

**SUNDANCE MT. SOUTH ASSOCIATION
SHORT-TERM RENTAL (STR) ASSESSMENT POLICY**

November 15, 2025

Purpose

To establish a Short-Term Rental (STR) Assessment for units or homes that are rented for periods of less than [30] days, to offset the increased administrative, maintenance, and safety-related costs associated with STR activity.

Background

When SMSA was established in 1979, most homes were used seasonally or part-time. Today, 11 known homes are operating as short-term rentals through platforms such as Airbnb and VRBO. While the HOA recognizes owners' rights to lease their properties, short-term rentals result in:

- Higher wear and tear on common areas and water facilities.
- Increased administrative oversight and enforcement costs.
- Greater security and insurance risks.

To ensure these costs are equitably distributed, at the November 15, 2025 Annual Meeting, the SMSA membership approved a dedicated STR assessment applied only to homes engaged in short-term rental activity.

1. Road Impact

STR traffic is continuous and often involves multiple vehicles unfamiliar with our steep gravel roads. This has resulted in more rutting, dust, and gravel loss, increasing maintenance costs. Delivery trucks for hot tubs and construction equipment for new STRs also add to road wear.

2. Administrative Burden

Each STR must submit rental registration forms and monthly tenant lists. Tracking and managing this data adds significant administrative workload.

3. Shared Wells

Most STRs include hot tubs. Some use shared well water without arranging for delivery, raising electricity costs and water usage. STRs assessments contribute to the increased cost of well electricity and the added administrative oversight verifying compliance.

4. Insurance

Fire pits at STR properties raise wildfire risks. To ensure adequate protection, SMSA increased its insurance coverage for shared wells and related equipment. STRs assessment will contribute to this cost.

5. Community Safety

STRs bring frequent new visitors, increasing reports of speeding, reckless driving, and suspicious activity. Additional signage has been needed for both fire safety and road usage. These incidents also require staff time for documentation and owner alerts.

Approved

The Association adopted a **Short-Term Rental Assessment** in addition to the existing assessments as follows:

- **Assessment Amount:**
 - \$250 per year per STR unit
 - **Applicability:** Any unit or home leased for a period of fewer than [30] consecutive days.
 - **Registration Requirement:** Owners intending to operate STRs must register annually with the HOA and provide evidence of compliance with applicable local regulations.
 - **Payments: Payments:** Assessments will be prorated based on the operational start date provided on the registration form. If the form is not submitted, or if the date is left blank, and the property is confirmed to be operating as a short-term rental, the SMSA will assume a full 12 months of operation.
 - **Use of Funds:** STR assessments will be allocated for:
 - Common area maintenance and repair related to increased use.
 - Administrative costs of STR monitoring and enforcement.
 - Safety measures and insurance coverage related to transient occupancy.
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Rationale

This assessment ensures that the additional costs generated by STR activity are not borne by all homeowners. It maintains fairness, protects property values, and supports sustainable community operations.

Implementation

- **Effective Date:** 2026
 - **Notification:** Written notice will be sent to all owners.
 - **Enforcement:** Nonpayment or failure to register an STR will be treated as a violation subject to fines or suspension of privileges under existing SMSA enforcement provisions.
 - **Semi-Annual Review:** The Board will conduct a semi-annual review of STR-related expenses and impacts. Based on this review, the Board may recommend adjustments to the STR assessment at the next scheduled annual meeting.
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Conclusion

The Short-Term Rental Assessment ensures fairness by having STR owners contribute proportionally to the increased costs their rentals generate. The Board proposed the endorsement of this assessment at the annual meeting on November 15, 2025 and it was approved.

Authority

VA Code §55.1-1805 Assessment Charges. The VA Code allows associations the authority to impose charges related to services provided or use of common areas.

SMSA Bylaws §6.3 authorize annual assessments approved each year at the annual membership meeting, based upon the annual budget approved at said meeting to cover operational costs, with adjustments for private well owners.

Membership approved at the SMSA Annual Meeting on November 15, 2026