

Short-term rental talking points

The rise in the number of unregulated short-term rental properties in residential neighborhoods and would harm communities as houses are turned into rental facilities rather than owner-occupied homes. It also creates unfair competition for existing lodging operators, who pay local lodging and state taxes to boost the tourism economy and must comply with all appropriate health and safety regulations.

That's why we're opposed to House Bill 4503 and Senate Bill 329. By stripping away local authority of short-term rentals, these bills would undermine communities and neighborhoods, fail to ensure that rental properties are safe, and create unfair competition.

- This legislation would allow any landlord to simply adjust the terms of a lease agreement to qualify as a short-term rental, including for weekends only, week by week, or any period of time up to 28 days — and then turn around and do it again in the next 28-day period.
- The bills would require all short-term rentals be treated as a permitted, residential use in any residential zone regardless of local zoning regulations. Any rental property in any neighborhood would not be subject to local ordinances if it were simply a series of 28-day leases.
- This legislation puts in place a preemption, upsetting the delicate balance between a healthy tourism economy, property rights and an established, transparent process for zoning that is open to the public.
- With short-term rentals housing far more than the average residential home, both bills add to the burden on local sewer, water, trash pick-up, parking, law enforcement and emergency services — with zero increase in funding. Worse, by burdening services already spread thin by shrinking revenues, this legislation potentially delays and/or deprives taxpaying residents access to these services.

These short-term rentals are they required to adhere to all local, state and federal tax and public safety laws and ordinances and don't pay the hotel and motel taxes. This gives owners of such properties an unfair competitive edge, and deprives local tourism bureaus of the revenue they need to grow tourism further.

- This unfair competition can decrease bookings at licensed lodging and hospitality businesses, costing them money, taking away jobs and causing hotel and motel tax revenue to drop.
- The loss of hotel and motel tax revenue hurts communities trying to invest in travel and tourism economies.
- This legislation would consider a dwelling purchased for the sole purpose of renting to short-term renters a permitted residential use instead of a commercial lodging use, denying local government the ability to reasonably regulate such entities in response to community concerns, and places renters of such properties at risk for their health and safety.

This unregulated activity increases housing costs while making affordable housing less available to those who need it.

- Residential zoning exists to preserve the character of neighborhoods and protect property values for every home. This legislation preempts that process and silences the voices of residents and locally elected leaders by allowing unregulated commercial activity in residential areas.
- Concentrations of short-term rentals can negatively impact the quality of life in a neighborhood by eroding the social and physical fabric that makes a neighborhood a great place to live. An oversaturation of short-term rentals also can drive out families and contribute to declining school enrollment, harming schools and making the neighborhood less attractive.
- This can be especially problematic in areas where affordable housing is already hard to find, especially for lodging and tourism business employees. Many resort communities have seen local land values rise to the point that many first-time buyers and long-term renters have been priced out of the market.
- These bills pit year-round residents against second homeowners and non-resident investors.

We are not opposed to short-term rentals that meet standards and requirements set by local governments.

- The addition of home-sharing rentals, where the **owner is present** during the guest's stay, can be a positive addition for a community. But these bills would allow unlimited whole-unit rentals as well. A national study found that only about **20 percent** of Airbnb rentals involve home sharing, while the rest are whole-unit rentals where the owner isn't present.
- We support local control. Local governments are best suited to determining where short-term rentals work for a community, and under what terms. A one-size-fits-all Lansing solution never works.