

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

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Mr. David Ambroz, President
Los Angeles City Planning Commission
200 North Spring Street, Room 532
Los Angeles, California 90012

June 21, 2016

RE: **Request for Amendments to Planning Committee Regulation Related To Short-Term Rental Use**

Dear Commission President Ambroz,

We ask that you amend CPC-2016-1243 ("CB 1243") to make it more effective at the goals of enabling short term rental regulation while encouraging growth and innovation.

Unfortunately, as currently written, and without amendments, CB 1243 would:

- Make tax collection more difficult,
- Penalize newspapers and coffee shops for postings made by others,
- Undermine a fundamental benefit of the internet, and
- Would likely be found unconstitutional.

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 Los Angeles for the Oscars. Short-term rental services allow these residents to getaway by sharing their homes and using that revenue for a trip out of town.

But adoption of CB 1243 just makes it harder for your residents to enjoy the benefits of short-term rental services.

Make Tax Collection More Difficult

We've seen high compliance rates when localities create reasonable registration and regulation for short-term rentals. By achieving a greater level of compliance, Los Angeles would enjoy a more reliable source of tax revenue from registered home owners.

Unfortunately, CB 1243 is overly restrictive and would depress compliance. Moreover, it will not prevent the presence of short-term rentals in Los Angeles -- but would merely send them underground. This means less tax revenue for the city and less oversight of short-term rental activity.

Penalize Newspapers and Coffee Shops for Postings Made by Others

It would be absurd to hold responsible and penalize *newspapers* for classified ads, or *coffee shops* for bulletin boards that advertise rooms for rent. But that is precisely what CB 1243 would do.

CB 1243 holds liable *any* venue that "advertises" a short-term rental if the listing doesn't comply exactly with the provisions of CB 1243.

If you pass CB 1243, are newspapers and coffee shops expected to inspect and review every bulletin board or public listing? Is Los Angeles law enforcement going to fine these newspapers and coffee shops for non-compliance?

Would Undermine a Key Benefit of the internet and would Likely be Unconstitutional

CB 1243 requires hosting platforms like HomeAway and Airbnb to somehow determine whether a listing posted on their site by a city resident is in full compliance with applicable regulations.

If a non-compliant short-term rental lists on a hosting platform, CB 1243 would impose fines *on the platform*. Such a requirement is surely unconstitutional as CB 1243 is preempted by federal law.

The internet is an open resource that enables people from all parts of Los Angeles to publish their views and pursue their goals. While some nations discourage user-generated content, the United States created a fertile ground for business models that have transformed the world.

Moreover, this openness is bolstered by Section 230 of the federal Communications Decency Act, which says platforms can't be held strictly liable for content posted *by others*.

However, CB 1243 ignores Section 230. This not only threatens a core tenet of the internet, but is at odds with federal law – resulting in the likely injunction of CB 1243.

We ask that you not deny your constituents the right to earn extra money by sharing their homes. We hope that any short-term rental policies should be developed through an open and transparent dialogue among policymakers, industry stakeholders, property owners, and the public.

Because of these concerns we ask that you start by amending CB 1243 in the following ways:

- Remove requirements that home owners and hosting platforms disclose to the government personal information about Los Angeles citizens and travelers.
- Delete requirements for hosting platforms to monitor listings for compliance.
- Authorize the use of non-primary residences.
- Allow the sharing of properties without time limits.
- Avoid language that turns hosting platforms into an enforcement arm of the government.

We know that with these and some other changes we can enable home sharing regulations to the benefit of all. We welcome the opportunity to work with you on reasonable regulations that allow all to prosper.

Sincerely,

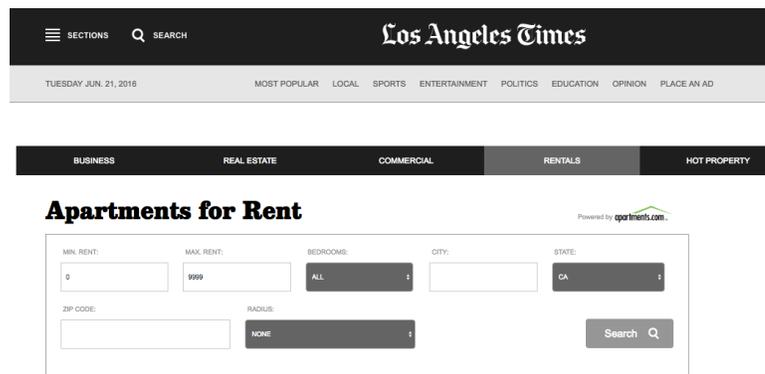


Carl Szabo

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NetChoice is a trade association of e-Commerce and online businesses. www.netchoice.org

Should the LA Times be held accountable for rentals posted in the classified section?



The screenshot shows the Los Angeles Times website header with the logo and navigation menu. Below the header is a navigation bar with categories: BUSINESS, REAL ESTATE, COMMERCIAL, RENTALS, and HOT PROPERTY. The main content area is titled 'Apartments for Rent' and features a search form with the following fields: MIN. RENT (0), MAX. RENT (9999), BEDROOMS (ALL), CITY, STATE (CA), ZIP CODE, and RADIUS (NONE). A 'Search' button is located to the right of the form.