

# Short Term Rental Legislation

## CB - 10 - 2018

April 17, 2018

# Key Guiding Principles

1. Protect the fabric of our existing communities
2. Respect the fact that with #1 in mind we want to allow people to earn extra income

“Airbnb helps .... residents earn meaningful extra money to help make ends meet, while helping the city welcome a growing number of visitors,”  
Laura Spanjian, Airbnb’s Texas public policy director.
3. Design a regulatory regime that reflects the internet based sharing economy
4. Have mechanisms to enforce all of the above

# Key Principles of the Bill

- ▶ Limited to principal residents (homestead tax credit)
- ▶ Durational limits on the stay and aggregate amount of time people can use it a year
- ▶ Requirements for a license that take into account and negate community impacts
- ▶ Licensing requirement for platforms
- ▶ Delisting requirement for platforms
- ▶ Tax/fee provisions
- ▶ Enforcement

# To be a host:

- ▶ Live in the house for at least 180 days a year
- ▶ Own the property
- ▶ File homestead tax credit with the state

# Durational Limits

- ▶ Temporary short term rental licenses allow guests to occupy the dwelling for fewer than **31** consecutive days and no more than **90** days per calendar year
- ▶ Properties cannot be rented by the hour or for a period of time less than 24 hours. In addition, no overlapping rentals are allowed

# Licensing process - reflects the internet based sharing economy

Includes affidavits, but no mandate for inspection, but reserves the right to inspect

# Licensing Requirements (Host)

- ▶ Pay an annual license fee of \$300
- ▶ Copy of current and valid liability insurance of at least \$1,000,000
- ▶ Pictures and affidavits to prove that the rental location has working smoke detectors, fire extinguishers, posting of emergency contact information, and a floor plan that designates fire exits
- ▶ Ensure that the short-term rental is in compliance with all applicable laws and codes
- ▶ Provide proof that the short-term rental has provided at least one off street parking space per 3 overnight guests
- ▶ Maximum occupancy of 8 guests at a time
- ▶ Provide notice of intent to use your property as a short-term rental to neighboring property owners

# Licensing Requirements (Host) continued

- ▶ Provide contact information where owner can be reached and provide contact information for a second person, who must be a county resident who is responsible for responding to emergencies if the owner is unavailable. Once granted the license the host must display the license, host contact information, emergency contact, and DPIE contact information in the interior of the home
- ▶ Posting of rules governing guest conduct, as determined by DPIE, in prominent location within the house.
- ▶ List of platforms applicant intends to use
- ▶ Proof of two outdoor trash receptacles and one recycling receptacle with tight fitting lid



# Licensing Requirements (Platform)

- ▶ Maintain a listing of all properties on the platform and the total number of nights each listing was rented. This information is to be provided to the county on a quarterly basis.
- ▶ Maintain records on the total amount of hotel tax collected by the platform and remitted as well as proof of submission of the hotel taxes
- ▶ Ensure that host using the platform has a short-term rental license issued by the county

# Listing/Delisting Requirements

The County shall provide to platforms on a monthly basis:

- ▶ License number for all approved hosts
- ▶ License number for hosts who have an expired license
- ▶ The name of those who have applied for a license but were denied and whose license was revoked

If a short-term rental host license is suspended or revoked, DPIE will notify, in writing, the host and all platforms that the host currently lists on.

# Taxes/Fees

As mentioned:

- ▶ Fee for host is \$300
- ▶ Fee for platform is \$10,000

Transactions subject to hotel tax, hotel taxes are paid quarterly to platform and platform remits to county/state

# Enforcement

- ▶ Any violation of the license requirements will result in ineligibility for listing on any platform or for a short-term license
- ▶ Violations of certain provisions designed to combat human trafficking, such as hourly rentals, advertising an hourly rate, overlapping rentals, or more than one rental in a 24-hour period, shall result in revocation of a license.
- ▶ A nuisance violation as well as violations of the durational elements of the license can result in the revocation of a license, its suspension or ineligibility to become a host
- ▶ Failure to timely correct a violation of the County building, housing or zoning codes may result in suspension or revocation of the license
- ▶ Any person aggrieved by suspension or revocation of any license, may appeal to the Prince George's County Board of Administrative Appeals within 10 calendar days after receipt of notice
- ▶ If a host's license is revoked the county will notify those platforms the host currently lists on

# Additional Provisions

- ▶ Different from rental licenses
- ▶ We do not differentiate if owner is in the house for amount of time
- ▶ Effective date: January 1, 2019