

DC Short-Term Rental Alliance
Proposed List of Legislative Recommendations
July 18, 2017

The DC Short-Term Rental Alliance advocates for property rights and supports common sense regulation for short-term and vacation rentals in Washington D.C. We are a group of local property owners, property managers and business owners who value the economic, social, and community benefits that this opportunity presents for our city. We hope to work with the D.C. government to see our city embrace and lead in this growth area.

Benefits of short-term rental of homes include:

- Helping to accommodate more than 21 million visitors in our city annually by providing visitors a flexible housing stock that allows family travelers spending longer periods of time in a community.
- Helping to generate more than \$7 billion in economic activity for the city annually.
- Helping to provide more than 75,000 jobs for our city annually.
- Helping to generate more than \$1.3 billion in tax revenues annually.
- Helping homeowners in tough economic times to keep and maintain their homes.

Proposed List of Legislative Recommendations

1- Sensible Licensing

1. All Short-Term Rental Owners should be properly licensed by the D.C. Government. As it currently stands, each rental home must possess a Basic Business License (BBL) for long term rental and this could be extended to the short term rental as well.
2. Obtaining a Basic Business License for a rental home with two or more units requires obtaining a Certificate of Occupancy (C of O), which requires an inspection of the 5 building disciplines: Plumbing, Electrical, Fire/Escape, Mechanical and structural. These inspections are the same for any hotel, motel or residence.
3. Obtaining a business license also requires a tax registration with the city. Therefore, by enforcing the BBL requirement, the homeowner will have to comply with Licensing, Inspections (where appropriate), and Tax registration in one streamlined process.

Creating a separate licensing category is unnecessary, burdensome and will not accomplish more than what is actually in place now.

2 – No Annual Maximum Night Cap

We oppose the Annual Minimum Night Cap for the following reasons:
Restricting the number of nights per year that a property owner can secure short-term guests undermines the industry since there is no sustainable long(er)-term renter if part of the year is

unavailable. An annual maximum night cap would therefore promote illegal rentals during the times after the cap has been reached. An annual maximum night cap undermines the role of legislation, which is to bring the industry into the open and discourage illegal rental activity.

3- Property Cap: Primary Residence + Four

In order to reduce the concerns of large numbers of houses being removed from the housing stock and of large corporations taking over the short-term rental business, no property owner, or corporation may own more than four short-term rental properties. The “Plus-4” property rule is already in effect, *de facto*, as anyone with more than 4 rental properties (whether short term or long term) is subject to rent control.

We, as members of this Alliance, are against converting rent controlled units to short-term rentals and consider this an illegal activity.

The rent control law is the Rental Housing Act of 1985 (DC Law 6-10) as amended (the Act), which is codified as DC Official Code §42-3501.01 et seq., as well as the corresponding D.C. Municipal Regulations, Title 14, Chapter 4200 et seq.

Applicability: *The Act applies to all housing accommodations in the District of Columbia, unless they are specifically exempted by the Act. The most common exemptions are rental units in these categories: Federally or District-subsidized rental units, Rental units built after 1975, **Rental units (including condominium or cooperative units) owned by a natural person who owns no more than four rental units, provided the rental units are registered as exempt**, rental units that were vacant when the Act took effect, and Housing accommodations under a building improvement plan and receiving rehabilitation assistance through DCHD.*

4- Avoiding Party Rentals

The **DC NOISE ORDINANCE** is a very effective tool in discouraging such activities and all short-term property owners must maintain a strict no party policy.

2713.3: Any person who violates any provision of the Act shall be punished by a fine not to exceed one thousand dollars (\$1000) or imprisonment not to exceed ten (10) days, or both. In the event of any violation of or failure to comply with the Act or any section of the Act, each and every day of such violation or failure shall constitute a separate offense, and the penalties described in the Act shall be applicable to each such separate offense.

SOURCE: Section 10 of the District of Columbia Noise Control Act of 1977, D.C. Law 2-53, 24 DCR 5293, 5326 (December 30, 1977).

Our average traveler is a 50-year-old female traveling with a family of four. There are tools within the short-term rental industry for owners to vet guests. We utilize these tools daily. In fact, tools to screen guests, used for short-term rental companies, are often more meticulous than those used for long-term rentals. Members of the D.C. Short-Term Rental Alliance have had very few incidents of parties, in their properties, over many years of operation.

The issue of party houses has been drastically overblown.

5 – Taxes

All short-term rental renters are subject to a 14.5% Sales and Use Tax (the same rate as hotels, whose tax is called The Lodging Tax). Each unit manager/owner must be registered in the tax system, collect taxes and remit them regularly.

Note: Airbnb already has an arrangement with the city whereby they collect and remit all the tax payments, streamlining the system for the property owners and ensuring full compliance. As of today, Homeaway/Expedia and TripAdvisor leave this responsibility to the Owner/Operator. They are currently in discussion with the city to collect and remit the tax payments. Arrangements like this are beneficial to both property owners and the D.C. government.

As the DC Short Term Rental Alliance, we believe these are sensible measures to provide our city with the best economical, social and cultural opportunities—and, at the same time, curtail illegal activities, and provide transparency and accountability to its citizens.

For further information, contact the DC Short-Term Rental Alliance (DCSTRA)
<http://dcstra.org/> • <https://www.facebook.com/washdcstra/>

Dia L. Michels, Co-Chair
CapitolHillHouses@gmail.com
1- (202)-841-9946

William Bruner, Co-Chair
Will@GreatDwellings.com
1-(202) 780-5705



U.S. Conference of Mayors Statement

The U.S. Conference of Mayors urges support for economic development opportunities through the visitors industry by encouraging regulations of the short-term rental industry that:

- (1) establish a reliable way for the city to identify and contact the short-term rental owner;
- (2) make the tax collection and remittance obligations clear to the short-term rental owner;
- (3) treat short-term rental tenants the same as long-term rental tenants.

Regulations that accomplish all three can achieve a high level of compliance and are highly effective.

[Click here](#) for more information on the U.S. Conference of Mayors statement on the Promotion of Economic Development Through the Visitors Industry.