



New rules in the growing vacation rental game

REAL ESTATE, MONEY, RIGHTS

Jun 17, 2017

By [Gemma Alexander](#)

◀ 2

The [vacation rental](#) industry has been seriously [disrupted](#) by the rise of sites like Airbnb and Homeaway. Many cities and towns, looking to provide guidelines, are struggling to create legal frameworks for this new vacation rental reality. Here's a look at how jurisdictions are grappling with vacation rental rules around the country:

Registration in San Francisco

To keep housing available to residents, while still allowing homeowners to participate in home-sharing, San Francisco passed a [law](#) in 2015 requiring short-term rentals to be registered with the city and limiting the amount of time units could be rented out.

Home-sharing sites Airbnb and HomeAway challenged the law, arguing that it violated the Communications Decency Act and the First Amendment. U.S. District Judge James Donato [disagreed](#), dismissing the lawsuit and confirming that booking a vacation rental is a [business](#) transaction, not free expression.

SEPA in Seattle

Seattle recently completed an environmental review under [SEPA \(the State Environmental Policy Act\)](#) in support of a [proposal](#) to prevent the loss of long-term rental units while still allowing residents to earn additional income from their homes.

Under the proposed regulation, short-term rental operators will be required to prove the unit being rented is the operator's primary residence or their only additional unit, obtain [liability](#) insurance, and provide a local contact number for guests, among other considerations. Platforms like Airbnb and VRBO will also need to obtain a new regulatory license and give the city quarterly reports.

Aloha housing crisis

Although very few short-term rental licenses have been issued in Hawaii since the 1980's, locals are unable to find housing in many of the state's most desirable communities, where vacation rental listings [outnumber](#) licenses by more than 50:1. Now the state legislature is working to resolve house and senate [bills](#) that would let websites like Airbnb collect state taxes on behalf of people renting rooms and homes, and require them to obtain written proof of landlord's compliance with state and county land use laws.

If enacted, the new requirement could bring the state up to \$100 million more in [taxes](#) each year. But it will certainly face challenges based on the [Section 230](#) of the Communications Decency Act, which generally absolves websites from responsibility for content submitted by users.

Welcome to Idaho

Idaho on the other hand has no housing shortage, but lacks the infrastructure to support its growing tourism industry. [House Bill 216](#) may serve as a nationwide [model](#) for its success in balancing all interests. The new law requires municipalities to allow short-term rentals, but allows them to regulate those [rentals](#) per local health, safety, and welfare concerns. Even hoteliers are happy with the law, which now puts short-term rentals on an equal footing with hotels in their registration and taxation requirements.

Tagged [real estate](#), [small business](#)

[Leave a comment](#)