

SHORT-TERM RENTALS

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House Bill 4722 (H-1) as reported from committee

Sponsor: Rep. Sarah L. Lightner

Committee: Commerce and Tourism

Complete to 6-24-21

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

SUMMARY:

House Bill 4722 would amend the Michigan Zoning Enabling Act to provide that the short-term rental a dwelling (for 30 days or less) is a permitted residential use of property that is not subject to a special use or conditional use permit or procedure. Local units of government could not adopt or enforce zoning ordinances that effectively prohibit short-term rentals.

Specifically, under the bill, all of the following would apply to the rental of a dwelling, including a *short-term rental*, for purposes of zoning:

- 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 those required for other dwellings in the same zone.
- It is not a commercial use of property.

Short-term rental would mean the rental, for up to 30 consecutive days, of a single-family residence, a dwelling unit in a one- to four-family house, or a unit or group of units in a condominium.

A local unit of government would be prohibited from adopting or enforcing zoning ordinance provisions that have the effect of prohibiting short-term rentals.

However, the bill states that it would not prohibit a zoning ordinance provision that is applied on a consistent basis to rental and owner-occupied residences and that regulates any of the following:

- Noise.
- Traffic.
- Advertising.
- The number of occupants in a dwelling.
- Any other conditions that may create a nuisance.

The bill further states that it would not prohibit a local unit of government from doing either of the following:

- Inspecting a residence for compliance with or enforcement of an ordinance that is not a zoning ordinance, that is for the protection of public health and safety, and that does not have the effect of prohibiting short-term rentals.
- Collecting taxes otherwise authorized by law.

The bill would take effect 90 days after its enactment.

Proposed MCL 125.3206b

FISCAL IMPACT:

House Bill 4722 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.

POSITIONS:

Representatives of the following entities testified in support of the bill (5-18-21):

- Michigan Realtors
- Greater Metropolitan Association of Realtors
- Bluefish Vacation Rentals and Pineapple Vacations
- Mackinac Center for Public Policy

The following entities indicated support for the bill (5-18-21):

- Airbnb
- Beachtown Vacation Rentals
- Rental Property Owners Association of Michigan
- Michigan Chamber of Commerce
- Harbor Country Chamber of Commerce

Representatives of the following entities testified in opposition to the bill (5-18-21):

- Michigan Municipal League
- Michigan Townships Association
- City of Ferndale
- City of Grand Haven
- Spring Lake Township
- Progressive Architecture and Engineering

The following entities indicated opposition to the bill:

- Michigan Restaurant and Lodging Association (5-18-21)
- Michigan Association of Fire Chiefs (5-18-21)
- Chamber of Commerce Grand Haven, Spring Lake, Ferrysburg (5-18-21)
- City of Grand Rapids (5-18-21)
- Conference of Western Wayne (5-18-21)
- City of Rogers City (5-18-21)
- City of Petoskey (5-18-21)
- City of Kalamazoo (5-17-21)
- City of St. Joseph (5-15-21)
- City of Harper Woods (5-18-21)
- Village of Mackinaw City (5-18-21)
- City of Bridgman (5-18-21)

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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.