

SB666: Real Property - Short Term Rentals

Sponsor: Senator Kevin Harris

Position: FAVORABLE

Testimony on behalf of Airbnb, Inc

Economic Impact:

Airbnb is an economic lifeline for many hosts and an affordable travel option for guests.

From survey data :

- 42% of hosts said the money earned helped them stay in their home.
 - 60% of MD hosts are female and earned about \$13,000 in additional income.
 - More than 20% are over 60 years old.
 - Approximately 800,000 people visited MD by staying with an Airbnb Host.
- In 2023, Airbnb contributed \$667 Million to Maryland's GDP and collected \$210 Million in total tax revenue.

In Maryland there are over 2,500,000 residential dwelling units.

Airbnb stays take place in less than 1%.

Legislative Objective:

- The objective of this legislation is simple. If a local jurisdiction allows a property owner to offer their property as a short-term rental, then they must offer that same opportunity to tenants.
- The bill explicitly says that the property owner may decide if the tenant is permitted to participate in short term renting.
- HB993 allows local jurisdictions to limit tenant hosts to one short term rental unit.

Recent State Precedents:

- The Virginia General Assembly passed legislation in 2024, H1461 introduced by Delegate Candi Mundon King, that went into effect on July 1st.
- *No local ordinance shall prohibit an operator from offering a property as a short-term rental solely on the basis that such operator is a lessee or sublessee, provided that the property owner has granted permission for such property's use as a short-term rental. Localities may enact an ordinance that limits a lessee or sublessee to one short-term rental within the applicable locality.*
- The District of Columbia City Council is currently considering similar legislation.

Montgomery County:

- The Montgomery County Council passed legislation, 22-23, that went into effect on July 1, 2024, to update their short-term rental regulations.
- The Planning Board recommended that language in the draft legislation be removed that would have prevented the ability of tenants to offer short-term renting.
- The actual language of the staff report says, "The first change discussed was the three instances where 'or owner-authorized resident' is being deleted from the code. This effectively cuts out 35% percent of the households in the county from being able to participate in Short Term Residential Rentals because they are renters rather than owner occupied dwellings. Planning staff also note that rental units in the county are disproportionately non-white, setting up a racial equity issue. While it is likely that most residential leases contain restrictions on further sub-letting, some may not, and may even have express permission from the property owner. As

such, Planning staff does not support a blanket prohibition on removing owner-authorized residents and instead recommends amendments in the accompanying Bill to better define how a renter must receive authorization from the landlord, in addition to setting up clear parameters for enforcement should that become necessary.”

- Note the reference to 35% of dwelling units in Montgomery County being rentals and that rental units are disproportionately non-white.
- The Montgomery County Council proactively made the decision to allow tenants to benefit from short-term rent.

Conclusion:

- SB666 simply allows tenants to have the same opportunity to benefit from short-term renting if their landlord approves.
- This bill does not prevent counties or municipalities from enacting short term rental regulations.
- It does say that tenants cannot be excluded by the local regulatory body if short term renting is allowed by property owners, although the property owner still has the final decision.
- This legislation will allow more Marylanders to earn extra income if their landlord grants their permission, and they follow the local regulations for short term renting.

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