enforcement tools are available to the city under the new ordinances.

**9. How is enforcement addressed in the regulations?**

The regulations have been carefully crafted to allow the City multiple avenues of enforcement for renters. They broaden what qualifies as a violation and allow for effectively targeted enforcement via specific categories. In addition, the City will continue to engage a company to identify properties within the city that are rented via web-based platforms to facilitate better rental licensing enforcement.

**10. If I currently operate a rental, will I be allowed to continue?**

Currently, operating rentals will be allowed to continue if they meet the criteria in the new ordinance.

**11. What if I suspect a rental is unlicensed?**

Please contact the Planning & Building Department at 302-645-7777 ext. 124 to report a suspected unlicensed rental.

**12. What is a Short-Term Rental?**

Under the new regulation, a short-term rental (STR) is defined as all or any portion thereof of a residential dwelling unit that is advertised or held out to the public as a place regularly rented for dwelling, lodging, or sleeping purposes to one party with a duration of occupancy of thirty (30) consecutive days or less. Hotels, motels, and other land uses explicitly defined and regulated in this ordinance separately from short-term rentals are not considered to be short-term rentals.

**13. Is a Vacation Rental the same as a Short-Term Rental?**

Yes, if you are renting the property with a duration of occupancy of thirty (30) consecutive days or less.

**14. Where are Short Term Rentals allowed in the City?**

Short-term rentals are licensed in all areas of the City of Lewes.

### 15. Can an accessory structure be rented as a short-term rental?

No. Short-term rentals shall not be operated outdoors, in a recreational vehicle, or in any non-residential structure.

### 16. Who needs to apply for a rental license?

The owner of any long-term or short-term rental shall obtain the appropriate rental license from the City of Lewes prior to renting the property.

### 17. What are the fees for a rental license, license violation, and operational violation?

#### License Fee per rental unit –

Annual License Fee Short-term Rental	=	\$200.00
Annual License Fee Long-term Rental	=	\$200.00

#### \*License Violations –

First Violation Notice	=	Written Warning
Second Violation Notice	=	\$250.00
Third Violation Notice	=	\$500.00 and suspension of rental license for 12 months from date of violation

#### \*Operational Violations –

First Violation Notice	=	Written Warning
Second Violation Notice	=	\$250.00
Third Violation Notice	=	\$500.00 and suspension of rental license for 12 months from date of violation

*\*Note: For violations not paid within 30 days of issuance, the fine amount will be doubled.*

### 18. What are the general safety requirements?

- Rental dwellings shall meet all applicable building, health, fire, and related safety codes including:
  - That each rental has working smoke detectors in every bedroom, outside sleeping area, and on all habitable floors;
  - That each rental unit has working carbon monoxide detectors in every dwelling unit with an attached garage or fuel appliance;
  - That each rental has a properly maintained and charged fire extinguisher in each short-term rental unit;
  - That each rental has GFCI receptacles within 6 feet of the outside edge of any sink.
- The overnight occupancy of a short-term rental shall not exceed the sum of two persons per bedroom plus an additional two persons. Children aged 12 and younger shall not be counted towards the overall number of occupants.
- Rentals shall not be operated outdoors, in an accessory structure, in a recreational vehicle, or any non-residential structure.
- The rental property shall meet all applicable requirements of the zone in which it is located.

**19. Is an inspection required of the rental prior to license issuance?**

By obtaining a license the property owner agrees to allow the Planning and Building Department the right to inspect a rental to confirm attestations of all application information and license requirements. Inspections shall be performed at an agreed upon time with no less than 48 hours prior notice, except in the case of an immediate threat to public safety. Nonresponse to or refusal of an inspection shall be grounds for the suspension of a short-term rental license.

**20. What information is required to process an application for a Rental License?**

By no later than February 1<sup>st</sup>, submit a completed rental license application along with the annual license fee and remit the Gross Rental Receipts Tax (GRRT) for the previous year payment to the City of Lewes.

**21. When do I need to renew my Rental License?**

A newly issued license is valid for one calendar year and is not automatically renewed. License renewals will be in a substantially similar form and manner as the initial license. A new attestation of all information will be required as well as proof of payment of all applicable taxes for the previous year.

**22. How many guests are allowed to stay in an STR?**

"Maximum occupancy" means the maximum number of allowable occupants and the overnight guests of those occupants for a short-term rental, as established in Section §150-5 of the ordinance.

The "Occupancy Limit" is based upon the number of bedrooms in the dwelling. The overnight occupancy of a residential rental shall not exceed the sum of two persons per bedroom plus an additional two persons. Children aged 12 and younger shall not be counted towards the overall number of occupants.

A "Bedroom" is defined as a room or space designed to be used for sleeping purposes with two means of egress (one of which may be a window that meets egress requirements.) Spaces used for eating or cooking, bathrooms, toilet rooms, closets, halls, storage or utility rooms and similar uses are not considered Bedrooms.

**23. Does an owner have to be present during a rental?**

An owner does not have to be present for the duration of their guests' stay. However, a "local contact" must be available. Local contact means the individual designated by the license holder to perform obligations under this ordinance and to serve as the contact person for issues relating to a short-term rental. The designated contact must be available twenty-four (24) hours a day to accept telephone calls and respond physically to the short-term rental within a reasonable time period, not to exceed two (2) hours when the short-term rental is rented and occupied.

## **24. How can my rental license be revoked?**

The sum of six notices of license and operational violations during the term of the rental license or any revocation of a license shall be grounds for denial of a license issuance or renewal for twelve (12) months from the date of revocation.

## **25. How are complaints against a rental in the city handled?**

Any person having a complaint regarding any alleged violation or violations for a rental shall call the Planning and Building Department at 302-645-7777 ext. 124 at City Hall Monday through Friday, excluding weekends and holidays. For weekends, holidays, and outside office hours, any person having a complaint should contact the Police Department 302-645-6264.

If the complainant feels the property owner or the authorized agent failed to satisfactorily resolve a complaint, the complainant shall notify the City Manager in writing. The City Manager will investigate the complaint, and if deemed accurate, will authorize the Planning and Building Department to issue a notice of violation to the property owner or the authorized agent.

Appeals may be filed according to Article IV in the ordinance.

## **Additional Information**

Additional documents related to renting are available on the City of Lewes's website. Further questions should be directed to:

Planning and Building Department  
302-645-7777 ext. 124  
Email: [licensing@ci.lewes.de.us](mailto:licensing@ci.lewes.de.us)