

HB0087: Short Term Rentals and Home Amenity Rentals – Taxation, Regulation, and Crimes
Ways & Means Committee – January 28, 2025
Sponsor: Delegate Linda Foley
Position: UNFAVORABLE

Testimony on Behalf of Airbnb, Inc.

Since its founding in 2008, Airbnb has been an economic lifeline for many Hosts and an affordable travel option for guests.

Hosts:

The benefit for individual Marylanders that serve as hosts is significant. In the most recent survey of Maryland hosts from 2022:

- 44% of MD hosts said they used the money earned to cover needs such as food and other living costs.
- 42% said money earned by hosting helped them stay in their home.
- 62% said that they planned to use the additional income to cover the heightened cost of living over the next 12 months.
- 60% of MD hosts are Female and earned about \$13,000 in additional income.
- More than 20% are over 60 years old.

The vast majority of Airbnb hosts are your neighbors looking to make additional income to cover living expenses.

Guests:

- Approximately 800,000 people visited MD by staying with a Host.
- Totaling over 240,000 separate visits of about 3 persons per group with most guests staying about 4 – 5 nights.
- The largest group of visitors not from Maryland are from Pennsylvania.
- Most international guests are from Canada or the U.K.

Economic Impact:

The 2023 Airbnb Economic Impact report for the State of Maryland showed:

- \$667 Million total contribution to GDP
- 8000 total jobs supported
- \$210 Million total tax revenue

Concerns with the Legislation:

HB0087 generally would control large house and pool parties, provide authorization for counties to tax short term and amenity rentals, and authorize the regulation of short-term rentals in areas deemed as lacking affordable housing.

Affordable Housing - To be clear, Airbnb does not oppose giving the non-charter counties the same authority that the charter counties have to regulate short term rentals. However, the bill as written establishes a premise that short term rentals are a driver of affordable housing issues.

In Maryland there are over 2,000,000 dwelling units. According to 2022 data, Airbnb stays took place in only seven tenths of 1% of homes in Maryland.

More generally, several studies have been released dismissing the idea that there is a correlation between short term rentals and the lack of affordable housing. The Harvard Business Review states that short term rentals are not the biggest contributor to high rents, especially when it comes to the most vulnerable residents.

Of course, there is a real time example occurring in New York City where local legislation, LL-18 passed in 2023, restricted short-term rentals on the premise that they were impacting the housing market. As a result of the regulations Airbnb listings dropped 92%. However, vacancy rates remain unchanged, and rents are continuing to rise meaning that housing affordability and accessibility has not increased.

Airbnb requests that this section of the bill be stricken.

Tax

Since 2014, Airbnb has led the way on platform-based transient occupancy tax (TOT) collection and remittance, collecting and remitting over \$7 billion to local governments around the world. Today, we collect and remit taxes in tens of thousands of jurisdictions and the number continues to grow. The latest reporting from 2023 shows \$210 Million in total tax revenue in Maryland.

Airbnb believes that the best approach is for a centrally collected, broadly applicable system that provides a streamlined industry-wide approach to collecting and remitting transient oriented taxes to a local government. We have been working with Chair Atterbeary, Chair Guzzone, and Comptroller Lierman on developing just such a system in Maryland that would create a centralized collection facility in the Comptroller's office. Bill language has been completed by staff and bill introduction in both chambers is coming. This would be a more comprehensive and robust solution to the local taxing issue than the language in this bill.

Airbnb recommends removing the tax language and deferring to legislation being introduced by Chairs Atterbeary and Guzzone.

Public Safety

The underlying concern being addressed by this legislation is communities being overrun by large events being held on residential properties.

Airbnb has thrived because it is built on trust. We earn and keep that trust by focusing on building a platform that allows millions of strangers to trust one another and promoting the safety and peace of mind of our community as they live, work, travel and host on Airbnb. In recent years, Airbnb has implemented several proactive measures to collaborate with local jurisdictions and promote neighborhood safety and quality of life by implementing the following:

- A permanent ban on disruptive and unauthorized parties, pursuant to our community disturbance policy as well as maintained a prohibition on party houses.
- Reservation screening technology to block certain bookings that are potentially higher risk for disruptive and unauthorized parties, to try to reduce the risk of disruptive and unauthorized parties, as well as enhanced measures around holidays.

- A 24/7 Neighborhood Support Line to give neighbors the ability to communicate directly with us.
- Support for policymakers and law enforcement to take action in the event of issues, including a dedicated portal for law enforcement to submit valid legal requests for information from us.
- Partnering with Vrbo, an Expedia Group company, to develop the Community Integrity Program, an industry collaboration to strengthen action on the community threat of repeat “party house” offenders. Airbnb and Vrbo developed a process that identifies properties permanently removed from each platform due to repeated violations of respective policies, so each company can take appropriate action.

Airbnb takes the issue of short-term rentals being used for house parties very seriously.

This legislation is in response to an incident this summer of a pool party in Montgomery County that was well covered by the local media. The property in question was not reserved either through a short-term rental platform or a home amenity platform. The party organizers dealt directly with the property owner.

While this was not a short-term rental, it should be noted that there were several local County regulations that should have been able to limit the negative impact on the community. These include alcohol control laws, noise violations, capacity issues, parking hazards, and fireworks restrictions.

While well intentioned, for the reasons listed above Airbnb asks for your UNFAVORABLE report for HB0087.

For any questions or more information regarding Airbnb’s position, please contact Jamie Gregory at jgregory@lhstrategy.com or 202-841-3567.