

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

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RE: **Request to include Arizona SB 1350 (2017) 02-38B-14 in the volume – Reporting and Paying of Taxes on Behalf of Airbnb Hosts**

Dear members of the Shared State Legislation Committee,

We ask that you include in the volume Arizona SB 1350 (2017) 02-38B-14 - *Reporting and Paying of Taxes on Behalf of Airbnb Host*.

Short-term rental services provide necessary income to thousands of Americans. 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.

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

Nonetheless, we've seen efforts by cities and localities to impose burdensome and sometimes outright bans on this practice.

Adoption of AZ SB 1350 ensures residents can enjoy the benefits of short-term rental services by creating statewide standards while preserving localities' ability to enforce nuisance and safety rules.

*Arizona's law addresses a current state issue of national or regional significance*

State, businesses, and constituents are looking to use and make-available short-term rentals. However, they are often limited by legacy laws. AZ SB 1350 injects important definitions into law allowing for the clarification of scope and use of short-term rentals.

For example, AZ SB 1350 says:

- A. A county may not prohibit vacation rentals or short-term rentals, restrict the use of vacation rentals or short-term rentals or regulate vacation rentals or short-term rentals based solely on their classification, use or occupancy.
- B. Notwithstanding subsection a of this section, a county may regulate vacation rentals if the regulation is narrowly tailored to protect the public health and safety and is for the following purposes:
  - 1. Protection of the public's health and safety, as defined in title 12, chapter 8, article 2.1 including rules and regulations related to fire and building codes, health and sanitation, transportation or traffic control, solid or hazardous waste and pollution control.
  - 2. Limiting or prohibiting the use of a vacation rental for the purposes of housing sex offenders, selling illegal drugs, liquor control or pornography, obscenity, nude or topless dancing and other adult-oriented businesses.
- C. For the purposes of this section, "vacation rental" or "short-term rental" means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium, cooperative or timeshare, that is also a transient public lodging establishment.

*Arizona's law provides a benefit to bill drafters*

Arizona sets forth important definitions from which legislators can draw.

Importantly, AZ SB 1350 avoids pitfalls seen in other states and localities. Some states have not addressed this issue directly and such silence has led to a patch-work of local rules and ordinances. Often times these local ordinances result in the denial of residents' use of their homes and a denial of residents' property rights.

AZ SB 1350 instead creates a statewide standard allowing the use of short-term rentals while preserving local municipalities' authority over safety and nuisance concerns. In essence, AZ SB 1350 protects residents' property rights, and preserves localities' enforcement powers and creates a better approach for constituents, innovation, and businesses alike.

*Arizona's law provides a clear, innovative and practical structure and approach*

Arizona's SB 1350 comprehensively addresses the fundamentals of short-term rental by establishing definitions from which reasonable regulations can operate, establishing safety and regulatory guidelines, and creating a venue for tax collection.

It is for these reasons that we respectfully ask that you add Arizona's SB 1350 law to the docket.

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)