

LEGISLATIVE COMMITTEE MINUTES

HB531

Bill as Introduced

HB 531 - AS INTRODUCED

2015 SESSION

15-0822
05/01

HOUSE BILL **531**

AN ACT establishing a committee to study short-term rentals by homeowners and owners of residential properties.

SPONSORS: Rep. Butler, Carr 7; Rep. Chandler, Carr 1; Rep. Almy, Graf 13; Rep. Lovejoy, Rock 36

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill establishes a committee to study short-term rentals by homeowners and owners of residential properties.

Explanation: Matter added to current law appears in *bold italics*.
Matter removed from current law appears [~~in brackets and struck through~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fifteen

AN ACT establishing a committee to study short-term rentals by homeowners and owners of residential properties.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Committee Established. There is established a committee to study short-term rentals by
2 homeowners and owners of residential properties.

3 2 Membership and Compensation.

4 I. The members of the committee shall be as follows:

5 (a) Three members of the house of representatives, appointed by the speaker of the
6 house of representatives.

7 (b) Two members of the senate, appointed by the president of the senate.

8 II. Members of the committee shall receive mileage at the legislative rate when attending to
9 the duties of the committee.

10 3 Duties. The committee shall:

11 I. Study short-term rentals by homeowners and owners of residential properties.

12 II. Evaluate the effect this type of rental has on the traditional lodging market.

13 III. Solicit information and testimony from individuals and organizations with experience or
14 expertise deemed relevant to the study.

15 4 Chairperson; Quorum. The members of the study committee shall elect a chairperson from
16 among the members. The first meeting of the committee shall be called by the first-named house
17 member. The first meeting of the committee shall be held within 45 days of the effective date of this
18 section. Three members of the committee shall constitute a quorum.

19 5 Report. The committee shall report its findings and any recommendations for proposed
20 legislation to the speaker of the house of representatives, the president of the senate, the house
21 clerk, the senate clerk, the governor, and the state library on or before November 1, 2015.

22 6 Effective Date. This act shall take effect upon its passage.

Speakers

Hearing Minutes

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 531

BILL TITLE: establishing a committee to study short-term rentals by homeowners and owners of residential properties.

DATE: 2-19

LOB ROOM: 302 **Time Public Hearing Called to Order:** 12:29 pm

Time Adjourned: 12:40 pm

(please circle if present)

Committee Members: Reps. Hunt, Jones, Flanders, R. Belanger, Tucker, Hurt, Bates, Biggie, Fraser, Fromuth, H. French, Hannon, Butler, Gidge, Williams, Abel, Bordenet, Herbert, Luneau and McBeath.

Bill Sponsors: Reps. Butler, Chandler, Almy and Lovejoy

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Chairman Hunt filed disclosure of his short-term rentals.

* Rep. Ed Butler, prime sponsor - Short-term rentals have grown nationally and worldwide in the last few years. NH needs to study if there's a system to capture the taxes on these rental transactions. San Francisco is working with AirBnB.com to provide information to bill the owners for the taxes due. The sponsor is an innkeeper and uses www.airbnb.com, which shows available rentals in privately-owned properties. These include a variety of entire homes, rooms or less for rent. For example, in Concord an owner opening a tax account with the state is not sure that others are paying their rooms & meal taxes; many rent their second homes through Realtors and most may not be paying. In response to whether this bill would affect executive rentals, rooms & meals tax is paid and, if the rental is 6 months and a day or longer, you need to reimburse the renter those taxes. In focusing the duties of the commission, the sponsor can narrow down to collection of the rooms tax.

Q: Rep. Kermit Williams - Study other travel-related businesses on the internet?

A: Keep this clear in goal.

Mike Somers, President/CEO, NH Lodging & Restaurant Association - Supports the bill. Mr. Somers urges support for this bill because the issue is growing. His association members are put at a competitive disadvantage since the short-term rentals don't have the same safety requirements. Neighborhood safety is another consideration. He'll be happy to work with the study committee.

Blue Sheet: See Attached.
TO: Banking Subcommittee

Respectfully Submitted:



Barbara Biggie, Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

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Bill Sponsors: Reps. Butler, Chandler, Almy and Lovejoy

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

* (1) REP. BUTLER, PRIME SPONSOR

(2) MIKE SOMERS, NH LODGING + REST. ASSN. SUPPORT S.

