# Tennessee Short-Term Rental Rules: Free Sample

*Gatlinburg, Nashville, and Chattanooga. Last researched: November 15, 2026. This is research, not legal advice. Always confirm with the city before buying or listing.*

## How to read this

Each market lists the permit, cost, where rentals are allowed, and the main requirements. A source link follows every market. Items marked **[Verify]** could not be confirmed from the city's own page. Check them with the city before relying on them.

## Tennessee at a glance

- No statewide STR license is required. Cities and counties set their own permits and zoning.
- State law (the Short-Term Rental Unit Act, Tenn. Code § 13-7-601 and following, effective May 17, 2018) protects qualifying rentals that were already operating from new local bans and rules. Whether a given property qualifies depends on the statute's conditions, so it is never automatic. That protection ends if the property is sold or transferred, goes 30 continuous months without being used as a rental, or has three or more violations of generally applicable local laws that resulted from operating the rental and can no longer be appealed (the local government must prove the link). Cities and counties can still run permit programs, but their rules apply subject to the Act's protections for qualifying rentals, and HOAs and condo associations can restrict rentals.
- Every host should expect to deal with state and local sales and lodging taxes. Tax rates by city are not covered in this sample and will be added in the full report.

Sources: Short-Term Rental Unit Act summary (UT CTAS) · Summary of the Act (UT MTAS)

Statute text for the violations rule (FindLaw, current as of January 2, 2024): Tenn. Code § 13-7-604

## 1. Gatlinburg (Sevier County)

**Rentals allowed?** Yes, with a Tourist Residency Permit and proper zoning.

| Item | Detail |
|---|---|
| Permit name | Tourist Residency Permit (annual) |
| Permit fee | $200 for up to 2 bedrooms, plus $75 for each additional bedroom. This comes from the city's application form, revised June 2020, so confirm with the city that it is still current. **[Verify]** |
| City business license | $15 application fee |
| County business license | $15 application fee (Sevier County Clerk) |
| State tax ID | Tennessee Department of Revenue tax ID required |
| Zoning | The property must be zoned to allow overnight rental. Applicants must confirm zoning with Gatlinburg Building & Planning before submitting. Primary residence does not replace zoning approval. |
| Inspection | The city inspects for building code compliance before approving the permit. Units over 3 stories, over 5,000 gross square feet, or with more than 12 occupants must have an approved sprinkler system. Yearly inspection reportedly required **[Verify]**. |
| Definition of short-term | Stays of 89 days or fewer **[Verify]** |
| Transferable? | No, new owners apply for their own permit **[Verify]** |

**Outside Gatlinburg city limits (unincorporated Sevier County):** a separate county Short-Term Rental Unit permit from the Sevier County Fire Marshal. The fee is $250 for an occupancy of 12 or fewer, plus $25 for each occupant above 12. The permit is valid for 12 months, pending an on-site inspection, and operating without one may bring a $50-a-day penalty. Fees are non-refundable.

**Watch for:** Rules can change. Confirm current requirements with the City of Gatlinburg and Sevier County before applying.

**Sources:**

- City of Gatlinburg permit page: https://www.gatlinburgtn.gov/page/apply-for-a-tourist-residency-permit
- City Finance Dept. new-business checklist for overnight rentals: https://cms9files1.revize.com/gatlinburg/Finance/New%20Business%20Overnight%20Rental.pdf
- Contact: Gatlinburg City Hall, (865) 436-1400
- Permit application form (confirms the fee, zoning check, and sprinkler rule): https://files-backend.assets.thrillshare.com/documents/asset/uploaded_file/3848/Gatlinburg/5b38d3e5-ea44-4956-883f-aee2ab03064a/TR_Application_-_revised_6-18-20.pdf?disposition=inline
- Sevier County short-term rental permit application, revised November 8, 2024 (fee, 12-month term, on-site inspection, $50-a-day penalty): https://cms5.revize.com/revize/seviercountytn/Change%20of%20Information%20Steps%20and%20Application.pdf

## 2. Nashville (Davidson County)

**Rentals allowed?** Yes, but with a Metro Codes permit, and the rules are very different for owners who live there and investors who do not.

| Item | Detail |
|---|---|
| Permit name | Short Term Rental Property (STRP) permit, from Metro Codes |
| Two types | Owner-occupied and Not Owner-Occupied |
| Permit fee | $313, due when the application is approved (credit card payments add a 2.3% fee) |
| Term | 12 months from approval. Renewal needs the $313 fee, proof of current property insurance, and proof of hotel occupancy tax payment. |
| Size limit | Not more than 4 sleeping rooms |

