



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Chairman

Derrick Leon Davis

Council Member, District 6

MAR 1 2017

The Hon. Thomas M. Middleton, Chair
Senate Finance
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

The Hon. Dereck E. Davis, Chair
House Economic Matters
231 Lowe House Office Building
6 Bladen Street
Annapolis, Maryland 21401

Re: SB 463 – Business Regulation – Limited Residential Lodging

Dear Senator Middleton & Delegate Davis:

The Prince George's County Council has been concerned with the emergence of transient lodging and temporary rental accommodations for the past few years. We have monitored and taken positions on legislation that serves to regulate the emerging industry. Last year, we supported and offered an amendment to HB 1361/SB 776 – Hotel Rental Tax and Sales and Use Tax – Limited Residential Lodging. This year, we have decided to not take a formal position on SB 463 – Business Regulation – Limited Residential Lodging, and to instead simply share our concerns.

SB 463 creates licensing requirements for homeowners who wish to offer accommodations to transient guests for sleeping and lodging purposes in exchange for a fee. It also establishes a recordkeeping requirement that is only shared with local jurisdictions when a local law is violated. In addition, it creates penalties for homeowners that range from \$500 to \$2,500. While we appreciate the intention of SB 463 and the positive economic impact that it may have on our County, we cannot ignore the fact that it may preempt some local authority, it proposes egregious fines to local residents, and it may create barriers to an industry for the very people whom it benefits.

We agree that there needs to be some type of regulation with regard to Airbnb-type housing platforms. However, we would like to see legislation where there is no local governmental preemption from regulating these businesses. We believe that the local jurisdictions are better positioned to provide regulations on these types of businesses which are consistent with local ordinances concerning hotels, motels, and zoning. In addition, we should be included in the real-time recordkeeping process that the Comptroller would enjoy under this legislation.

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We would ask that the sponsor of this legislation also consider lowering the fines for the people whom this bill would likely effect. We believe it is fair to assume that some of our citizens use the housing platforms to earn some extra much needed cash in order to cover a mortgage and other expenses during hard times. Not everyone using the platform has the intention of using their home as an entry into entrepreneurship. The fines may be appropriate for a budding entrepreneur but would truly be detrimental to someone who is simply using the platform as a way of survival to make ends meet. We strongly believe that this legislation would create barriers for the average person who entered the market as a solution to enduring an economic hardship.

As a Council, we thank you for your leadership and attention to this very important issue and we urge you to consider our concerns. We have every confidence that you will continue to take actions that best benefit the citizens of our State.

Regards,

A handwritten signature in black ink, appearing to read 'D.L. Davis', with a long horizontal flourish extending to the right.

Derrick L. Davis
Chair

cc:

The Honorable Senator Joan Carter Conway

The Honorable Jim Rosapepe, District 21

The Honorable Jay Walker, District 26

The Honorable Rushern Baker, Prince George's County Executive