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THE VOICE OF THE
INNOVATION ECONOMY

Memorandum

To: Representative Helen Head, Chair, House Committee on General, Housing, and Military Affairs

Cc: Ron Wild, Committee Assistant

From: Matt Mincieli, Northeast Region Executive Director, TechNet

Date: 3/30/2018

Re: TechNet requested amendments to SB 204, An Act relating to the registration of short-term rentals

TechNet (www.technet.org) is the national, bipartisan network of over 70 technology companies that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic startups to the most iconic companies on the planet and represents more than two million employees in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, venture capital, and finance. TechNet is committed to advancing the public policies and private sector initiatives that make the U.S. the most innovative country in the world.

Home sharing, a popular and growing segment of the sharing economy, is harnessing state-of-the-art technology in order to fill an important gap in the market – matching guests looking for an affordable place to stay with Vermont residents looking to share their home and supplement their income. Vermont must continue to be a regional leader in supporting new innovation and pass laws that will grow its economy and foster its growing technology ecosystem.

We see first hand in states across the country the vital role the sharing economy plays in bolstering a state's technology ecosystem and economic development goals. Many studies have shown that home sharing, in particular, empowers consumers and hosts alike and is a boon to local communities. State lawmakers must embrace this type of disruption, not fear it, and should use a light touch when regulating home sharing or risk blunting the growth of the industry and the competitiveness of Vermont with neighboring states already embracing the innovation home sharing has created.

As you continue to deliberate comprehensive short term rental (STR) regulations for the state, TechNet welcomes the opportunity to work with the committee to craft rules, using best practices found in other states, that enable Vermont residents to continue to use home sharing to make ends

meet. Throughout the state, home sharing is an increasingly important component of the economy. In 2017, thousands of residents welcomed tens of thousands of guests to every corner of Vermont, and in particular, in parts of the state that may not otherwise enjoy the year-round economic opportunities to benefit from other new technologies, but can enjoy the benefits that home sharing platforms provide. Most of these hosts are not full-time, "commercial" operators. Rather, they share their homes or a spare bedroom for a few nights a month to supplement their income - a classic case of an accessory use that should not be restricted by onerous regulations.

TechNet respectfully asks the Committee to consider three amendments to SB 204, as passed the House, that would help alleviate the our concerns with the bill:

- The requirement that hosts post their registration number in any advertisement of an STR on an "Internet-based platform," is concerning because of the Internet-only nature of that requirement.
- The language contained in the bill stating that municipalities may impose "more stringent health and safety regulations," is problematic because it is unnecessary and potentially confusing regarding towns that may want to loosen STR regulations that are already in place
- We would recommend that the bill explicitly mention how various responsibilities including taxes and insurance can be satisfied by platform providers, so as not to leave these important issues outstanding and unresolved.

On behalf of our membership, TechNet respectfully asks that this Committee amend SB 204 in order to enact STR regulations that will allow the home sharing industry to grow and continue to provide economic development benefits for Vermont. Thank you for your attention to our memo and please consider TechNet and our member companies a resource should you or your staffs have any questions or concerns with our position on this important issue.