

MHLA

Maryland Hotel Lodging Association

Testimony in Support of SB 779

*Real Property – Taxation of Vacant Property,
Certification of Company Representatives, and Short-Term Rentals*

February 21, 2024

Senate Budget and Taxation Committee

The Maryland Hotel Lodging Association (MHLA) serves as the sole statewide trade association dedicated to advocacy for Maryland's 750+ hotels. Our industry employs more than 25,000 individuals and provides the state with \$1 billion in state and local taxes, \$5 billion in total wages and salaries, and \$9 billion in total gross domestic product.

We wish to express our support for HB 826 as it relates to the ability for local governments to adopt regulations and accountability measures governing short-term rentals.

The hotel industry supports home sharing and we have long advocated for ordinances that officially legalize such short-term rentals. But we also believe short-term rentals should abide by the same laws as hotels and every other business: registering their business, paying taxes, following laws and regulations, and removing illegal listings. Many localities in Maryland have recognized the growing challenge of short-term rentals, which create safety concerns, reduce affordable housing inventory, drive up rent prices, and displace long-term residents. Jurisdictions such as Baltimore City, Montgomery County, Prince George's County, Anne Arundel County and the City of Annapolis, among others, have already adopted laws and ordinances to regulate short-term rentals and rein in illegal hotels.

Local governments are best suited to create policies that address the needs of their individual communities and the unique effects short-term rentals may have on them. For example, when operators buy up multiple homes or apartments in a community to turn into short-term rentals, this reduces the availability of housing in the area and increases the cost to rent or buy the homes that are available. Because each locality is dealing with its own, unique housing availability and affordability issues, they must have the authority to examine and implement regulations that coincide with local housing needs.

We would also like to note our support of any potential sponsor amendment that would enable local government to regulate short-term rentals before "high intensity use" leads to a lack of adequate supply of affordable housing. We believe such an amendment would help to strengthen the bill's intent, knowing it's far easier to reign in and regulate short-term rentals before that point of saturation has been reached.

In summary, MHLA is supportive of this legislation as it would enable leaders at the local level to adopt rules or regulations, by resolution or ordinance, relating to short-term rental use in their individual localities. We respectfully request a Favorable Report on SB 779.