| Item | Detail |
|---|---|
| Owner-occupied zoning | The owner must permanently live there and be a natural person (LLCs, corporations, and trusts are ineligible). One permit per lot in single-family and two-family zones. Specific Plan (SP) and Planned Unit Development (PUD) properties qualify only if the SP or PUD allows it. Check the address in the city's Property Search tool. |
| Not-owner-occupied zoning | New permits only in listed commercial, mixed-use, office, and downtown districts (such as MUN, MUL, MUG, MUI, OG, CN, CL, CS, CA, CF, DTC, SCN, SCC, SCR), and only if any SP or PUD allows it. Not permitted in AR2A, R, RS, or RM zones. Existing permit holders there may renew, but those permits are not transferable if the property is sold. |
| Listing rule | The permit number (or a picture of the permit) must appear in every online listing |
| Neighbor notice | Every applicant must notify adjacent property owners, by signed acknowledgment or mailed letter. |
| Distance rule | New not-owner-occupied permits cannot be issued within 100 feet of a religious institution, a school or its playground, a park, or a licensed daycare or its playground, unless the Metro Council grants an exemption (Metro Code 6.28.030(B)(2)(d); an exemption takes a public hearing and 21 votes). |

**Biggest takeaway for investors:** If you do not live in the property, you generally cannot get a new permit in a residential area. Use the city's Property Search tool before buying. Permits cannot be transferred to a new owner or address (Metro Code 6.28.030), and Metro's FAQ says operating without a permit brings enforcement action, including citations. After a finding that a property operated without a permit, Metro ordinances set a one-year wait before it can get one, and three years after a court finding. Homeowners associations can also be stricter than Metro.

**Sources:**

- Metro Codes permit types: https://www.nashville.gov/departments/codes/short-term-rentals/permit-types
- Operating requirements: https://www.nashville.gov/departments/codes/short-term-rentals/operation-requirements
- Not-owner-occupied checklist (shows $313 fee): https://www.nashville.gov/sites/default/files/2025-06/Short-Term-Rentals-Appeal-Checklist-Not-Owner-Occupied.pdf
- Governing law: Metro Code Sec. 6.28.030
- Metro Codes FAQ (fee, 12-month term, renewal, transfer, neighbor notice; last updated March 11, 2026): https://www.nashville.gov/departments/codes/short-term-rentals/frequently-asked-questions
- 100-foot distance rule and exemptions (Metro Code 6.28.030(B)(2)(d), as quoted in a Council agenda analysis): https://www.wsmv.com/2024/03/19/short-term-rental-zoning-exemptions-nashville-up-discussion-metro-council-meeting
- Waiting periods for operating without a permit (Metro ordinances BL2014-951 and BL2016-257): https://legisarchive.nashville.gov/mc/ordinances/term_2011_2015/bl2014_951.htm and https://legisarchive.nashville.gov/mc/ordinances/term_2015_2019/bl2016_257.htm

## 3. Chattanooga (Hamilton County)

**Rentals allowed?** Yes, with a Short-Term Vacation Rental certificate. Where you can operate depends on whether you live there.

| Item | Homestay (you live there) | Absentee (you do not) |
|---|---|---|
| Application fee | $250 | $500 |
| Annual renewal | $250 | $500 |
| Definition | Primary residence of the applicant (at least 183 days a year) | Not the applicant's primary residence |
| Where allowed | Commercial zones that permit absentee designations, and residential zones inside the city's Homestay overlay | Only commercial zones that permit a hotel or motel: C-C, C-R, C-MU1, C-MU2, and Form-Based Code zones CC, CX, IX, RF, RV, SH |

- Certificates last one year. A certificate more than 30 days past expiration cannot be renewed.
- The current certificate must be posted permanently in a conspicuous spot inside the rental, and the certificate number must appear on any materials or platforms used to advertise it (City Code 38-87 and 38-90(b)).
- A property whose zoning changes cannot get an Absentee certificate for 18 months after the rezoning takes effect.
- Application fees are non-refundable, so confirm eligibility first.
- The certificate holder is responsible for collecting and remitting room, occupancy, and sales taxes.
- Transfers: a certificate can move to a new owner of the same property, but not to another address, and the occupancy type cannot change. The code conditions a change of ownership on no revocation of the prior owners' certificate in the year before the transfer. The new owner files a transfer application.
- Multi-family buildings have a 25% cap on units with certificates.
- Applications have a 60-day lifespan from submission to issuance. The city says processing generally takes about 30 days.
- Denials can be appealed to the Board of Zoning Appeals within 60 days.

**Watch for:** In 2023 the city council considered higher fees ($500 application and $750 Absentee renewal). The city's current page lists $250 and $500, so the fees above match the official page. Confirm there has been no change.

**Sources:**

- Older city page (its zone list is out of date; use the application page below): https://chattanooga.gov/node/1699
- Older rules and fees summary (fees match, zones do not): https://chattanooga.gov/public-works/land-development-office/short-term-vacation
- Current application page, zones, fees, and transfer rules: https://register.chattanooga.gov/pay-and-apply/permits-applications/short-term-rental
- Chattanooga code text, Article XVII, sections 38-83 to 38-95 (third-party mirror of the city code, amended through October 2025): https://www.zoneomics.com/code/chattanooga-TN/chapter_17

## Coming in the full report

- Lodging and sales tax rates for each city
- Insurance and fire safety requirements in detail
- Pigeon Forge, Sevierville, Knoxville, Memphis, and the other markets for the full report