

VRMA 2017

NATIONAL POLICY AGENDA





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About the Vacation Rental Management Association

Founded in 1985, the Vacation Rental Management Association (VRMA) is a professional trade association of the vacation rental property management and hospitality industries. Headquartered in the U.S., membership includes professional vacation rental manager and vendor/supplier members in more than a dozen countries.

VRMA advances the vacation rental industry by providing invaluable educational and networking opportunities, promoting the value of the vacation rental experience, and speaking as the authoritative voice to foster professionalism and growth in the industry.

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Dear Policymakers:

The vacation rental industry continues to see strong growth worldwide. In the U.S. the market has surpassed \$31.8 billion in bookings annually. This expansion has made the vacation rental industry 8 percent of the total U.S. travel and tourism industry and 17 percent of the accommodation market.¹ The economic impact of vacation homes has reached new heights and is helping communities large and small in all corners of the country.

The expansion of the vacation rental market is due to the growth of the U.S. travel and tourism industry and innovations in the online travel marketplace. While traditional short-term vacation rentals have been in existence for many decades, the growth that has occurred is drawing the attention of communities worldwide which has spurred the development of local and state regulatory structures. The Vacation Rental Management Association (VRMA) is a collection of experienced vacation rental managers and suppliers who operate under professional standards and a code of ethics. We are committed to working with policymakers to develop fair and balanced regulations that benefit both communities and the vacation rental market.

The short-term rental marketplace is complex and consists of various segments including traditional vacation rentals, vacation rental by owner and homesharing. VRMA urges policymakers to acknowledge that there is not a one-size-fits-all definition of short-term rentals, and there are not one-size-fits-all regulatory frameworks. We agree with the United States Conference of Mayors' resolution that states, "onerous regulations of short-term rentals can drive the industry underground, thus evading local regulations and local hotel taxes."

VRMA supports many aspects of short-term rental regulations as long as they respect the property rights of primary and secondary homeowners and do not unfairly favor one lodging option over another. Clear and concise rules combined with the fair application of those rules will create the greatest compliance among operators.

Vacation rentals are contributing to job creation across the country and also contribute to strong and stable real estate market. VRMA is working with states and localities to ensure that the growth of the industry does not negatively affect communities. We are working diligently to ensure that vacation rentals are a contributing benefit to local economies through professional standards and personal development.

VRMA is dedicated to further developing professional and traditional vacation rentals as a safe and reliable option for consumers. Our managers are educated in industry best practices and they strive to ensure the protection of consumers' health and safety.

We look forward to working with communities and states to develop short-term rental regulations that preserve neighborhoods, raise additional tax revenues, and create a level playing field for professional lodging operators and traditional vacation rentals.

Sincerely,

Maureen Regan

President

Vacation Rental Management Association

¹(PhocusWright, A Market Transformed: Private Accommodation in the U.S., 2016)



Short-Term Rentals

Short-term vacation rentals are second homes purchased for a variety of reasons ranging from future permanent retirement homes to seasonal vacation properties. These homes can revert from a vacation rental property to a full-term rental or owner-occupied home at any time.

At a time when the vacation rental market continues to grow with the introduction of new technologies and consumer demands, it is imperative that there is support to regulate the short-term rental market. The traditional vacation rental market accounts for more than \$31.8 billion in bookings annually, and this figure continues to grow.

The Vacation Rental Management Association (VRMA) believes that government policies must continue to promote and preserve the value of professionally managed vacation rentals. As the leading organization in the industry, VRMA supports efforts to regulate and standardize rules within the lodging market. VRMA will continue to work with policymakers to support responsible vacation rental policies that promote and preserve the value of rentals. VRMA will work with communities to develop rules that are uniform, easily understood, and are enforceable by regulators.

- » VRMA supports the use of simple and clear rules for property owners and managers to follow that are enforceable by the community and ensure the greatest compliance.
- » VRMA will communicate open and transparent permitting and licensing fee structures that are equitable and comparable to that of long-term residential properties.
- » VRMA supports uniform applications to all types of short-term rentals without differentiations among residency, use, advertising, booking platforms, or business models.