Blue Sheet: See Attached
TO: BANKING SUBCOMMITTEE

2/19/15 HB 531 Commerce & Consumer Affairs Committee Barbara Biggie, Clerk
Public hearing; establishing a committee to study short-term rentals by homeowners and owners of residential properties.

Chairman Hunt filed disclosure of his short-term rentals.

*1. Rep. Butler, Prime Sponsor.

Short-term rentals has grown nationally and worldwide in the last few years. NH needs to study if there's a system to capture the taxes on these rental transactions.

San Francisco is working with AirBnB.com to provide information to bill the owners for the taxes due. The sponsor is an innkeeper and uses www.airbnb.com, which shows available rentals in privately-owned properties. These include a variety of entire homes, rooms or less for rent.

For example, in Concord an owner opening a tax account with the state is not sure that others are paying their rooms & meal taxes; many rent their second homes through Realtors and most may not be paying.

In response to whether this bill would affect executive rentals, rooms & meals tax is paid and, if the rental is 6 months and a day or longer, you need to reimburse the renter those taxes.

In focusing the duties of the commission, the sponsor can narrow down to collection of the rooms tax.

Rep. Williams: study other travel-related businesses on the internet? A. keep this clear in goal

2. Mike Somers, President/CEO, NH Lodging & Restaurant Association. Supports the bill. Mr. Somers urges support for this bill because the issue is growing. His association members are put at a competitive disadvantage since the short-term rentals don't have the same safety requirements. Neighborhood safety is another consideration. He'll be happy to work with the study committee.

Blue Sheet: See Attached.

TO: Banking Subcommittee

and

and

Sub-Committee Actions

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION ON HB 531

BILL TITLE: establishing a committee to study short-term rentals by homeowners and owners of residential properties.

DATE: 3-3-15

Subcommittee Members: Reps. Hunt, French, Gidge, Fraser and Herbert

Comments and Recommendations:

Amendments:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. French

Seconded by Rep. Hunt

Vote: 5-0

Respectfully submitted,

Rep. John B. Hunt
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION ON HB 531

BILL TITLE: establishing a committee to study short-term rentals by homeowners and owners of residential properties.

DATE: 3-3-15

Subcommittee Members: Reps.

Comments and Recommendations:

Amendments:

Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. French

Seconded by Rep. Hart

Vote: 5-0

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. {Type NAME}
Subcommittee Chairman/Clerk

Hart

Testimony



Magazine

The Business Tycoons of Airbnb

NOV. 25, 2014

It's the Economy

By WILLIAM ALDEN

Two years ago, when the monthly rent on his two-bedroom apartment rose to \$5,000 from \$2,800, a 35-year-old real estate agent in Lower Manhattan had a quick fix. Rather than move, or take on some random Craigslist subletter, he listed the smaller bedroom on Airbnb, the vacation-rental website. Eventually he was charging \$175 a night for short-term stays. It earned him enough to cover the astronomical rent increase, said the agent, who insisted on anonymity to avoid professional and legal consequences.

The founders of Airbnb heard lots of stories like this in 2009, during the height of the recession, when they traveled from Silicon Valley to New York to meet the early East Coast adopters of their new website. Paul Graham, the founder of the start-up incubator Y Combinator, which was Airbnb's first major backer, wrote in an email that the company was struck by "how many of their users actually needed to do these rentals to pay their rents."

But the agent's relationship with Airbnb soon shifted from desperation to opportunism. Realizing the potential to exploit the difference between long- and short-term rental prices, he signed a lease on a second Manhattan apartment this summer. He now uses it solely for Airbnb, generating up to \$6,000 a month in profit. Last month, he added a third rental — this one under his wife's account. He plans to add more, he said, possibly even under phony accounts to avoid legal scrutiny.

According to the office of the New York State attorney general, Eric T. Schneiderman, almost half of Airbnb's \$1.45 million in 2010 revenue in the city came from hosts who had at least three listings on the site. There were only 119 of these users, a small minority, claiming a large share of the business. Schneiderman suspects that many hosts are violating a law that forbids apartment residents from renting out their place for less than 30 days if they are not present.

The so-called sharing economy is supposed to offer a new kind of capitalism, one where regular folks, enabled by efficient online platforms, can turn their fallow assets into cash machines. According to its fans, Airbnb, along with the car-sharing company Uber, and others, is leading us into a less wasteful, more virtuous future. In it, anyone with excess time or space — or a car and a driver's license — can easily become an entrepreneur with little to no start-up costs. But the reality is that these markets also tend to attract a class of well-heeled professional operators, who outperform the amateurs — just like the rest of the economy.

