

June 30, 2021

Speaker Jason Wentworth
164 Capitol Building
Lansing, MI 48933

Speaker Wentworth and members of the Michigan House of Representatives:

We write to you today to express our continued united opposition to House Bill 4722. Our coalition remains focused on finding a sensible solution for regulating short-term rentals. What you have before you, is not it. We understand new language is being proposed which is being represented as a compromise ensuring residents can rent their homes while prohibiting large corporations from buying up large chunks of real estate and changing the fabric of local communities. This would be great, if it were factual.

Compromise needs to include all stakeholders working together. Our coalition has not been involved in discussions leading to this new language. As currently drafted, House Bill 4722 will allow commercial “mini-hotels” to operate nearly unchecked in residential neighborhoods across the state. The proposed amendments to the legislation do not fix this issue. Adding language to a bill without addressing existing problems is not a solution, nor is it a compromise.

We understand one proposed amendment would allow a limited number of “common ownership” properties to be exempt from local short-term rental regulations. This language would create a major loophole to the benefit of big business commercial short-term rental owners. With minimal tweaking of ownership structures, such as creating a new LLC for each property, someone would be able to have an unlimited number of short-term rental units in a community. Investment groups could purchase dozens -- or even hundreds -- of homes in a single community, convert them into mini-hotels and local leaders who had hoped to balance permanent residents with short-term rentals will have no recourse.

Another proposed amendment adds a new section which states “a local unit of government may limit the total number of units used for short-term rental in the local unit. The limit shall not be less than 30% of the number of existing residential units in the local unit of government and shall apply without regard to the location of dwelling units.” This language would allow for approximately **1 in every 3 homes** to be a short-term rental, and it **does not give municipalities the ability to spread those short-term rentals throughout the community**. Neighborhoods could be completely overrun with vacation rental properties and, again, local leaders would have no recourse.

We love where you live.



We urge you to not take up House Bill 4722. And, if a vote must happen, we ask that you oppose it. We strongly believe that short-term rentals are a vital part of Michigan's tourism economy, and we do not want to see them banned. It is vital that the Legislature takes the time necessary to develop a solution that balances the interest of short-term rental owners with the rights of permanent neighborhood residents.

Such a compromise could give property owners freedom to monetize their home while maintaining the residential environment that makes a neighborhood enjoyable for all. It should also create a more level playing field between those predominantly commercial short-term rentals with the lodging industry that invests and operate in our communities. House Bill 4722, does not do this.

Thank you for your consideration of this important matter.

Co-Signed:

AFL-CIO
Community Economic Development Association of Michigan
Conference of Western Wayne
Frankenmuth Bavarian Inn, Inc.
Housing North
Michigan Association of Chiefs of Police
Michigan Association of Fire Chiefs
Michigan Association of Planning
Michigan Bed & Breakfast Association
Michigan Historic Preservation Network
Michigan Lakes & Streams Association
Michigan Municipal League
Michigan Poverty Law Program
Michigan Restaurant and Lodging Association
Michigan Townships Association
Saginaw County Chamber of Commerce
Southeast Michigan Council of Governments
Superior Lakes Investments
UNITEHERE! Local 24

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