Preservation of Property Rights

VRMA understands the right that communities have to reasonably control the development of property and to ensure the health and safety of its residents and consumers. While this right is recognized through historic legal precedent, communities must balance their powers to regulate with that of the rights of property owners to buy, sell, and rent properties.

Communities also have a statutory obligation to defend property rights through the protection of usability and value. To this end, communities must be cautious of down-zoning property, depressing real estate values, and effectively diminishes the economic use of the property.

- » VRMA supports and encourages communities to recognize the rights of property owners to rent their primary and secondary homes.
- » VRMA supports legislation that does not put limitations on the frequency or duration that a property may be rented out.

Government Fees and Lodging Taxation

Professional vacation rental properties are valuable assets to the communities in which they reside. Vacation rental properties contribute considerable property and lodging taxes. These properties have been shown to generate significant sales tax figures due to the longer lengths of stays and higher expenditures in local economies.

VRMA member companies collect and remit taxes to states and localities where those taxes are required. In addition, VRMA member companies are supportive of the communities in which they reside, and they work cooperatively with local governments to ensure that all professionally-managed properties comply with permitting and licensing structures.



- » VRMA believes that, when required, vacation rental property owners, are legally responsible for the collection and remittance of clear and concise transient occupancy or lodging taxes.
- » VRMA supports the reasonable application of license, permit, or registration fees on short-term vacation property rentals.

Land Use and Zoning

Vacation rental managers respect the duty and obligation for communities to manage land use and development within their boundaries through zoning and other regulatory mechanisms. Managers desire that properties they represent to be protected by these same means. VRMA maintains that vacation rental properties are residential in use and should be uniformly regulated with other residential structures within the community.

VRMA stands by the need to maintain the residential zoning of a second home property to ensure that the adaptive reuse of the property is maintained. VRMA will work with communities, non-profits and other relevant bodies to provide feedback on land use and zoning that impact vacation rental properties. It is important that code and policy changes provide meaningful benefits and reflect industry best practices.

- » VRMA believes that all uses of rental properties are a residential use and uniform rules should apply to those properties.
- » VRMA opposes classifying vacation rental properties as a commercial use by comparing them to hotels.

Limitation to Occupancy

Vacation rental managers strive to protect the properties they manage by restricting overcrowding to ensure the safety of their guests and the integrity of the structure.

VRMA opposes excessive limitations on the number of occupants that may stay in a vacation rental property. Limitations on residential occupancy historically have been shown to be discriminatory in nature. There should be a uniform application of occupation limits to similar residential structures. These limitations should be equal to long-term rentals and owner-occupied structures based on the number and size of rooms.

- » VRMA supports regulations that place a reasonable limitation on the number of occupants per unit and encourages communities to adopt simple requirements that are no different than current rules for other existing residential structures.
- » VRMA endorses adopting reasonable standards of occupancy based on recognized uniform building and zoning codes.

Quality of Life

Vacation rental managers strive to internally regulate their rentals to ensure that properties are held to the highest standards of the neighborhoods they reside in. VRMA works to communicate with the public that vacation rentals are a positive attribute for the community and stresses the importance of a pristine property and good guests. Vacation rental managers ensure that renters must adhere to codes of conduct and have access to local government officials for any issue that may arise. VRMA is supportive of reasonable quality-of-life ordinances to protect the character of neighborhoods.

- » VRMA supports rules that require the posting of local and state quality-of-life laws, including, but not limited to, noise ordinances, trash pickup rules and time, parking restrictions, and other community rules that all residents must abide by.