Long before Airbnb, there was eBay. The auction site, founded by Pierre Omidyar in 1995, had plenty of skeptics at first, who saw it as little more than a glorified garage sale. But the key to eBay's early success — and what helped it weather the dot-com crash — was its power sellers, those who made their living selling brand-new printer cartridges, mint-condition Beanie Babies and the like on the platform. The company embraced these users and made sure customers knew who they were.

The success of eBay spawned many imitators. Prosper Marketplace, which started in 2006, was described in the media as an "eBay of loans." The site allowed individuals to borrow money directly from other people online, at an interest rate that was lower than borrowers might pay on credit-card debt but high enough to give lenders a decent return. The venture even had backing from Omidyar, who invested through his philanthropic fund.

But Prosper, like eBay, came to rely on large players. Today, according to the company, two-thirds of the lenders on the site are hedge funds and other large financial institutions. These investors helped the platform issue \$177

Filters

685 Rentals · New Hampshire



\$49

Enjoy local private setting in NH
Private room · 44 reviews · Sunapee



\$55

Brookhirst Farm B&B ~ Snowville, NH.
Entire home/apt · 44 reviews · Eaton Center



\$300

Luxury, lakefront home in NH
Entire home/apt · 5 reviews · Enfield

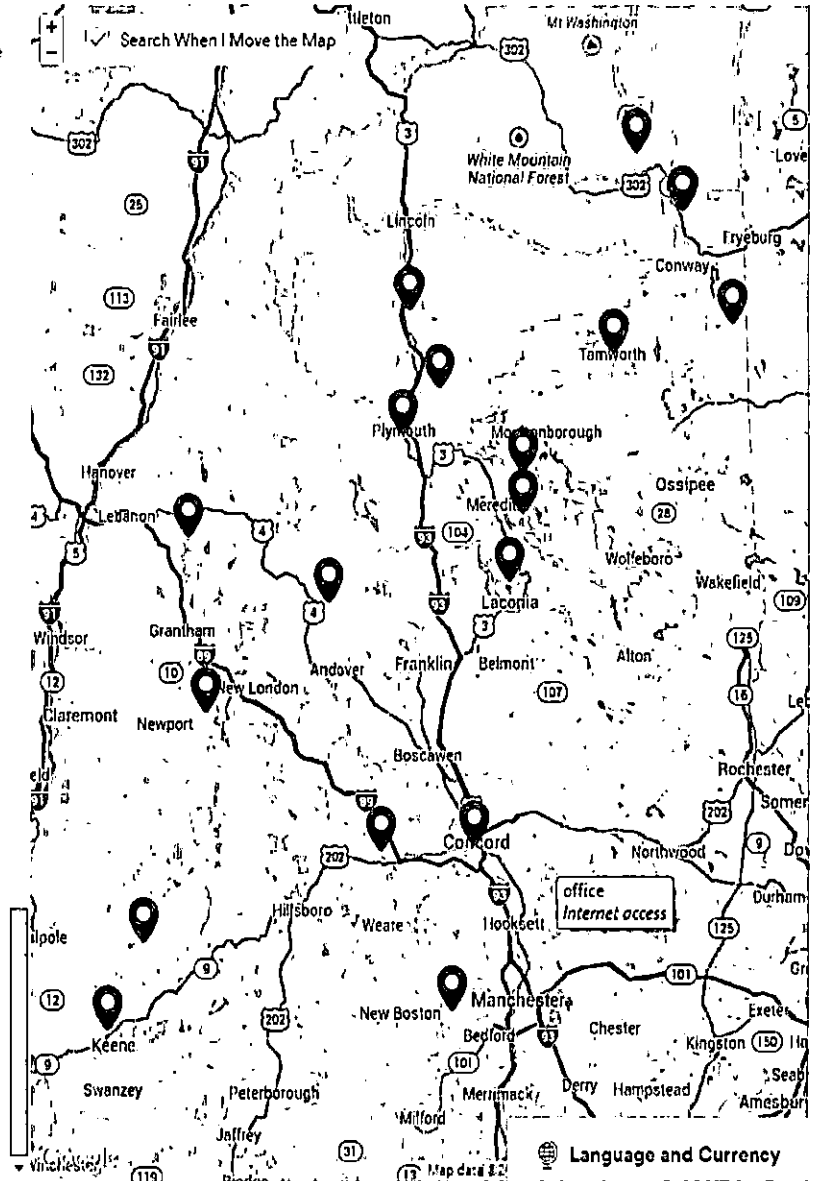


\$72

Mountain Getaway / Writer's Retreat
Private room · 31 reviews · Tamworth



1 - 18 of 685 Rentals



Voting Sheets

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 531

BILL TITLE: establishing a committee to study short-term rentals by homeowners and owners of residential properties.

