



## Senate Bill 463

### *Business Regulation – Limited Residential Lodging*

MACo Position: **SUPPORT**  
**WITH AMENDMENTS**

Date: February 22, 2017

To: Finance and Budget & Taxation Committees

From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** SB 463 **with AMENDMENTS**. Counties support regulation of the limited residential lodging industry to protect the safety and welfare of their communities, but raise the following concerns to ensure that any regulatory scheme is developed without unintended consequences that may undermine the benefits.

#### **Striking a Reasonable Balance**

In recent years, the proliferation of short-term rentals that use social media and digital technology to make it easier for people to rent out 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. Careful consideration should be paid to striking a reasonable balance that ensures communities can continue to benefit from short-term rentals without stifling the industry or putting people at risk.

Specifically, the bill should be amended to ensure that the regulations are not overly burdensome on residents that serve as hosts. The record-keeping obligations and penalties are onerous and could prevent residents from hosting. This may be particularly acute for casual hosts who do not rent out their properties or rooms on a frequent basis. Likewise, the sprinkler requirement, which has been a controversial issue for rural counties in recent years, presents an additional hurdle for hosts.

#### **Protecting Local Authority**

Counties across the state are currently studying and grappling with how to regulate short-term rentals in the best interest of their diverse and distinct communities. Local governments are best situated to address the specific needs of their communities – particularly in regards to public health, public safety, and zoning matters that have long been within their purview. Accordingly, the bill should be amended to expressly protect the authority of local governments to enact local laws concerning the regulation of short-term rentals and to prevent against state preemption.

MACo hopes the Committee finds these comments helpful and stands ready to continue to work with fellow stakeholders and the Committee toward the shared goal 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 WITH AMENDMENTS** report on SB 463.