

From: Sarah Carpenter <carpentervt@outlook.com>
Sent: Wednesday, April 28, 2021 10:53 PM
Subject: response

Hi All – I reviewed the communication you received from Kaomi Taylor Mitchell about her concerns related to room rentals in owner occupied homes. She seems mostly concerned about short term rentals (STR), but there are long-term room rentals covered in S. 79.

Right now, under law, room rentals are covered for fire and health codes. Owner occupancy doesn't guarantee public safety. We have seen instances where owner occupants have taken advantage of low-income roomers. DFS receives very few complaints around short term rentals, but you can still have safety issues. S. 79 proposes no new codes for rentals, short or long term.

The primary effect of S. 79 for STR's is to register and gather data we don't have. This is something ACCD, the Vermont Chamber of Commerce, the Vermont Lodging Assoc., and I believe the Vermont Short Term Rental Alliance are all supportive of.

I tried to answer some of your questions this afternoon, but have provided some thoughts below.

Thank you (and thank you so much for all your hard work on S. 79).

Sarah Carpenter

From: Kaomi Taylor Mitchell
Sent: Wednesday, April 28, 2021 12:35 PM
Subject: Testimony on S. 79

Hello Esteemed Members of the Committee,

I wanted to share with you some thoughts about S. 79. Please see below the text of a letter I shared with Chair Stevens today. Thank you for your consideration and all your hard work this session.

Dear [Committee Members]:

I [have asked about] an opportunity to speak before your committee because there is no shortage of professional lobbyists advocating year-round to Vermont legislators from chambers of commerce, housing organizations and agencies about restricting short-term rentals, whereas the voice of rental owners is typically disembodied and disaggregate, placing us at a relative disadvantage. My concerns center on owner-occupied room rentals being legally conflated with other rentals. Renting out a spare room in an owner-occupied home is completely different from being an absentee landlord.

They create vastly different implications for neighborhoods, visitors and the rental market. The two should not be conflated in S.79 or any piece of legislation. **I am advocating a carveout for rental spaces of 1000 sq ft or less in a building where the owner is in residence.**

You would be taking room rentals out of current public safety law. There can be bad rooming situations with owner occupants sometimes involving someone who is low income or disabled.

The overreach of the legislation in its current state will harm hundreds if not thousands of economically vulnerable people. According to Airbnb's research, most AirBNBs are hosted by women. In Vermont, 26% of Airbnb hosts are senior citizens. (*Source: Airbnb's published research.*) Owner-operators are making four or low five figures, not the millions of dollars realized by absentee owners of 20-unit buildings. They shouldn't be subject to the same financial and time-intensive requirements.

S. 79 is just proposing a registry so I am not sure how that harms the industry or what the overreach is. Short term rentals are now subject to inspections if there is a complaint. In reality there are very few because people just leave. We are not proposing any additional standards. If you are in a bad long term room rental that needs inspection you can't just leave and may need an inspection.

Public safety concerns of my rental are no greater than those of any private home. As a homeowner I can share my guest room for free with countless rotating people so long as I comply with VT's current public safety guidelines. I can even list it on Couchsurfing.com and invite traveling strangers for free. Money being the only differentiating factor reveals that this bill is mistaking a commerce difference for a safety one.

This is accurate, but if it is a business shouldn't you be subject to some public safety standards?

This bill unnecessarily duplicates existing data collection by the state to compile a list that already exists. Short term rentals in Vermont are already legally mandated to register with and pay an annual fee to the Secretary of State in order to pay Room and Meals Tax. If a distribution channel is needed to communicate with short-term rental owners, Vermont can easily achieve this via existing mechanisms such as the Secretary of State, Department of Tax, Airbnb, VRBO, general news, and the VTSTRA.

The tax department doesn't let out tax information unless required to in legislation. Some STR owners may have multiple properties under one tax ID number. I don't believe the SOS or Tax have property level data, only owner information. Those with Air B & B accounts operate under Air B & B's tax ID. ACCD and the VT Chamber has tried to get a list but there really isn't one.

<https://tax.vermont.gov/business/industry/short-term-rentals>

Short term rental owners in Vermont are also legally mandated to post health and safety information, review and self-certify a list of best practices provided by the state, and allow DOH inspection. This bill adds nothing but layers of bureaucracy and expense unsustainable for part-time residence sharers. Of course, that's exactly what some of the advocates behind this type of legislation hope, that overloading minor entrepreneurs with bureaucracy will drive them out of business and eliminate their competition.

All we are adding is the requirement to register, I am not sure much bureaucracy is being added. For STR's with rooms you would pay only one \$35 per room per year. You can rent that room over the year to dozens of customers and only pay \$35 once. The data is something ACCD, the Vermont Chamber and the lodging industry all really want. There are no other new regulations in S. 79. (There are other bills proposing things and I expect you will see that next year.)

That would be a real loss for Vermont's tourism industry. Services like Airbnb and VRBO are an exceedingly potent asset to Vermont's tourism quality. Since guests choose accommodations based on reviews and any host not making consistently high marks is quickly banned from those platforms, hosts like me can't rely on brand marketing to cover up our flaws. **We have only actual consumer experiences to promote our brand, which pretty much guarantees we're the most responsive, responsible hosts in Vermont.**

I am not sure how just registering short term rentals affects tourism or STR viability.

I believe you and the committee can easily achieve the goals you are hoping for while protecting small owner-occupied properties. Happy to discuss further or help brainstorm alternative ways of achieving the state's housing and safety goals without unduly harming economically vulnerable homeowners for inconsequential gains.

Thank you,
Kaomi (Karen)
Kaomi Taylor Mitchell, MPA