DATE: 3-3-15

LOB ROOM: 302

Amendments:

Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:
Sponsor: Rep.	OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. Butler

Seconded by Rep. Jones

Vote: 13-3 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: Consent or Regular (Circle One)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Barbara Biggie, Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 531

BILL TITLE: establishing a committee to study short-term rentals by homeowners and owners of residential properties.

DATE: 3-3-15

LOB ROOM: 302

Amendments:

Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:

Motions: (OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. BUTLER

Seconded by Rep. JONES

Vote: 13/3 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: (Consent) or Regular (Circle One)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Barbara Biggie, Clerk



2015 SESSION

COMMERCE AND CONSUMER AFFAIRS

Bill #: HB 531 Title: est. a committee to study short-term rentals by homeowners & owners of residential properties
PH Date: 1/1/15 Exec Session Date: 3/1/15
Motion: OTP Amendment #: _____

MEMBER	YEAS	NAYS
Hunt, John B., Chairman	✓	
Jones, Laura M., V Chairman	✓	
Flanders, Donald H.		
Belanger, Ronald J.	✓	
Tucker, Pamela Z.		✓
Hurt, George	✓	
Bates, David		
Biggie, Barbara, Clerk	✓	
Fraser, Valerie		✓
Fromuth, Bart		✓
French, Harold F.	✓	
Hannon, Joseph A.	✓	
Butler, Edward A.	✓	
Gidge, Kenneth N.		
Williams, Kermit R	✓	
Abel, Richard M.	✓	
Bordenet, John	✓	
Herbert, Christopher J.		
Luneau, David	✓	
McBeath, Rebecca	✓	
TOTAL VOTE:	13	3

Committee Report

CONSENT CALENDAR

March 5, 2015

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on COMMERCE AND CONSUMER

AFFAIRS to which was referred HB531,

AN ACT establishing a committee to study short-term

rentals by homeowners and owners of residential

properties. Having considered the same, report the

same with the recommendation that the bill OUGHT TO

PASS.

Rep. Edward A. Butler

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	COMMERCE AND CONSUMER AFFAIRS
Bill Number:	HB531
Title:	establishing a committee to study short-term rentals by homeowners and owners of residential properties.
Date:	March 5, 2015
Consent Calendar:	YES
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

This bill establishes a study committee to look at the many web-based 'home-site' lodging and short-term rental programs flourishing over the past few years, such as AirBNB, HomeAway, FlipKey, Tripping.com, Roomorama and others. These sites are obviously providing a service that fills a niche. But they are also competing with the more traditional lodging market and on an uneven playing field. They are not, to a very large degree, paying rooms and meals tax. This allows these rentals to undercut the traditional market and that traditional market is at the heart of our tourism economy. This study committee will look at how other municipalities and states around the country are starting to deal with these businesses, to what degree they impact the hospitality industry and will make recommendations for our state.

Vote 13-3.

Rep. Edward A. Butler
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

COMMERCE AND CONSUMER AFFAIRS

HB531, establishing a committee to study short-term rentals by homeowners and owners of residential properties. **OUGHT TO PASS.**

Rep. Edward A. Butler for COMMERCE AND CONSUMER AFFAIRS. This bill establishes a study committee to look at the many web-based 'home-site' lodging and short-term rental programs flourishing over the past few years, such as AirBNB, HomeAway, FlipKey, Tripping.com, Roomorama and others. These sites are obviously providing a service that fills a niche. But they are also competing with the more traditional lodging market and on an uneven playing field. They are not, to a very large degree, paying rooms and meals tax. This allows these rentals to undercut the traditional market and that traditional market is at the heart of our tourism economy. This study committee will look at how other municipalities and states around the country are starting to deal with these businesses, to what degree they impact the hospitality industry and will make recommendations for our state. **Vote 13-3.**

HB 531

Rep. Ed Butler

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Ed
Laura Jones