- » VRMA supports the enforcement of noise ordinances that:
 - Maintain uniformity to all residential structures in the community.
 - Do not specifically and unfairly target one particular use of a property.
 - Encourage self-governing rules on parties and other loud situations, such as requirements that notify managers and property owners of incidents on the property.
- » VRMA opposes the placement of unenforceable time restrictions on property guests that are not uniform with other residential property uses and hotels, motels and bed and breakfasts.
- » VRMA opposes parking regulations that specifically target vacation rental properties and encourages communities to maintain the same parking regulations that are in place for other similar zoned properties.

Health and Safety

VRMA and the vacation rental industry understands and values the need to reasonably ensure the safety and health of our guests and homeowners. VRMA seeks to promote best practices to help vacation rental managers adhere to strict health and safety standards to protect consumers. VRMA will work with the legislators, when needed, to reduce the compliance burden on the industry.

- » VRMA supports rules that require the posting of local and state safety laws, including, but not limited to, emergency contact information, health notifications, and directions to local emergency and public safety facilities.
- » VRMA supports the adherence to reasonable health and safety standards and inspections.

Economic Impact

The vacation rental management industry is composed of many small and family-owned businesses that are deeply invested in their

communities. The industry supports numerous jobs across different sectors of the economy and is a driver of local business development. Due to the economic impact vacation rentals have on a community, VRMA is a strong supporter of the local travel and tourism industry.

- » VRMA encourages communities to support the thousands of small businesses that operate and maintain vacation rentals and acknowledge their economic impact.
- » VRMA recognizes the positive impacts that short-term vacation rentals have on local communities through taxes, increased economic activity, and promoting the local travel and tourism industry.

Anti-Discrimination

All individuals should expect fair and equal treatment. VRMA supports local, state, and federal policies that protect individuals based on race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, familial status, national origin, or any other characteristic protected by law.

- » VRMA strongly supports local, state, and federal laws to protect individuals' equal access to housing and employment.
- » VRMA supports public and private efforts to reduce discrimination including efforts that limit barriers for individuals to obtain economic security.

Competitiveness

The vacation rental management industry is supportive of competition in the travel industry to provide consumers with multiple options. VRMA supports competition in the marketplace and seeks to create diversity in transportation, lodging, entertainment, and other aspects of the travel industry. VRMA believes it is in the best interest of all participants of the travel and tourism industry to support local economies through fair competition.



- » VRMA supports transparent and robust competition in the travel and tourism industry to provide consumers with options that suit their preferences and ensure fair pricing.
- » VRMA believes in and supports the adoption of transparent fee structures in the travel industry to level the playing field and encourage competition.

Consumer Protection

Professionally managed vacation rentals are safe and reliable travel accommodations. VRMA works to educate vacation rental managers on industry best practices to protect consumers. Efforts include working with industry partners to safeguard consumers from fraudulent travel website and property listings.

- » VRMA supports consumer protection efforts to curb fraudulent travel sites and property listings.
- » VRMA encourages communities to embrace the professional vacation rental manager in developing localized consumer protections measures.

Environment

Professionally managed vacation rental homes are often located in our most beautiful natural places. Many travelers utilize vacation rental properties to access outdoor activities such as swimming in the ocean to skiing in the mountains. VRMA supports efforts to keep our natural spaces clean and protected for generations.

- » VRMA supports rules to protect and preserve natural areas.
- » VRMA supports environmental protection rules that mitigate the risk of natural disasters.

Taxation

Vacation rentals are supportive of many industries that benefit varied aspects of the economy. The industry supports a balanced approach to taxation that encourages the growth of the secondary home ownership and home rental markets.

VRMA supports the protection of the travel and tourism industry by limiting federal, state, and local efforts to place tax burdens on the backs of visitors to close funding gaps. Taxation policies that do not support the travel and tourism industry will hurt different sectors of the economy and many professions.

- » VRMA supports state and federal laws that preserve the secondary home tax deductions.
- » VRMA opposes additional targeted taxation on the travel and tourism industry that discourages consumer spending on leisure and vacation industries and negatively impacts state and local economic activity.
- » VRMA discerns that vacation rental properties are residential in nature and the property taxes applied to those properties should reflect that designation.





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