

Online Home Sharing Economy Ad Hoc Committee

Council Discussion

9 August 2016

Membership Recommendations

- VB Hotel/Motel Association
- VB Realtors Association
- Chamber of Commerce
- 1 civic league board member from each of the 7 Council Districts
- Chairman designee
- Online rental platform representative

Staff Support

- City Manager's Office
- City Attorney's Office
- Planning Department
- Commissioner of Revenue's Office

1st Meeting Agenda

- Definition/Explanation of the Online Home Sharing Economy
- Discussion of local regulations (zoning, tax, etc.)
- General Assembly Workgroup of the Housing Study Commission
- Draft Legislative Agenda Item
- Set dates/Times/Locations for Public Input

ONLINE RENTAL PLATFORMS (AIRBNB AND OTHERS)

Background Information: City Council adopted a Resolution in January 2016 requesting the General Assembly to give localities authority to regulate online programs such as Airbnb. This is a growing issue for Virginia localities, in that property owners list their homes on the internet through these online platforms for rental. The City has little authority to regulate these enterprises which compete with the conventional hotel business. Issues occur such as the freedom of quiet enjoyment by adjoining property owners, parking, health safety and welfare, and tax collection.

For instance, the City and State are unable to collect the State Sales Tax and Local Transiency Occupancy Tax from these properties. This means that these properties can be rented out, in a cost savings to the renter, but compete directly against conventional hotels that must comply with health safety and welfare regulations, and collect taxes due. Every hotel creates a folio on every guest that shows the number of nights, money spent, etc. that is auditable by the state. No such audit train exists on the online rental platforms. ‘

The General Assembly referred this issue during the 2016 Session of General Assembly to the Housing Study Commission. A special workgroup has been working on this issue, and is expected to produce recommendations by December 1st.

Request: The City of Virginia Beach requests the General Assembly to adopt legislation during the 2017 Session of General Assembly that requires these online rental platforms operate with the same requirements as the Traditional Lodging Industry does such as:

- Collection of the taxes due and remittance to the state and local governments,
- Regulation by localities for issues such as health, safety, and welfare including adequacy of parking,
- Some control on where these properties are located.

Furthermore, some penalties for violating the above requirements, and also causing harm to existing to neighborhoods that have the expectation of quiet enjoyment of their properties should be included in the legislation.

Outcomes

- Make recommendations to City Council on:
 - Ordinance Amendments
 - General Assembly Workgroup input
- Finalize Legislative Agenda Item
- Complete by end of September