



Vacation Rentals

.... What's it all about?

Summer 2017

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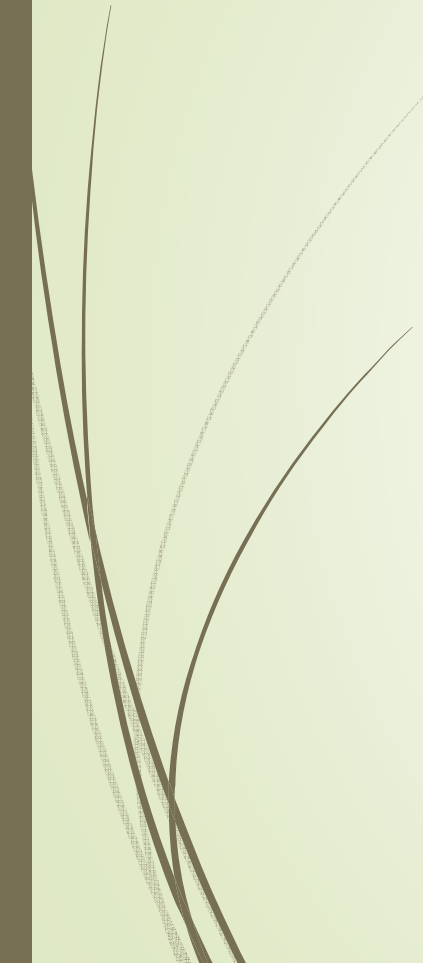



Samples – Home Away® and AirBnB®

- ▶ “Stay in the heart of Boise’s treasured North End neighborhood”
- ▶ “Sweet and charming Victor home on 3 acres with Teton views”
- ▶ “Close to downtown, beach, hiking, restaurant”
- ▶ “Downtown Coeur d’Alene - cute little house”
- ▶ “Fully furnished studio in Old Hailey”
- ▶ “Downtown hideaway in the trees”
- ▶ “One-bedroom Island Park cabin”

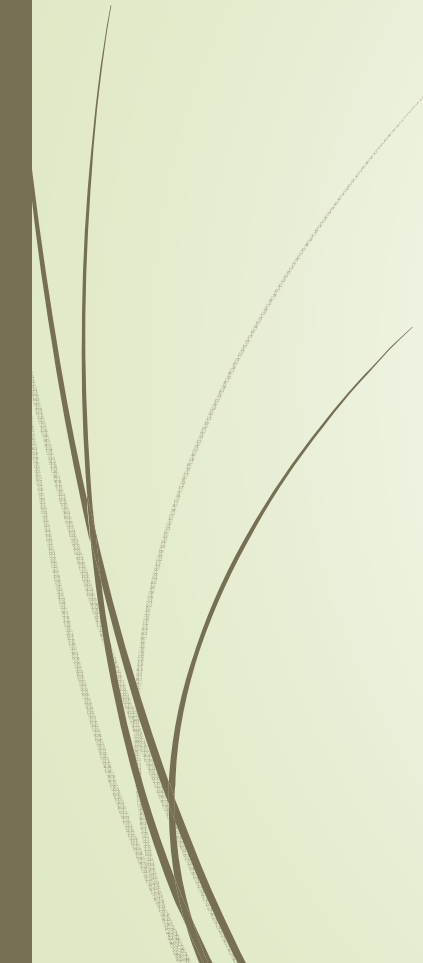


Local Issues

- Traffic in neighborhoods
 - Effects on housing supply
 - Zoning compliance
 - Possible nuisance implications
 - Level playing field with hotels and motels
 - Collection of lodging taxes authorized by voters
 - Others?
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Communities are Shaping Local Ordinances

- ▶ Responding to citizen concerns and complaints
 - ▶ Some are working with local real estate professionals
 - ▶ Various regulatory tools have been employed
 - ▶ Intensity limitations – concentration of people in structures
 - ▶ Parking and use restrictions
 - ▶ Hours and activity limitations
 - ▶ Spacing requirements
 - ▶ Supervisory obligations/contact/oversight
 - ▶ Different communities have taken different approaches – as they see appropriate within their jurisdiction
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Initial Legislative Action

- ▶ House Bill 66 – held in Revenue and Taxation Committee
- ▶ Initially proposed by former legislator Jim Clark from Hayden Lake
- ▶ Stated purpose: establish statewide standards, protect privacy and enable efficient tax remittance
- ▶ Proposal would have added a new chapter 13 to title 55, Idaho Code, the title dealing with real property interests
- ▶ Would have prevented (or confused) use of a variety of traditional local regulatory tools

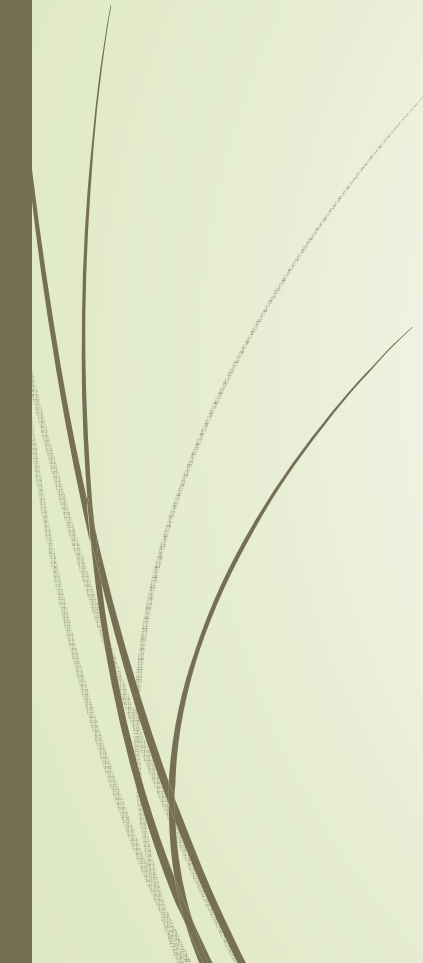


Discussions with AIC Executive Director

- ▶ Primary interested parties were the Idaho Association of Realtors® and Expedia.com
- ▶ Realtors® group shared initial drafts of alternative legislation
- ▶ Proposed language was complex and prone to uncertain application
- ▶ Alternative options were presented
- ▶ Realtors were approaching as “property right”
- ▶ Reported that they were contacting National Association of Realtors® about this matter



Result - House Bill 216

- ▶ Stated purpose: protect private property rights
 - ▶ Allow local governments to regulate short-term rentals regarding: public health, safety and welfare
 - ▶ Cannot prohibit short-term rentals throughout a jurisdiction
 - ▶ Must treat short-term rentals as a residential land-use
 - ▶ Precludes local governments from regulating online marketplaces (wherever they may be)
 - ▶ Authorizes State Tax Commission to contract with, and cooperate with, local governments to collect sales tax and lodging taxes – Effective January 1, 2018
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Issues Going Forward



- ▶ Sporadic reports of dissatisfaction from both sides of the house
- ▶ Concerns about legislative pre-emption activities
- ▶ Recognizing the “everyday” nature of this online business in today’s society
- ▶ Observe how “successful” (or not) cities have been that have installed complex regulatory schemes (Portland, OR)
- ▶ Enforcement capabilities based upon current staffing – don’t over drive your headlights
- ▶ Question usually isn’t whether residence can be rented, but rather how much and for how long