

Support the Short-Term Rental Regulation Act – House Bill 5438

It has been almost seven years since the first bill on short-term rentals was introduced in April 2017. It was a preemption amendment to the Michigan Zoning Enabling Act. Legislators were told by proponents it was needed because municipalities across the state were banning STRs.

Since then, we have fought off several attempts to remove local decision-making on the regulation of short-term vacation rentals in our communities. With every attempt to preempt local control, we've provided workable alternatives.

This time, a different approach is being taken and proactive legislation was recently introduced that would protect local decision making. **House Bill 5438** provides for the registry and regulation of short-term rentals and hosting platforms and is distinctly different from what we have seen in the past. House Bill 5438 does the following:

- Creates a statewide short-term rental (STR) database.
- It is **not** a preemption attack on local decision making. Local units of government maintain authority to regulate STRs.
- Creates a STR excise tax (the rate is 6% of the occupancy charge) with most of the proceeds going back to the municipality where the STR is located.
- States hosting platforms cannot facilitate a booking transaction for a STR who's not in good standing with the applicable local unit of government.

HB 5438 protects neighborhoods and allows communities to balance their housing needs for residents and businesses. It also provides revenue from the excise tax to help manage costs associated with being a place people want to visit.

Join us in supporting House Bill 5438!