

— LEGISLATIVE —
TESTIMONY

May 1, 2019

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How to Strike a Balance on Short-Term Rentals

**House Local Government and Municipal
Finance Committee**

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The following is testimony submitted for presentation to the House Local Government and Municipal Finance Committee by the Mackinac Center's Jarrett Skorup on May 1, 2019. This testimony and others can be read online at mackinac.org/testimony.

How to Strike a Balance on Short-Term Rentals

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In my neighborhood, there are a few rental homes. Throughout the years, they've been occupied by variety of people — from busy families I'd hardly see to a single woman and her multitude of stray animals to college students, who spent most of the year playing cornhole in the front yard.

These college students created an annoyance often and occasionally a problem. I have three young children who like to ride bikes, so occasionally I've have to remind these college students not to drive so fast. Once I had to ask them not to use such coarse language when my children were within earshot.

I've thought about this when considering my testimony here on short-term rentals. For as long as the “cottage up north” has existed, property owners have rented out their property to others and websites like Homeaway, VRBO and Airbnb have made this process easier than ever. But local governments in some Michigan communities are starting to overregulate and even ban short-term rentals like these.

This is often done at the behest of established hotel and bed-and-breakfast owners, who don't like the competition, but sometimes homeowners complain too because they don't like the annoyance some renters might create. From a free-market perspective, the government should not be preventing people from using their property as they see fit, as long as they aren't violating the rights of others. Some local government officials and homeowners argue that renters are having loud parties, parking illegally or disrupting the neighborhood in other ways.

To me, there is no true solution to the problem of being annoyed with the lifestyle of your neighbors. But there are ways to mitigate it. House Bill 4046 strikes a good balance for property rights from both perspectives.

Generally speaking, this bill prevents local governments from banning short-term rentals, but it would explicitly allow other local regulations to curb these annoyances, as long as they are applied on a consistent basis. This provides property owners the freedom to rent their property, but locals governments can still enforce ordinances related to noise, traffic, parking, advertising, littering and more.

One of the most important individual rights is the ability to own and control your private property. The right to use your property as you see fit can be bothersome to others and governments can create regulations to help mitigate issues that might arise between neighbors. But those regulations should be fair and limited. House Bill 4046 successfully navigates these issues and protect property owners' rights while maintaining the ability for local governments to regulate when necessary.



Jarrett Skorup is the director of marketing and communications at the Mackinac Center for Public Policy. In this role, he is in charge of marketing efforts, media strategy, and overseeing policy campaigns and objectives.

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