Vacation Rentals

.... An update

Summer 2018
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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?
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
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
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