



SEVEN Reasons HB 4722 and SB 446 are WRONG for Michigan

House Bill 4722 (Rep. Sarah Lighter, R-Springport Twp.) and Senate Bill 446 (Sen. Aric Nesbitt, R-Lawton) seek to prohibit local communities from imposing certain regulations on homeowners wishing to convert their properties into short-term vacation rental businesses (STRs). While these bills are intended to protect the property rights of landowners, here's why this misguided legislation must be rejected in their current form:

- 1) Long-term residents deserve to have their property rights protected too.**
STRs operate like mini-hotels, with new guests rotating in and out every single weekend. Residents who spend their life savings intending to live in a quiet neighborhood likely did not plan on a hotel right next door. These residents deserve to have their investments protected too. HB 4722 and SB 446 give communities no input on how many mini-hotels operate in their neighborhoods.

- 2) The bills eliminate the hard work Michigan communities have done to craft STR policies that meet their unique local housing needs.**
Whether rural, urban or lakeshore, no two Michigan communities are exactly alike. Places like [Charlevoix](#), [Frankenmuth](#) and [Ludington](#) have all spent countless hours conducting research, meeting with neighborhood leaders, holding hearings and gathering community input to craft sensible STR policies that balance the needs of long-term residents with those of vacationers. These bills will erase all of this thoughtful and deliberate policymaking in favor of a one-sided, top-down approach that *only benefits STR owners*.

- 3) The uncontrolled spread of STRs takes away available housing from long-term residents who need a place to live in their community.**
When short-term rentals are allowed to proliferate, it can deplete available housing supply needed for long-term residents. For example: Boyne City has about 230 short-term rental properties for a population of about 3,700 people -- or one STR for every 16 people.

The spread of short-term rentals and the corresponding loss of seasonal rental housing is also [reported as a primary reason that northern Michigan businesses have had a hard time finding seasonal workers](#).

- 4) Research shows that the uncontrolled spread of STRs in a community increases housing and rental costs for long-term residents**
[The Economic Policy Institute](#) found that the prevalence of STRs has increased annual housing costs in some communities by as much as \$400. Michigan is already battling an affordable housing crisis, and House Bill 4722 and Senate Bill 466 prevent communities from ensuring the overabundance of STRs does not add to their housing challenges.

Learn more at <http://ShortTermRental.MML.org>



5) HB 4722 and SB 446 prevent communities from inspecting the safety of STR properties before they are rented.

Local fire marshals have found short-term rental properties lacking smoke and carbon monoxide detectors, gasoline and liquid propane gas stored in the basement, as well as other serious hazards. As currently written, House Bill 4722 and Senate Bill 446 would impede a local government's ability to inspect these mini-hotels to ensure they are being operated safely. The potential for public safety hazards is a key reason the Michigan Association of Fire Chiefs opposes this legislation.

6) HB 4722 and SB 446 put hotels and other traditional lodging at a disadvantage with commercial STR entities.

Currently, short term rentals like those commonly found on sites such as "Airbnb" and "VRBO" are not held to the same health and safety standards as traditional hotels. In addition, short-term rentals are not required to pay use and excise taxes required of hotel and motel room stays despite the fact that 80% of all Airbnb stays occur at "whole-unit" locations where the owner is not present. In other words, 4 out of 5 short-term rentals are operated as de-facto "mini-hotels" while avoiding any of the financial or regulatory burden required of a traditional hotel.

7) Lawmakers in Arizona are now warning other states not to follow the same one-size-fits-all STR approval law proposed in HB4722 and SB446.

Republican Arizona lawmaker John Kavanagh, a former police officer, published [a column in the Florida Sun Sentinel](#) urging Sunshine State lawmakers to oppose similar legislation. He said:

"We didn't expect that real estate investors, LLCs and commercial operators were going to buy houses for the sole purpose of operating them as vacation rentals. We didn't envision that houses rented exclusively for parties, weddings and large events would pop up in formerly quiet neighborhoods. We didn't anticipate that a tourist destination like Sedona would see almost a third of its housing convert to short-term rentals, creating an affordable housing crisis that has forced out families and caused one of the city's two elementary schools to close." -- Arizona Rep. John Kavanagh (R-Fountain Hills)