

Testimony on behalf of the Maryland Hotel Lodging Association

In Support of HB 87

Short-Term Rentals and Home Amenity Rentals - Taxation, Regulation, and Crimes Ways and Means / Environment and Transportation Committees - January 28, 2025

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 \$2 billion in state and local taxes, \$6 billion in total wages and salaries, and \$9 billion in spending by hotel guests contributing to Maryland's economy.

We wish to express support for HB 87 as we believe it is aligned with the following core principles, which are supported by MHLA and offered for consideration of any legislation aimed at regulating short-term rentals in Maryland.

• Maintain Local Oversight of Short-Term Rentals

Laws addressing short-term rental regulation and tax collection have previously been established by multiple local jurisdictions throughout Maryland and we do not believe this bill is intended to circumvent or prevent future regulation by local government. Leaders at the local level understand the needs of their community and are best suited to create short-term rental policies that will appropriately address issues that arise.

Transparent and Auditable Tax Collection

Short-term rentals are already subject to sales tax in Maryland and platforms are required to collect and remit sales tax on bookings they facilitate. It is important for all accommodation taxes (state and local) to be subject to auditing and we support the collection of necessary data to ensure accurate remittance and compliance.

Uphold Platform Accountability & Safety Standards

Guest safety is paramount to our business and we have long advocated for all short-term rentals to have certain "safety mechanisms" at their properties.

There is often no system in place to hold short-term rental units accountable for nuisance events or actions that occur at their listed properties — and there are often no consequences for properties operating outside the bounds of certain standards. In addition to this bill clarifying areas of criminal law that apply to short-term rental units, it is also important to establish platform accountability. **Platform accountability** is often addressed through local regulations that require rental units to register and — crucially — requiring the rental platforms to ensure registry compliance - with the local government before listing and selling short-term rental units.



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Ensure Housing Availability & Affordability

When operators acquire multiple homes or apartments in a community with the intention of converting them to short-term rentals, this **reduces** the availability of housing in the area and **increases** the cost to rent or buy the remaining homes that are available. Due to the fact that each locality is dealing with its own, unique housing availability issues, they must have the authority to examine and implement regulations that coincide with the housing needs of their individual communities.

We offer support for HB 87 as we believe the intent of the bill sponsor is aligned with these principles.

Respectfully submitted,

Amy Rohrer, CAE President & CEO