

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

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Sen. Dale Zorn, Chair
Committee on Tourism and Outdoor Recreation
Lansing, MI

November 16, 2017

RE: **Support for SB 329 - Short-Term Rental Regulation**

Dear Chairman Dale Zorn and members of the Committee on Local Government,

We write to ask you to hold a hearing on and support SB 329, as it will provide economic flexibility to the residents of Michigan. An issue of this importance to your constituents deserves a hearing.

Based on existing state law SB 329:

- Protects Michigan 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 Detroit for parts of the winter. 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 SB 329 ensures your residents to enjoy the benefits of short-term rental services.

Protecting property rights

SB 329 clarifies the rights of Michigan 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

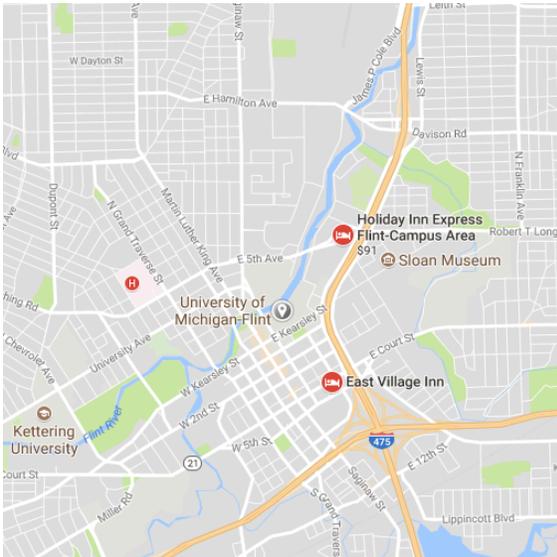
The presence of short-term rental services also brings new money into areas of Michigan unserved or underserved by hotels.

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.

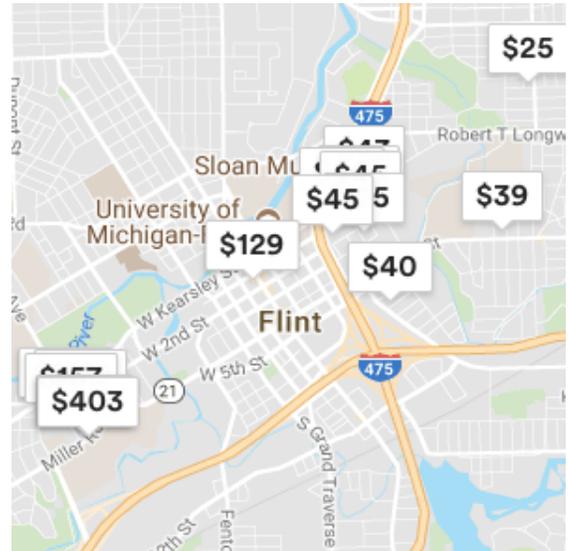
Consider, for example, families attending graduation at the University of Michigan – Flint. There are few hotels that can accommodate the demand for housing around this time of year. It's not as though families can stay in a dorm room.

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. As you can see, that are many short-term rental services in U-M Flint – many within walking distance of graduation and as low as \$25. Conversely, only a handful of hotels near campus, and the Holiday-Inn Express is \$91 per night.

Hotel listings around U-M Flint



STR listings around U-M Flint



Moreover, the presence of short-term rental services forces hotels to keep their prices reasonable¹ at graduation time – making it harder to extract additional money from Michigan families there to celebrate great moments.

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

We know that through SB 329 we can enable home sharing regulations to the benefit of all.

We look forward to the Committee's hearing on the issue and welcome the opportunity to work with you on reasonable regulations that allow all to prosper.

Sincerely,

Carl Szabo

Vice President and General Counsel, NetChoice

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

¹ 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 2503/SB 329 Michigan zoning enabling act

Creating New Economic Opportunities and Protecting Property Rights



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



In Michigan, short-term rentals generated millions in economic activity and support hundreds of families.

What HB 2503/SB 329 Does

Protects the economic opportunities and property rights for Michigan homeowners.

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



Who benefits from HB 2503/SB 329



Michigan 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.



Michigan low-income families seek 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 children's' 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.