

**NetChoice** *Promoting Convenience, Choice, and Commerce on The Net*

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Rep. Angie Chen Button, Chair  
Urban Affairs Committee  
Texas House of Representatives  
Austin, TX

April 3, 2018

RE: **Support for Support HB 3778 - Short-Term Rental Regulation**

Dear Chair Button and members of the Committee,

We ask you to support HB 3778 as it will provide economic flexibility to the residents of Texas.

Based on existing Arizona law HB 3778:

- Protects Texas residents' property rights, and
- Preserves localities' enforcement powers.

Short-term rental services provide necessary income to several of your constituents. Over 52 percent of hosts nationwide live in low-to-moderate income households. More than 48 percent of the income hosts earn through certain short-term rental services is used to cover household expenses.

Consider, for example, the resident who does not want to stay in Houston for the Rodeo. Short-term rental services allow these residents to getaway by sharing their homes and using that revenue for a trip out of town.

Adoption of HB 3778 ensures your residents to enjoy the benefits of short-term rental services.

#### *Protecting property rights*

HB 3778 clarifies the rights of Texas home owners to use their property for short-term rentals. We've seen how a similar clarification in Arizona allowed the short-term rental market to flourish, improved tax collection and protected communities.

#### *Helping underserved areas of the state*

The presence of short-term rental services also brings new money into areas of Texas unserved or underserved by hotels.

Since there are few hotels in many parts of the state, travelers are not likely to encounter those locality's businesses. Conversely, guests who stay in underserved areas via short-term rental services, bring income to the area as they visit restaurants, grocery stores, and businesses in the underserved parts of the state.

Consider, for example, families attending graduation at the Baylor University. There are few hotels that can accommodate the demand for housing around this time of year. It's not as though families can stay in a dorm room.

Moreover, many families want to have a BBQ and party to celebrate for friends and family – something that can't be done from the confines of a hotel room. Finally, it's hard for families to find affordable ways to house grandparents, aunts, and uncles. Fortunately, short-term rental services are available.

Moreover, the presence of short-term rental services forces hotels to keep their prices reasonable<sup>1</sup> at graduation time – making it harder to extract additional money from Texas families there to celebrate great moments.

We ask that you ensure your constituents' the right to earn extra money by sharing their homes and protect their property rights.

We know that HB 3778 will enable home sharing regulations to the benefit of all and we ask that you support HB 3778.

Sincerely,



Carl Szabo

Vice President and General Counsel, NetChoice

*NetChoice is a trade association of e-Commerce and online businesses. [www.netchoice.org](http://www.netchoice.org)*

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<sup>1</sup> Gaby Del Valle, *Hotel CEO: New Airbnb Regulations Should Allow A 'Big Boost' In Hotel Room Rates*, Gothamist (Oct. 27, 2016) (Passage of a law limiting short-term rental services "should be a big boost in the arm for the business, certainly in terms of the pricing.")

# SUPPORT HB 3778

## Short Term Rental Enabling

Creating New Economic Opportunities and Protecting Property Rights



Short-term rental services provide necessary income to your constituents.



In Texas, short-term rentals generate economic activity and support many families.

## What HB 3778 Does

Protects the economic opportunities and property rights for Texas homeowners.

Ensures local governments can enforce nuisance rules to keep neighborhoods quiet, clean, and safe.

Advances Texas's innovation friendly landscape.



## Who benefits from HB 3778



Texas is underserved by current hotel industry.

Short-term rentals drive tourist dollars to areas traditionally underserved by hotels – areas that are most in need of visitor spending.



Local restaurants and main street stores.

Guests staying at short-term rentals spent twice as much as those staying in hotels – and 42 percent of that spending occurred in the neighborhoods where they stayed.



Texas's low-income families seeking additional income.

Over 52 percent of hosts nationwide live in low-to-moderate income households. 21 percent of vacation property owners used their rental income to pay for their childrens' education.



Home owners looking for new revenue sources to pay for their homes.

More than 48 percent of the income hosts earn through certain short-term rental services is used to cover household expenses.