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## ASSOCIATION COUNTY COMMISSIONERS OF GEORGIA & GEORGIA MUNICIPAL ASSOCIATION

### Short-Term Rental Preemption Legislation Limits Citizens' Say

[HB 523](#) would preempt elected leaders of local governments from responding to constituents by establishing appropriate oversight of short-term rental properties in their jurisdictions. The elected county and city officials are working to affirm the powers of local governments to regulate these businesses and ensure that they are subject to all taxes and fees due from similar businesses, such as hotels and motels.

**Call to Action & Talking Points:** Local elected officials oppose this bill and encourage city and county officials to contact **House Members** and ask that they vote “NO” on HB 523, because:

- **Unregulated Businesses.** Imagine if a motel with no management staff, security or rules was operating directly across the street from your home. Many short-term rental operations are like unregulated motel rooms for rent, lacking oversight and resulting in a decline in safety and the ability to enforce code violations.
- **Citizens Have a Say in Setting Standards.** Absentee owners of short-term rentals often don't consider the neighbors' property rights and the well-being of the wider community. Working with locally elected leaders, citizens have a say in setting appropriate standards for these rental operations, such as having accurate contact information.
- **Limiting Places to Call Home.** The creation of short-term rentals reduces the amount of available housing for families in a specific community and ultimately limits long-term housing stock.
- **Enforcing Community Standards.** Most short-term rental problems occur in the evenings and on weekends, and most local governments do not have 24-hour code enforcement officers or personnel to respond. The cost of adding personnel would fall on all taxpayers, and the guests who are responsible for the violations may never be held responsible.
- **Your Community, Your Decisions.** Community members work with local elected officials to determine the appropriate settings for short-term rentals in their communities.

*February 20, 2020*

## The Costs of Short-Term Rentals to Communities

**In 2016, Arizona passed similar legislation preempting local ability to regulate Short-Term Rentals effectively**— “...what lawmakers voted for in 2016 was not what they got, with the measure promoted as helping elderly homeowners keep their homes...And that’s the bill of goods we were sold.”—Senator Karen Fann, Arizona Senate President, R-Prescott.

--Arizona Capitol Times, (August 23, 2019). [See article [HERE](#)]

**In 2015, the City of Savannah passed its first Short-Term Rental ordinance with input from short-term rental providers, residents and the general public. A discrete corridor was selected for STR permitting and the use has proven to be wildly popular:**

### January 1, 2015 to April 15, 2016

Owner Occupied	Non-Owner Occ.	Total Units	Room Count	Parking Spaces
<b>304</b>	<b>157</b>	<b>461</b>	<b>950</b>	<b>434</b>

### As of February 19, 2020...

Owner Occupied	Non-Owner Occ.	Total Units	Room Count	Parking Spaces
<b>223</b>	<b>1180</b>	<b>1403</b>	<b>2790</b>	<b>1098</b>

**Higher Housing Costs Due to Short Term Rentals** - “The single biggest potential cost imposed by Airbnb comes in the form of higher housing costs for city residents if enough properties are converted from long-term housing to short-term accommodations. If property owners take dwellings that were available for long-term leases and convert them to short-term Airbnb listings, this increases the supply of short-term rentals (hence driving down their price) but decreases the supply of long-term housing, increasing housing costs for city residents.”

– *Economic Policy Institute* [See full report [HERE](#)]

**Rents Go Up & Housing Supply Goes Down Due to Short Term Rentals** – “Considering the median annual Airbnb growth in each zip code, these results translate to an annual increase of \$9 in monthly rent and \$1,800 in house prices for the median zip code in our data, which accounts for about one fifth of actual rent growth and about one seventh of actual price growth. Finally, we formally test whether the Airbnb effect is due to the reallocation of the housing supply. Consistent with this hypothesis, we find that, while the total supply of housing is not affected by the entry of Airbnb, Airbnb listings increase the supply of short-term rental units and decrease the supply of long-term rental units.

– Barron, Kyle and Kung, Edward and Proserpio, Davide, *The Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb* (January 22, 2020). [See full report [HERE](#)]