



## Loudoun County, Virginia

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## NEWS RELEASE

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### Regulations Adopted for Short-Term Residential Rental Businesses in Loudoun

During its April 4, 2023, meeting, the Loudoun County Board of Supervisors adopted a Zoning Ordinance Amendment (ZOAM) that will regulate short-term residential rental (STRR) uses in the county. STRR properties are those that are typically listed on websites, such as Airbnb and VRBO. Under the county's adopted ZOAM, STRR properties are defined as those available to rent for fewer than 30 consecutive days.

Existing STRR businesses will have until September 30, 2023, to comply with the ZOAM's new regulations or submit the application needed to come into compliance. In addition, on February 7, 2023, the Board amended Chapter 878 Transient Occupancy Tax of the Loudoun County Codified Ordinances to expand the types of STRR businesses that must collect and remit Loudoun's [Transient Occupancy Tax \(TOT\)](#) to the county, effective July 1, 2023.

### New Uses and Regulations for Short-Term Residential Rentals

The adopted ZOAM establishes two new categories of STRR uses:

- **Short-Term Rental-Residential Accessory (STR-RA)**, which is an accessory use to a principal or accessory dwelling unit.
- **Short-Term Rental-Commercial Whole House (STR-CWH)**, which is a principal use located in a single-family detached or accessory dwelling unit that is solely used as a STRR use.

In addition, new regulations were established to mitigate and/or address the impacts of these new STRR uses. The new regulations include, but are not limited to, the following:

- **Rental Period for the STR-RA Use:** The STR-RA use can be rented for a maximum of 180 calendar days per year.
- **Parking Requirements:** Both STR-RA and STR-CWH uses will require one parking space in addition to the number that would be needed for the residential use on the property; however, the Zoning Administrator has been delegated authority to administratively modify the required number of parking spaces in certain situations.
- **Zoning Enforcement:** The county will focus on requirements for the STRR use during inspections of properties for compliance; however, if inspectors observe anything that might affect public safety, health or welfare, or could potentially violate state or federal law, such issues will be subject to enforcement. The county also will respond to complaints of zoning violations.
- **STR-CWH in Different Zoning Districts:** The zoning district of the subject property will determine the permissions required to establish STR-CWH, i.e., whether the STR-CWH is a permitted by-right use or requires Special Exception or Minor Special Exception approval.

In addition, the Board did not include a grandfathering clause for existing voluntarily registered STRR properties because the ZOAM does not impose minimum lot-size or setback requirements for the use and a grace period through September is provided. All STRR properties must comply with the ZOAM's new regulations. Also, applicants will be informed that county approval does not supersede Homeowners Association or other private covenants and restrictions.

### **Transient Occupancy Tax (TOT)**

The Board of Supervisors amended Chapter 878 – Transient Occupancy Tax of the county's ordinance on February 7, 2023. Beginning July 1, 2023, the levy and collection of the TOT on overnight stays in Loudoun County will be applied to lodging facilities that offer lodging or accommodations for compensation to one or more people. The TOT currently applies only to facilities that can accommodate four or more people at one time. The amendment to Chapter 878 also provides that STRR accommodation intermediaries, such as Airbnb and VRBO, will collect and remit the TOT on behalf of lodging operators.

Virginia's tax law authorizes counties, cities and towns to adopt an ordinance to levy TOT on facilities offering paid lodging to a transient customer for a period of less than 30 consecutive days.

The TOT is paid by transients and collected by the lodging business or any person receiving the total room charge, including STRR accommodation intermediaries, and remitted to the county. Guests are also subject to the 6% Virginia Retail Sales and Use Tax, 1% of which is returned to localities.

In Loudoun, the TOT is levied at 8% of the total price charged to the customer for their stay. The tax collected is used to promote tourism and fund transportation. Of the eight cents per dollar collected:

- Two cents are unrestricted and allocated to the county's General Fund.
- Three cents are allocated to promoting tourism, travel or business that generates tourism or travel.
- Three cents are remitted to the state's Northern Virginia Transportation Commission.

Loudoun County estimates that, as of 2018, about 70 percent of STRR uses in the county fell below the four-person threshold. The Commissioner of the Revenue has contacted STRR accommodations intermediaries to provide information about TOT reporting requirements and provides information quarterly to all entities engaged in the business of offering STRR for compensation.

### **More Information**

View additional details in the recent staff reports:

- [Zoning Ordinance Amendment – Short-Term Residential Rentals](#) (April 4, 2023)
- [Codified Ordinance of Loudoun County Chapter 878 – Transient Occupancy Tax](#) (February 7, 2023)

More information about the operation of STRRs in Loudoun County may be found at [loudoun.gov/shorttermrentals](http://loudoun.gov/shorttermrentals).

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