

S.133: Regulations of Lodging Establishments Testimony

Senate Health & Welfare Committee

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The Vermont Chamber is in favor of creating a level playing field for the states hotel and lodging establishments with short term rentals that operate with one or two guest rooms, such as Airbnb. We would like to see all lodging establishments to be regulated the same for tax and insurance laws and for health and safety rules.

As a statewide organization, the Vermont Chamber represents nearly 1,500 members with about half of them in the tourism industry. Vermont's tourism industry is a significant contributor to the state's economy. In 2015, the state collected \$781 million from the lodging industry and \$141 million in rooms and meals tax.

In 2016 Vermonters earned more than \$17 million through 3000 Airbnb hosts from 140,000 guests. The average number of nights is about 23 per year with an average length of stay of 2.6 nights. The state and Airbnb signed a voluntary agreement last year to collect the state's 9% rooms and meals tax and remit it to the state quarterly. We support this action because it begins to create a level playing field among lodging establishments regardless of size.

The hospitality industry operates in a highly competitive marketplace. It is all the same business regardless if someone is operating a full-service hotel, an intimate three room B&B or renting two rooms in their home. Hosting guests overnight is the business model and every guest room is revenue for the business.

Allowing short-term rentals with one or two guest rooms 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 making the necessary updates to their properties. In addition, these exempt venues could potentially be an unsafe environment for Vermont's visitors and a liability for the hosts.

The Vermont Chamber feels that having these short-term rentals register and obtain a certification of compliance is a good first step in creating a level playing field for the licensed lodging properties in Vermont.