



CITY OF VIRGINIA BEACH AGENDA ITEM

ITEM: A Resolution Requesting the General Assembly to Adopt Legislation to Regulate Peer-to-Peer Hospitality Services

MEETING DATE: January 5, 2016

■ **Background:** Peer-to-peer hospitality service companies, such as AirBNB, match a host offering a room or house/apartment to rent with a prospective occupant of such space. These transactions often occur over the internet with the service company charging a commission. Because these transactions concern private residences, the peer-to-peer model does not address many health and safety concerns. For example, many host locations are not equipped with emergency exits nor does it adhere to applicable fire safety codes. If such hospitality services are provided in a bed and breakfast inn, the City's Zoning Ordinance requires a conditional use permit. However, many such peer-to-peer host sites do not meet the definition of "bed and breakfast inns" in the City's Zoning Ordinance, so the City's zoning enforcement division must discover the peer-to-peer location and, upon discovery, determine whether such locations are compliant with Zoning regulations.

In addition to the health and safety aspects of peer-to-peer hospitality services, there are tax equity issues and intensive use problems associated with such activities. Many peer-to-peer transactions are subject to the City's transient occupancy tax and the State's retail sales and use tax, but the hosts may not register with the appropriate tax authorities. In such cases, the City or State taxing officials must discover the activities in order to force compliance with the applicable tax laws. In regard to intensive use, the increased occupancy associated with peer-to-peer hospitality services results in additional parking and use of residential streets that exceeds the design and capacity for which such neighborhoods were intended.

■ **Considerations:** The attached resolution requests the General Assembly adopt legislation to regulate peer-to-peer hospitality services such as AirBNB. Such regulation would allow the City to address the health, safety, welfare and tax equity issues related to such services in a more efficient manner than the tools currently available.

■ **Public Information:** This item will be advertised as part of the normal Council Agenda Process.

■ **Recommendation:** Adopt the attached resolution.

■ **Attachments:** Resolution

Requested by Councilmember Wilson

REQUESTED BY COUNCILMEMBER WILSON

1 A RESOLUTION REQUESTING THE GENERAL
2 ASSEMBLY TO ADOPT LEGISLATION TO
3 REGULATE PEER-TO-PEER HOSPITALITY
4 SERVICES
5

6 WHEREAS, in its recent sessions, the General Assembly has provided regulation
7 of peer-to-peer driving services such as Uber and Lyft; and
8

9 WHEREAS, peer-to-peer hospitality services, such as AirBNB, present health
10 and safety concerns, which require a system of licensure and inspection; and
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12 WHEREAS, the City's Zoning Ordinance regulates bed and breakfast inns by
13 conditional use permit, but because all locations of peer-to-peer hospitality services do
14 not meet the Zoning Ordinance's definition of "bed and breakfast inns," the City's zoning
15 enforcement division must discover peer-to-peer locations and, upon discovery,
16 determine whether such locations are compliant with Zoning regulations; and
17

18 WHEREAS, the Commonwealth and the City may be losing significant revenue
19 when peer-to-peer transactions are not regularly reported and require such taxing
20 officials to discover such activities to force collection of taxes, which are paid by all other
21 providers of hospitality services; and
22

23 WHEREAS, in addition to the health, safety, and tax-equity concerns, peer-to-
24 peer hospitality services create issues in neighborhoods that result from more intensive
25 uses of residential properties including parking and ingress/egress capacity;
26

27 NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
28 VIRGINIA BEACH, VIRGINIA, THAT:
29

30 The City Council requests the General Assembly adopt legislation to address
31 health, safety, welfare, and tax equity issues related to peer-to-peer hospitality services,
32 such as AirBNB.

 Adopted by the City Council of the City of Virginia Beach, Virginia, this _____
day of _____, 2016.

APPROVED AS TO LEGAL SUFFICIENCY:



City Attorney's Office

CA13549
R-1
December 28, 2015