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To: Rep Tom Stevens

Short Term Rentals (STR's) Position Paper

For decades, short-term rentals have been a boon for the State of Vermont and for many Vermonters, like us, who want to remain here, but need supplemental income. I feel that the proposed STR bill S. 79 lumps us into a big league STR category with major hotels – which we simply are not. Is it possible that the energy to restrict STR owners is coming from hoteliers who look at short-term rentals as “low-hanging fruit?” And, if only they could drive that “low-hanging fruit” out of business, they could build and fill another large hotel, so that they could put more financial resources into the pockets of their stockholders, most of whom do not live in Vermont.

If this bill passes as is, Vermont will lose a large chunk of tax revenues, not only from the loss of STR properties, but also from the spin-off sales.

Since our children graduated from school and got married in the early part of this century, my wife and I have benefitted from our ability to rent unused space in our house. But Vermonters in our age bracket are not the only citizens with a need for supplementary income. Perhaps if there were some level of assurance that young people moving to Vermont could rent space in their home as short-term rentals – just maybe it would be a significant incentive to move here.

You may think that young people starting out can afford \$1,000's of dollars to satisfy requirements that companies such as AIG, Marriot, and Sheraton can afford. It takes a lot of work to manage a STR well. It is not cheap and usually the property owners are also the host, cleaning service, bookkeeper, repairmen and concierge. Many of the STR property owners I know only take in between \$3,000 and \$6,000 a year.

I read every one of the items in the proposed inspection checklist, and I can tell you that these fees will be costly. Many Vermonters, who need this nominal financial boost, may not find it worthwhile. Every single STR property lost is a loss for the State. In the S. 79 / H.256 proposal dated 4/2/2021, pages 6 & 7, I counted 17 inspection fees, ranging from \$30 to \$150. For starters, STR owners can expect an initial \$150 for “Initial Certification” alone, not counting the other fees required, and repair costs necessary to be certified. \$1,000 could be eaten up almost immediately.

A plausible assessment of the cost for inspectors obviously has not been done. On page 20, the proposal mentions a \$200,000 initial appropriation from the General Fund to hire one full-time and perhaps one part-time inspector. It is not realistic to think that one and a half inspectors for the thousands of short-term rental properties in Vermont is credible. No mention is made of

secretarial and administrative costs. Nor does it address the cost of vacation pay, sick time, transportation costs, or retirement. Perhaps this is why New Hampshire refers to self-certification. And also why the Vermont Health Department earlier this year, or late last year, flatly said “NO” when it was suggested that they inspect short-term rentals.

Over the years, STR’s have earned significant monies in Vermont Rooms & Meals tax, generating several million dollars in State revenues. But taxes are only one of the benefits that STR’s bring to the State of Vermont, Vermont’s hotels and the Vermont business community at large. Most guests come from Boston, New York, Philadelphia, and other parts of the country. Very few are locals. Meanwhile, local businesses, from the gas stations to the local restaurants, and all businesses in-between, are benefitting from this incredible new source of revenue and talent.

If Vermont loses STR properties due to new, cumbersome, and expensive requirements, most of these renters are not going to rush towards a local hotel. They will, and do already, look for properties in neighboring states, if they can’t find what they want in Vermont. Hotels are no longer their only preferred option. To throttle short-term Vermont rentals would be a great gift to the states around us, whose legislative initiatives encourage their continued success.

The short-term rental industry has done for Vermont, what Vermont would never have had the resources or savvy to create for itself – a vibrant, productive, creative industry that provides income for residents, taxes for the State, rental units within every community in our State, from the most remote to the most populated. And guess what, it has not cost the State one-dime, except for hiring an extra employee or two to count the money going into the State’s tax coffers. Who would have imagined that the most remote pockets of the Northeast Kingdom would have national platforms on which local Vermonters with a short-term rental in Canaan, for example, could post their rental unit, and the cost of that posting would be paid for by the renter.

“Back in the day”, but not so long ago, ski area owners and hotels in more populated cities such as Burlington, actively sought help within local communities to put up skiers and other guests during busy holiday weeks. At that time a large number of the Innkeepers lived within the community. In recent decades large corporations have captured a huge part of the short-term rental market.

There is talk out there of requiring short-term rental owners to live in their homes 270 days a year. Well, guess what – all room rentals at every hotel, are short-term rentals. Until hotel owners vacate their villas and penthouses, and start living in their Vermont hotels for 270 days a year, it is difficult to give credibility to any such requirement. The same goes for every unit they own separate from their hotels, such as condos and properties that they use for short-term rentals. There are simply no justifications for requiring “live-in” requirements..

Restricting short-term rental properties is a bad idea for these and many other reasons. We need to use every tool in our toolbox to attract young workers to our beautiful state. We need to endorse, encourage, and promote short-term rental owners. We know many STR owners personally. Many of them have put money into their homes and beautified their properties. Look online – most of the STR owners in Vermont get extremely high ratings from their guests. We should be backing them up, not restricting their growth, or making them jump through burdensome hoops.

Since this all boils down to votes, the question is, “Who are legislators going to support?” Will they vote to support those corporate heads of major hotel chains who are luxuriating in their villas and penthouses in “out-of-touch” gated communities around the country? – or – Will our Vermont legislators vote to support fellow Vermonters who already carry one of the heaviest tax burdens in the country?

