



Short Term Rental ADVOCACY CENTER

Promoting best practices in short term rental regulation

The Basics: Best Practices in Short-Term Rental Regulation



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- We support local residents and short-term rental providers as they work with local authorities to advance reasonable short-term rental regulations that safeguard travelers, alleviate neighborhood concerns and allow the short-term rental (STR) marketplace to continue to thrive to the benefit of all stakeholders.
- Importantly, we believe **local regulations should be easy for residents to locate, understand and comply with.**

STRAC Mission



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- This presentation is meant to serve as **a guide** for anyone interested in crafting clear, reasonable and enforceable regulation of the short-term rental marketplace.

The basics of “good” regulation



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- We define a “**short-term rental**” (STR) as a residential property that is rented to a visitor for less than 30 days.

Definition of STR



WHY DOES IT MATTER?

- Short-term rentals are not hotels. They are primarily offered by individuals.
- While some STRs are available for rent year round, others are rented only during a season or on specific occasions by short-term visitors.
- STRs are used for more than just vacations. They serve a broad variety of purposes including families remodeling their homes, business people staying for more than a few days, patients and their families in town for extended medical visits, and groups attending out-of-town functions, among others.

Definition of STR



- Using a property as a STR does not change its status from residential to commercial.
- Regulations should **clarify the definition of residential use** to include short-term rentals.

Zoning/Use classification



WHY DOES IT MATTER?

- Renting a home long term does not change that home from “residential” to “commercial.”
- The type of tenant doesn’t change the structure, and should not change the zoning.
 - There is no real difference between a visitor sleeping in a bedroom and a resident sleeping in a bedroom - the use of the property doesn’t change.
- Moreover, a property offered for STR today might be offered as a long term rental tomorrow, depending on tenant needs.

Zoning/Use classification



- If a community requires registration of STRs, those requirements should be **easy to locate and follow**.
- Registration requirements should be aimed at establishing a reliable way for local authorities and neighbors to identify and contact the short-term rental owner or local property manager, not used as a tool for limiting the number of STRs in a community.

Registration should be quick and easy



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WHY DOES IT MATTER?

- An overly burdensome registration or permitting process most often leads to greater non-compliance.
- Importantly, **registration requirements should NOT:**
 - Apply to individuals who rent their home for less than two weeks per year.
 - Require an in-person visit to a government office, but rather be online.
 - Require payment of a fee, but if they do it should be less than \$100.
 - Require submission of official documents—rather individuals should only be required to provide these during an investigation.
 - Require reviews from other local, city or state agencies or any additional inspections or permits (e.g., fire department).
 - Change the classification of the property from residential to commercial.
 - Require approval from third parties.

Registration should be quick and easy



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- If short-term rentals are taxed, regulations should **make any tax collection and remittance obligations clear** to the short-term rental owner.

Taxes



WHY DOES IT MATTER?

- Individuals listing their properties for short-term rental probably won't collect and remit taxes they don't know about.
- Clearly defining all applicable local taxes that must be collected and remitted on short-term rental income will be more easily enforceable and ensure compliance.



- **Existing “good neighbor” laws**—including noise ordinances, parking regulations and trash guidelines—**apply to residents and their guests alike.**
- If these regulations are properly enforced, they provide sufficient protection against disruptive behavior of any kind.
- If a community decides to build penalties for non-compliance into STR regulations, they need to be clear, reasonable and enforceable.

Compliance with the law



WHY DOES IT MATTER?

- We believe property owners are, and should continue to remain, responsible for ensuring that their guests are good citizens and good neighbors—whether their guests are family members visiting for an extended stay, annual tenants or visitors staying for a shorter period of time.
- Passing additional laws, aimed solely at regulating behavior of short-term visitors, would be redundant and create extra costs to the community, as they would require a separate layer of enforcement.
- One mistake should not result in penalties that effectively prevent an individual from renting their home on a short-term basis. Rather, those penalties should be reserved for those who repeatedly violate existing laws.

Compliance with the law



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PROMOTION OF ECONOMIC DEVELOPMENT THROUGH THE VISITORS INDUSTRY

WHEREAS, communities throughout the United States rely on local hotel taxes to promote travel and tourism and support the local visitors industry; and

WHEREAS, local hotel taxes often fund convention and visitors bureaus, convention centers, sports arenas and sports teams; and

WHEREAS, local hotel taxes often support local cultural programs including music, film, gaming, visual arts, dance and more; and

WHEREAS, short-term rental of homes can often be subject to hotel taxes; and

WHEREAS, short-term rental of homes can provide a flexible housing stock that allows family travelers spending longer periods of time in a community a safe accommodation while contributing to the local economy; and

WHEREAS, short-term rental of homes can provide homeowners an opportunity to hold property as an investment, for a better sales market, or for future planning; and

WHEREAS, fair regulation of short-term rentals ensures greater compliance and greater receipt of local hotel taxes; and

WHEREAS, regulations of short-term rentals that establish a reliable way for a municipality to identify and contact the short-term rental owner, make the tax collection and remittance obligation clear and treat the short-term rental owner the same as long-term rental owners can achieve the highest level of compliance; and

WHEREAS, onerous regulations of short-term rentals can drive the industry underground, thus evading local regulations and local hotel taxes;

NOW, THEREFORE, BE IT RESOLVED, that the U.S. Conference of Mayors urges support for economic development opportunities through the visitors industry by encouraging regulations of the short-term rental industry that (1) establish a reliable way for the municipality to identify and contact the short-term rental owner; (2) make the tax collection and remittance obligations clear to the short-term rental owner; and (3) treat short-term rental tenants the same as long-term rental tenants. Regulations that accomplish all three can achieve a high level of compliance, and are highly effective.

**US Conference of Mayors Resolution,
unanimously passed June 2012**