

LIMIT ZONING REGULATION OF SHORT-TERM RENTALS

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House Bill 4046 (proposed substitute H-1)
Sponsor: Rep. Jason Sheppard
Committee: Local Government
Complete to 4-29-19

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4046 would amend the Michigan Zoning Enabling Act to create new zoning requirements specific to *short-term rentals*.

Short-term rental would mean the rental of any single-family residence or one-to-four-family house or dwelling unit, or any unit or group of units in a condominium, for terms of less than 28 days at a time.

Under the bill, for the purpose of zoning, all of the following would apply to the rental, including short-term rental, of a dwelling:

- It is a residential use of property and a permitted use in all residential zones.
- It is not subject to a special use or conditional use permit or procedure different from that required for other dwellings in the same zone.
- It is not a commercial use of property.

The bill further states that the above provisions would not prohibit any of the following if applied on a consistent basis to rental and owner-occupied residences:

- Regulation of noise, advertising, traffic, or other conditions, to prevent nuisances.
- Regulation of the number of individuals that may occupy a dwelling.
- Requirements for dwelling inspections and inspection fees.
- Taxes otherwise permitted by law.
- Requirements to notify a local unit of government of association or condominium regulations or other private agreements that may affect the use of a dwelling.

The bill would take effect 90 days after its enactment.

Proposed MCL 125.3206b

FISCAL IMPACT:

House Bill 4046 would have an indeterminate, but likely negligible, fiscal impact on local units of government that regulate short-term rentals. Local units of government regulating short-term rentals presumably either prohibit them or charge a permit or licensing fee to cover the costs of regulation. Unless a local unit of government was levying permit or

licensing fees in excess of actual regulatory costs, there would be no net fiscal impact for local units of government.

There would be no fiscal impact on state government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.