This is not a time to fear speaking up. We must unite. We must organize. And we must express our concerns to our legislators - thus, this letter. At the very least, a decision on this issue should be postponed until the COVID-19 era is in the rear-view mirror, because there is too much at stake. The outcome of this proposal could have serious impacts. It should not be decided by ZOOM meetings, which we have found to be mostly unreliable, except in urban areas. Besides, many STR owners who want to make comments, are not computer savvy, or are handicapped due to poor broadband connections; thus, they are left out of the discussion. In a few months we may be able to have face-to-face meetings and discuss the pros and cons openly and in person.

Our community does not need to be put into a tailspin of bureaucratic compliance and legalese, just as normalcy is on the horizon. Not even Governor Scott has had a break from the pandemic work burden, and I’m sure that he also is looking forward to some semblance of normalcy between now and the next legislative session.

Because of the stresses and general upheaval caused by the pandemic, I am formally requesting that all decisions regarding Bill S. 79 / H. 256 be postponed until the next legislative session.

Sincerely, and thank you ---

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Afterthoughts:

There are areas that need to be addressed. For example, we see articles regarding noise complaints: Every town in Vermont has enabling legislation that allows them to create regulations and fines, and the power to limit noise after designated hours. Excessive noise should not be permitted. STR owners must control their guests.

To date I have not heard of anyone being seriously injured in a short-term rental unit. There is no emergency pushing this legislation. Short-term rentals have been around for a long time; obviously, they do not pose a huge risk. Vermont legislators did not dream up this proposal; they are responding to a powerful group of lobbyists. As a result of delving into this issue, I am feeling that those powerful lobbyists are winning; now it’s our turn to be heard.

During the past year, some short-term rental owners in our area chose to suspend rentals due to COVID requirements and guidelines. However, those of us who own STR properties and toughed it out, have done double duty to make these rentals work during the COVID era. But now, as things are returning to normal, with hopes that we can put the layers of pandemic requirements behind us, we are waking up to this short-term rental proposal. There is probably no ideal time to tackle this, but I suggest that now is about the worst time. Please, give us a break – some breathing room – this thing can wait until we can discuss it in an open setting.

Short-term rental clips regarding neighboring states:

Below are a few clips from on-line research of neighboring states regarding short-term rentals. Regulations change, so I cannot attest to these clips being up-to-date, but I feel they are worth noting.

The following italicized text is as quoted from on-line sources.

Proposed legislation for short-term rentals in Maine

A new bill has recently been introduced in the state of Maine, which calls to prohibit towns and cities from banning short-term rentals. The introduction of this bill has sparked much debate ---

(In response to a restrictive short-term rental proposal, the following came from the State of Maine.) The new bill to restrict the banning of short term rentals was proposed to control municipalities from introducing overly restrictive bans on short-term rentals and to uphold the (personal) property rights of owners.

NH Short-term rental Inspections

1. *Short Term Rental Licenses are issued with self-certification of compliance with life safety and other rules. . The S. 79 committee should look into what is meant by “self-certificaion.” It does not sound threatening to me.*
1. *Inspection by the Town and/ or Fire Department is initiated in one of the following ways.*
 1. *Owner’s request*
 2. *Violation of these rules*
 3. *Observation of perceived Life Safety violation by the Town or Fire Department while there on other business, such as an emergency response.*
2. *Town and Fire Department officials conducting inspections will do their best to accommodate the owners or owner’s agent needs and minimize disruption to guests whenever possible.*

My comments:

Maine and New Hampshire seem to voice direct statements limiting State over-reach relative to short-term rentals. I did quite a bit of on-line research this weekend, and this seems to be a theme. Yes, these neighboring states have regulations and require some overview, but the question I have for this committee is: **Is there any such conciliatory language in the S. 79 / H. 256 committees' current draft proposal?**

I know how this stuff works. If the committee is hearing a lot from pro-STR-regulation advocates, and almost nothing from those of us who are on the front lines, then we need to get off our butts and introduce our legislators to their many neighbors who do short-term rentals, and how important this revenue, however small, is to their quality of life. Perhaps a series of informational meetings would be in order.

I want your committee to know a little bit about us, because this is a much larger issue than many might think, and they need to know that we are not fly-by-night "letter-to-the-editor" people. Vermont is in our blood. Vermont is our life-style. Vermont is where we want to be.

Both Francine and I grew up on Vermont dairy farms, I in South Burlington and Francine in Coventry. We had our own dairy farm in Bakersfield for a brief time. We are workers. I am almost 80 years old, but Francine and I still cut, split and stack all of our firewood. We do 100% of our property maintenance. We created and operated the Cold Hollow Cider Mill, selling it in 2000 after 25-years. Francine retired recently as Director of HR at the Vermont Foodbank. I retired 2-years ago licensed to sail as a Captain on the largest ships in the world.

We should add that, after a decade in Colorado, our daughter moved back to Vermont about 5-years ago.. She and her incredible husband Dan and their three unbelievably great and creative children live 1 mile up the road from us. They have depended on the ability to do short-term rentals. When needed, that income has made the difference for them. Before they moved from Denver, Lemira called one day and said, "Dad, we want to move closer to you so that your grand-kids can get to know you better. We have been looking for a place in New Hampshire or upstate New York because of taxes and real-estate prices." We changed that by locating a property close by that could be used to do short-term rentals. There is no question that these rentals have enabled them to remain in Vermont.

Please provide me with the names and e-mail addresses of everyone on the committee. They need to know that Francine and I are credible advocates for our short-term rental community.

If it is not possible for the committee to postpone a decision, please let me know.

Sincerely, E.C.