

Planning and Development Committee

JOINT FAVORABLE REPORT

Bill No.: SB-1137
AN ACT CONCERNING SHORT-TERM RENTAL FACILITATORS AND
Title: PROPERTIES.
Vote Date: 3/22/2023
Vote Action: Joint Favorable
PH Date: 3/10/2023
File No.:

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SPONSORS OF BILL:

Planning & Development Committee

REASONS FOR BILL:

This bill authorizes municipalities to levy a tax on short-term rental facilitators (e.g., Airbnb) in an amount not to exceed 2% of such operator's income from short-term rental properties during a tax year. It also authorizes municipalities to engage consultants to assist in developing ordinances and regulations concerning the operation and use of short-term rentals (STRs) and requirements for their operators' licensure.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Danielle Chesebrough, First Selectman, Town of Stonington](#): Supports this bill

Not every community will need or want to regulate this, but each community deserves the right to give their residents a choice in how this growing issue is dealt with. See written testimony for details regarding Stonington resident feedback on this topic.

[Betsy Gara, Executive Director, Connecticut Council of Small Towns \(COST\)](#): Supports this bill

Increased traffic, noise, parking issues and other concerns associated with short-term rentals have prompted many municipalities to consider efforts to regulate such rentals. Due to the advent of Airbnb and Vacation Rental by Owners (VRBO), short-term rentals are growing in popularity throughout the country, including Connecticut. As the issues with short-term rentals continue to grow along with their popularity, many municipalities are struggling with how to

address concerns appropriately and need to solicit input from outside legal counsel or experts to develop an appropriate ordinance to regulate the use of short-term rentals. COST supports efforts to ensure that municipalities are authorized to solicit such input.

Samuel S. Gold, ACIP, Executive Director, Lower CT River Valley Council of Governments (RiverCOG): Supports this bill

Short-term rentals potentially create costs and impacts that are quite different than regular residential use, such as increased traffic and more police calls. It is appropriate for municipalities to get a share of the taxes levied on their short-term rentals by the state to help them address these impacts. This would be especially important in municipalities with a concentration of short-term rentals, as we have in the Lower Connecticut River Valley. Suggestions on how to improve this bill are detailed in written testimony.

John Guskowski, AICP, Govt. Relations Officer, CT Chapter of the American Planning Association (CCAPA): Supports this bill

Both tools in this bill are enabling and will provide additional local resources to help find longer-term balance between the rights of property owners and the need for a municipality to maintain orderly control and ensure public health, safety, and welfare throughout our communities.

Donna Hamzy Carroccia, Chief Strategy Officer, CT Conference of Municipalities (CCM): Supports this bill

CCM supports this bill but with some suggested amendments that are detailed in written testimony.

NATURE AND SOURCES OF SUPPORT:

Senator Cathy Osten, 19th District, Connecticut General Assembly: Supports this bill

In speaking with the Mayor, City Council, and the city's corporation counsel, it is my understanding that we need to clarify state statute to allow cities and towns to engage consultants and to adopt local ordinances regarding the licensing, regulating and enforcement of short-term rental properties.

Tom Bradham, Resident of Mystic, Member of organization Groton Homes not Hotels: Supports this bill

Our concern is that the short-term rental industry has shifted in scope from “mom & pop” local ventures into the significant involvement of investment firms and real estate investment companies, often from outside Connecticut. This bill may help to gain some control of or benefit from this in ways that are discussed in written testimony.

NATURE AND SOURCES OF OPPOSITION:

Christopher Gilrein Executive Director, Northeast TechNet:

TechNet believes that efforts to regulate this economy should ensure the protection of innovation and individual empowerment and not unduly burden nascent industries with targeted fees that are out-of-step with incumbent competitors. Short-term rental facilitators already collect and remit the state's 15 percent tax for hotels and lodging houses. An additional tax burden exclusively on facilitators who use online platforms would be discriminatory and anticompetitive.

Laura Chadwick, President & CEO, The Travel Technology Association:

Some provisions of SB 1137 are flawed and raise significant concerns for both Connecticut residents and those seeking to visit the state. See written testimony for details supporting this view.

Lynne Marshall, Ph.D.:

Each community is different and should be allowed to establish its own rules. Examples and commentary supporting this view are in the written testimony.

Bruce McDermott, Mystic resident:

General opinion comments regarding STRs are detailed in written testimony.

Reported by: Robert Mayne

Date: March 27, 2023