CHAMBER OF PROGRESS

February 11, 2025

The Honorable Marc Korman
Chair, Committee on Environment and Transportation
Maryland House of Delegates
Room 250, House Office Building
6 Bladen Street
Annapolis, MD 21401

Re: Support HB 705 and Maryland hosts

Dear Chair Korman and members of the Committee:

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advancements – I write to urge you to **support HB 705**, which protects property rights, fosters economic opportunities for Maryland homeowners and small businesses alike, and protects consumer choice.

HB 705 protects property rights and promotes economic growth by ensuring fair regulations for short-term rentals in Maryland.

HB 705 safeguards homeowners' rights to use their residences as short-term rentals by limiting restrictive local regulations and prohibiting outright bans. This bill ensures that local governments cannot prohibit short-term rental operators from offering a rental property solely because they are renters. This balanced framework empowers homeowners to generate supplemental income while fostering economic growth in Maryland. By classifying short-term rentals as residential properties, the legislation ensures fair treatment, supports property owners, and strengthens consumer choice.

Restricting renters from participating in the short-term rental market would disproportionately impact Black and Hispanic residents, exacerbating existing economic disparities. In Maryland, the white homeownership rate is nearly 79%, while the Black homeownership rate is around 53% and Hispanic homeownership stands at 55%.[1] Limiting renters' ability to participate in this market would unfairly burden communities already facing barriers to wealth-building and financial stability.

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[1] *See* https://www.urban.org/policy-centers/housing-finance-policy-center/projects/forecasting-state-and-national-trends-household-formation-and-homeownership/maryland

Short-term rentals offer homeowners the opportunity to supplement their income, especially as inflation makes everyday expenses more expensive.

Most hosts do not fall into the category of traditional property investors or conglomerates. Instead, they are individuals residing in their primary homes, seeking to diversify their income streams to meet financial needs. By making space in their residences available, homeowners can augment their earnings to cope with escalating mortgage payments, while renters can secure extra income to address the growing expenses of daily life.

Guests who opt for short-term rentals contribute to local economies not only directly to hosts but also by patronizing nearby shops and restaurants.

According to survey data, 92% of hosts provided recommendations for local restaurants and cafes, and guests reported that 41% of their overall trip spending occurred in the neighborhoods they stayed in.[2] Short-term rentals offer visitors the opportunity to experience more of the city and its small businesses than other lodging options, which tend to be concentrated around tourist attractions and downtown areas.

Protecting access to short-term rentals also protects consumer choice.

Short-term rentals offer more flexibility for visitors with needs that hotels alone cannot meet. Large families and workers who are on temporary assignments can opt for short term rentals with more space and kitchen access, rather than relying on hotel rooms. Families traveling with children, who would prefer not to be split into multiple units, can stay together comfortably.

HB 705 ensures a fair homesharing regulatory environment for Maryland's residents and would allow visitors and small businesses to reap the benefits that homesharing can have. For these reasons, we encourage you to **support HB 705**. Thank you for your leadership on this important issue.

Sincerely,

Brianna January
Director of State & Local Government Relations, Northeast US

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[2] *See* https://news.airbnb.com/airbnb-estimated-direct-economic-impact-in-the-u-s-nears-34-billion/