




MEMORANDUM

TO: Honorable President and Members of the City Council
Attention: Natawna B. Austin, Executive Secretary

FROM: William H. Cole, President and CEO 

DATE: July 16, 2018

SUBJECT: Council Bill No. 18-0189
Short-Term Residential Rentals – Regulation and Taxation

The Baltimore Development Corporation (BDC) has been asked to provide a response to City Council Bill 18-0189, for the purpose of extending the hotel tax to transactions facilitated by hosting platforms and instituting a licensing process and other regulations for short-term residential rental units.

BDC recognizes that technology platforms are an important part of our evolving economy that can provide consumers choices that align with their preferences. BDC believes that hosting platforms for short-term residential rental units can help generate supplemental income for Baltimore City residents that in turn, is spent in the local economy; complement other hospitality modes by capturing visitors that are seeking a different set of experiences and might not otherwise visit Baltimore; and encourage additional commercial activity and investment throughout the City's diverse neighborhoods that might not be able to attract larger modes of hospitality.

BDC also recognizes that short-term rentals should be subject to certain regulations. Financially, extending the hotel tax to these properties will provide the City financial benefits and will bring short-term rentals onto equal footing with the rest of the hospitality industry. From a health and safety perspective, it is also important to ensure that short-term residential rental properties are fit for human habitation. BDC is in support of these measures. BDC is also interested in the applicability of the term "hosting platform" to varying business models that involve online booking.

BDC is in support of the bill but has a few concerns related to its regulations and limitations on unhosted rentals. BDC is interested in avoiding adverse impacts in the hospitality industry without impairing an emerging economy that utilizes online platforms. BDC is unable to recommend what an appropriate number of permitted units and room-nights should be, and looks to the City Council's legislative process to address these matters.

cc: Kyron Banks