



April 11, 2018

Testimony RE: S. 204
Vermont Ski Areas Association
Molly Mahar, President

Thank you, Madame Chair and the House General, Housing and Military Affairs Committee, for the opportunity to testify on S. 204.

The Vermont Ski Areas Association represents 20 alpine and 30 cross-country ski areas across the state. Vermont is the number one ski state in the eastern US and fourth largest in the country. The industry is a significant contributor to Vermont's economy, bringing \$900M in direct spending each season, two-thirds of which occurs off mountain in surrounding towns and communities. This spending generates over \$120 million in tax revenues for the state.

In addition to providing recreational opportunities in our beautiful Green Mountains, many of the ski areas are also in the lodging business. There's little doubt that rent-by-owner portals such as Airbnb, VRBO and others have had an impact on the way guests rent for their mountain stays, on the pool of available rental inventory that ski areas manage, as well as the availability of affordable housing and employee housing in communities surrounding ski areas. The disruptive economy is here to stay. However, it is not without some challenges.

In some areas, crossover between units that could be rented by the ski area and those rented via online portals is minimal and availability of these short-term rentals is beneficial in making additional rental pillows available. In other areas, there is more competition with ski area properties or ski-area-managed properties. We view competition as a positive, provided it can happen on a level playing field. It is difficult to put quantifiable data against the impact for the entire industry across the state.

We believe the playing field should be level for licensed lodging properties and short-term rental properties. We are in favor of a system which would encourage registration of short-term rentals, help to address safety issues, prevent fraudulent rentals, and improve compliance for tax remittance to the state. The key is that short term rental properties are held to the same standards as licensed lodging establishments.

Ski area operators continue to look for ways to show the competitive advantages to renting through them, to persuade property owners to list with the ski area rather than "go it alone" on rent-by-owner portals. Ski areas have a lot of tools to bring to the table, such as marketing, websites, call centers, housekeeping, on-site management and maintenance, however, online portals have leveled the playing field in this way, too, giving property owners other options for renting their unit(s).

Quality can be an issue, and ski areas lose quite a bit of control of unit quality and an assurance of standards of upkeep. A sub-par unit rented by owner can often negatively reflect on an overall mountain stay experience or the quality product that a ski area delivers, impacting a guest's impression and experience.

If a short-term rental property has an absentee owner, having reliable housekeepers/maintenance and the ability to respond to issues the guests may have is important. There can be no real control over guest behavior, over filling the property and pet issues, which have led to complaints to home owners' associations (HOAs). Sometimes renters don't clearly spell out what amenities their guests have access to, and this can be problematic to manage for on-site ski area staff, detrimental to a guest's experience and potentially harm the ski area's reputation. Best case is if these properties are owner occupied, the owner is local or has a good property manager to help guests and make sure occupancy maximums are being adhered to as well as other property rules.

This new business model also puts pressure on availability of affordable and employee housing. We lose valuable resources within the communities surrounding ski areas to short-term rentals, which have an unfair advantage, and generally result in less affordable housing for ski area staff. Many properties that were once available for seasonal staff rentals have been converted to short-term rental-by-owner sites and many properties are also being bought as rental investments. The owners see the benefit of better income sources with short-term rentals vs. longer term yearly leases or month to month rentals.

In closing, we know that the provisions in this bill will not solve all these challenges. However, registration, self-certification of compliance with safety standards and a fee equivalent to that of a licensed lodging property having one to three rooms will not only increase accountability and compliance, and will also help to quantify the number of these short-term rental properties in these tourist communities which can assist with planning purposes for things like transportation infrastructure and housing. The quality and safety of accommodations is primary. Owners should be remitting meals and rooms taxes to the state and registration is the first step in boosting compliance in this area. If there were to be a database created of these properties, they can be educated so that they better understand their responsibilities. It can also help them, for instance, learn about the proper insurance they should be carrying to protect their investment and limit their liability. We also agree that properties should be required to list their certification number in their online listings, so that guests can know that the property they are renting is legitimate.

We support S. 204 requiring a state registration of unlicensed short-term rental properties with an annual fee and self-certification of compliance with life and health safety standards.

We would be happy to answer questions. Thank you for your time and attention this morning and your considerable work on this bill.