



Regulate Short-Term Online Rental Properties

BACKGROUND: Hospitality Minnesota believes private owners of homes, cabins, condominiums or other lodging options who wish to rent their properties to travelers should be subject to a reasonable level of regulations. Our membership supports legislation to require registration, fire and health inspections and the collection of state and local sales taxes by online rental platforms and their hosts.

POSITION: Our members follow numerous federal, state and local laws we support legislation to ensure that short-term online rentals compete fairly, and the health and safety of the public are protected. We believe there is widespread under-collection of sales and lodging taxes associated with online short-term rentals. We also believe there is a risk to health and safety because online rentals aren't inspected for compliance with the Minnesota State Fire Code or Department of Health rules.

SUPPORTING INFORMATION:

- The short-term online rental market continues to grow as a business, and as such, it should be regulated as a business to ensure it is meeting the proper standards of public health and safety.
- By avoiding the collection of sales and lodging taxes, private renters are at a competitive advantage in the marketplace and the state and local units of government lose out on much needed tax revenue.
- By avoiding required licensing and inspections by the Health Department, privately rented cabins and homes have an additional competitive advantage in the marketplace, which is unfair to businesses that provide jobs, follow the applicable regulations and collect and remit all required taxes.
- National research indicates that many of the listings on Airbnb in some markets are commercial operations rather than owner-occupied accommodations. In some cases, these are faux hotels without any regulation or oversight.