

A RESOLUTION OF THE LAKE NORMAN MARINE COMMISSION

POSITION STATEMENT ON SHORT-TERM RENTALS

The Lake Norman Marine Commission (the “Commission”) was established in 1969 by the North Carolina General Assembly and the counties of Catawba, Iredell, Lincoln, and Mecklenburg (the “Four Counties”). The Commission oversees the waters of Lake Norman, the largest man-made lake in North Carolina. The Commission strives to ensure the safe, responsible, and environmentally sustainable use of Lake Norman and its resources.

The Commission’s authority is set forth in North Carolina House Bill 1324 Chapter 1089 (the “Enabling Legislation”). The Enabling Legislation grants the Commission regulatory authority over Lake Norman and its shoreline area for matters relating to or affecting public recreation and water safety.

Residents of the Four Counties have expressed concerns over problems associated with short-term rental properties in Lake Norman’s shoreline area. The residents have brought the following issues to the Commission’s attention:

- Noise, including loud parties, music, and other disturbances that disrupt the peace and quiet of residential areas.
- An increased demand for parking, making it harder for residents to find parking near their homes, especially in areas with limited street parking.
- Increased littering, unkempt yards, and poorly maintained exteriors.
- A lack of accountability among short-term renters and rental property owners, leading to concerns about safety and security.
- A disregard for local regulations and ordinances, such as noise restrictions, housing capacity limitations, and parking rules.
- The inclusion of boats and personal watercraft as part of the rental agreement, which leads to unsafe operation of these vessels on Lake Norman by inexperienced individuals.
- Inadequate septic systems, resulting in unsafe bacteria leaching into the shoreline area.

These concerned residents have asked the Commission to use its regulatory authority to address the issues listed above. The Commission, after deliberation and consultation with legal counsel, has determined it is not appropriate for the Commission to take regulatory action to address short-term rentals. These are some of the reasons for the Commission’s decision:

- The Enabling Legislation limits the Commission’s regulatory authority to matters that do not conflict with supervening provisions of law. The authority to regulate short-term rentals in the Four Counties falls under the jurisdiction of local municipalities. A Commission regulation addressing short-term rentals runs the risk of conflicting with local governments’ planning and zoning authority.
- The 2022 North Carolina Court of Appeals case *Schroeder v. City of Wilmington* affirmed local governments’ authority to regulate short-term rentals through development regulations and public health and safety ordinances but struck down short-term rental

registrations and other requirements. Under *Schroeder*, the Commission's ability to enact a meaningful short-term rental regulation is limited.

- Lake Norman Marine Commissioners are volunteers, and the Commission operates on a limited budget. The Commission does not have the resources to enforce a short-term rental regulation or defend the inevitable legal challenges that would be brought against such a regulation.
- The Enabling Legislation sets the penalty for violating a Commission regulation at \$50, which is not likely to deter property owners or renters from committing violations.

THEREFORE, IT IS RESOLVED, that the Commission acknowledges the problems residents of the Four Counties are experiencing due to (a) the lack of regulations specifically addressing short-term rentals in the Lake Norman shoreline area, and (b) the lack of enforcement of existing zoning, environmental, and safety laws; and

RESOLVED FURTHER, that the Commission supports the enactment of regulations and ordinances by local governments to address the problems citizens are experiencing from short-term rental properties in the Lake Norman shoreline area; and

RESOLVED FURTHER, that the Commission supports additional efforts by local governments to enforce existing laws, regulations, and ordinances that apply to short-term rental properties in the Lake Norman shoreline area and inexperienced/unqualified vessel operators; and

RESOLVED FURTHER, that the Commission offers its assistance to the local governments in the Four Counties to the extent such is requested and is within the capabilities and resources available to the Commission.

APPROVED BY THE LAKE NORMAN MARINE COMMISSION ON MAY 9, 2023.

David Scott, Chairman