



House Bill 1604

Business Regulation – Limited Residential Lodging

MACo Position: **SUPPORT**

To: Economic Matters Committee

Date: March 9, 2018

From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1604. Counties support regulation of the limited residential lodging industry to protect the safety and welfare of their communities. HB 1604 strikes a reasonable balance between state regulation and local authority.

In recent years, the proliferation of short-term rentals that use social media and digital technology to make it easier for people to rent their homes has presented both challenges and opportunities to local communities. Counties appreciate the economic boost these companies and hosts capitalizing on the new “sharing economy” provide to residents and visitors, but are equally concerned with the safety and well-being of those very same individuals.

HB 1604 strikes a reasonable balance, ensuring communities can continue to benefit from short-term rentals without stifling the industry or putting people at risk. The bill establishes a state regulatory scheme that requires hosts and innkeepers to operate within the local laws of the jurisdictions in which they conduct rentals. Both must also be registered with the Comptroller. Record-keeping obligations for the platform ensure that the businesses remain in good standing with the State and that state and local officials have access to clear business data for regulatory and tax purposes.

Counties across the state have either enacted local laws or are in the process of deciding how to regulate short-term rentals. Local governments are best situated to address the specific needs of their diverse and distinct communities – particularly regarding public health, public safety, and zoning matters. Accordingly, the bill expressly protects the authority of local governments to enact local laws concerning the regulation of short-term rentals.

Counties believe HB 1604 balances the shared goals of a reasonable regulatory scheme for limited residential lodging that will both protect consumers and let the industry thrive. For these reasons, MACo urges a **FAVORABLE** report on HB 1604.