



Registration and Self-Certification for Unlicensed Short-Term Rentals Testimony
Ronda Berns, Vice President Tourism, Vermont Chamber of Commerce
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As a statewide organization, the Vermont Chamber represents nearly 1,500 members with just about half of them in the tourism industry. The Vermont Chamber is also the official state partner of the American Hotel Lodging Association (AHLA), our understanding and knowledge of the lodging industry is deep and wide.

We are in favor of S.204 that would require all unlicensed and unregulated short-term rentals to be registered, acquire a rooms & meals tax id number, complete a self-certification of compliance with the current lodging health, fire and safety rules, and be appropriately insured to host the traveling public.

The hospitality industry has always welcomes competition on a level and legal playing field. Competition thrives when everyone plays by the same set of rules.

Home sharing has been around for decades, it is how the B&B and Inn industry began in Vermont. We have supported the rights of property owners to occasionally rent their homes to earn extra income for up to two weeks without regulations. However, we are now seeing large numbers of short term rental like Airbnb, HomeAway and VBRO that are not occasional renters but unlicensed and regulated property owners running small to medium sized lodging business. They are using sites like Airbnb and HomeAway to gain an unfair and significant competitive advantage over the licensed properties by having no oversight, not complying with established public health, safety, fire and zoning rules or not playing required rooms and meals taxes.

According to Airbnb, Vermonters earned in 2016 over \$17 million through 3000 Airbnb hosts from 140,000 guests. This number has increased to 227,000 guests with revenues over \$31 million in 2017, an 63% increase according to Airbnb. In addition, Airbnb came out publicly in support of this bill with a registration process last month.

The state and Airbnb signed a voluntary agreement in 2016 to collect the state's 9% rooms and meals tax and remit it to the state quarterly. We supported this action because it begins to create a level playing field among lodging establishments regardless of size.

Today however, it is estimated that there are between 6 - 8,000 short term rentals in Vermont with only 3000 units with Airbnb that are confirmed to be collecting state and local taxes. That leaves a majority of short-term rentals in our state that may or may not be paying taxes for their short-term rental businesses.

Allowing unlicensed short-term rentals, home shares or vacation rentals to be exempt from the current health and safety, sanitation and fire laws creates a financial disadvantage for those businesses following the laws of the state and are continually required to make the necessary updates to their properties. In addition, these exempt rental properties could potentially be an unsafe environment for Vermont's visitors and a major liability for the hosts.

A tragic example of an unsafe environment is the Iowa family of four who died from gas asphyxiation at the condominium they had rented in Tulum, Mexico in March 2018. The privately-owned condo was listed by HomeAway. Although these platforms may encourage smoke and carbon monoxide detectors, few of the rental sites ensure or enforce that the property has installed them before they are rented to the public.

A statewide registration of the short-term rentals will create a central database that could be accessible by the tax, fire safety, health and zoning departments and for tourism data. This valuable information would provide:

- How many short-term rentals are in Vermont
- Increased or decreased inventory year over year
- Where are units they located
- Who owns these units, Vermonters or out of state owners
- Who is the local contact in case of an emergency for the renter
- How many units are owned by each host to identify multiple unit owners
- A pathway to disseminate educational information to hosts
 - Insurance requirements
 - Health and safety rules
 - Tax requirements
 - Food licenses
 - Law changes
 - Notification of any public meetings

The Vermont Chamber supports this bill that will require short-term rentals to register with the state to receive a rooms & meals tax id number to be posted on all advertisements and in the rental unit, be self-certificate to understand the health, fire and safety rules and be appropriately insured to protect themselves, the traveling public and the Vermont brand.