

# Compare Two Approaches to Short-Term Rental Legislation

Michigan lawmakers are being asked to choose between two very different approaches to how the state addresses the rise in short-term vacation rentals (STRs).

Our coalition of nearly 20 organizations are calling for a “Good Neighbor Policy” that balances the needs of local communities to regulate commercial activity in residential neighborhoods with the rights of homeowners to rent their properties on a short-term basis. Others are seeking a one-sided law that puts the profits of out-of-state investors over the rights of longtime Michigan residents.

Here’s how the two policies differ:

<b>Approach to STRs</b>	<b>House Bill 4722 (on House Floor)</b>	<b>Coalition Approach (HB 5465 and 5466)</b>
Who benefits?	Puts out-of-state investors first.	Balances needs of permanent residents and people who rent their properties as STRs.
Allows local STR bans?	No.	No.
Allows STR regulation based on local needs?	No. Forces every community to have the same one-size-fits-all policy. Only allows regulation of nuisances.	Yes. Allows reasonable local regulation based on each community’s unique needs.
Recognizes the difference between a commercial STR property and a family vacation home?	No. Allows for uncontrolled spread of investor-owned STRs operating as “mini-hotels” in residential neighborhoods.	Yes. Makes clear that homes rented for 30 days or less in a calendar year cannot be prohibited in a residential area.
Impact on Michigan’s housing crisis?	Negative. Makes it worse by allowing more residential property to be taken for commercial STR use. This drives up housing costs, depletes housing stock and forces people to drive longer distances for work and services.	Positive. Gives communities tools to balance STR and long-term housing needs.

# Compare Two Approaches to Short-Term Rental Legislation

## Approach to STRs

How to deal with nuisance property?

Statewide STR Registration?

Impact on Michigan's lodging industry?

Includes public safety requirements?

## House Bill 4722 (on House Floor)

Reactive. Allows for recourse only after a nuisance has occurred, if "caught in the act."

No. Unscrupulous STR owners will be allowed to hide their identities.

Negative. Gives STR investment owners a competitive advantage over the lodging industry.

None. Even investor-owned STRs operating as "mini hotels" are not required to install basic safety equipment.

## Coalition Proposal (HB 5465 and 5466)

Proactive. Allows for reasonable local regulation to protect quality of life and mitigate nuisances from happening.

Yes. Establishes a statewide registry for STR platforms, which is necessary for regulatory enforcement.

Positive. Creates a more equal playing field with the lodging industry.

Yes. Requires STRs to have basic safety standards like smoke detectors and fire extinguishers.

Short-term rentals are a vital part of Michigan's tourism economy. Lawmakers are urged to support a comprehensive policy that balances the rights of STR owners with those of long-term residents and the unique needs of local communities!

A recent TargetPoint Consulting survey of 400 Michigan voters found that:

- 89 percent of voters are concerned that taking away local control of short-term rentals would result in increased housing costs, more crime and fewer homes for residents
- 79 percent of voters say the local city, township or county government should set rules and regulations
- 74 percent of voters say local communities should be allowed to set their own rules because each is different and may want different things

---

### Coalition Members:

Community Economic Development Association of Michigan • Conference of Western Wayne • 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