

April 30, 2019

To: Committee on Local Government and Municipal Finance

Subject: House Bill No. 4046

I would like to express my strong opposition to HB-4046 (and the draft substitute) dealing with short-term rentals. This bill is identical to one that was introduced in the 2017 session and, fortunately, died in committee. At that time I thought long and hard about the bill and how it could be improved through amendments. I concluded that it cannot be done without gutting the basis of the bill, which forces all jurisdictions to accept short-term rentals as a valid and permissible use in all residential zones with no exceptions. This flies in the face of the fact that every jurisdiction in the state is unique and needs to have the ability to address short-term rentals as they relate to that specific jurisdiction. A number of the most heavily impacted jurisdictions, i.e., tourist destinations, have already spent a significant amount of time and resources doing exactly that. Their approaches are varied and have ranged from outright bans in some specific areas to registration, inspection and/or enforcement to acceptance in other areas. Are these wrong? No, they simply reflect the desire and will of the great majority of each specific jurisdiction's citizens and need to be respected as such by the state. However, the great majority of the 1200 plus townships in the state are NOT tourist destinations and need the flexibility to regulate or prohibit short-term rentals as they see fit for their residents.

I believe that the State's role in zoning should be to establish a basic framework within which each municipality or jurisdiction can develop specific guidelines for their particular situation. Areas that are zoned residential are based on the local situations that provide for neighborhoods of permanent residents. Historically, this zoning allowed for monthly/yearly rentals, which did not interfere with the general living environment in these zones. As a result, those people or families that bought or built in these zones did so with the understanding that things would not change without local oversight and discussion!

I have a very personal viewpoint regarding short-term rentals. In 2014 I built a new house overlooking Crooked Lake in Texas Township, Kalamazoo County. The house next door had been built about 3 years earlier and was owned by a single woman. Since she was not here most of the summer, she began advertising on VRBO (Vacation Rentals by Owner) that her house was for rent on a daily basis. As a result, there are renters (4 to 10 or more people) for 2 or 3 or 4 days most weekends between mid-April and mid-October and occasionally other times of the year. An extreme example occurred during Homecoming weekend for WMU in October, 2016: there were 13 vehicles in the driveway (so likely 15-20+ people in the house) with loud music and hollering inside and outside ALL night (no sleep for the neighbors). These short-term rentals are a commercial use of the property that is in violation of the spirit and wording of our current zoning regulations. I did not build a nice home to be living next to a hotel!

I realize that the Michigan Association of Realtors, through their PAC and its Public Policy Committee, have drafted and sponsored this bill and are pushing to have it approved in this session. They believe that short-term rental bans are damaging to property rights, home values, and the economy. They also propose to use this bill to amend the Michigan Zoning Enabling Act. Let's look at each of these issues, as discussed in the August 2017 issue of MichiganRealtor:

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- Property rights – virtually every property that is rented for a month is either on a lease or month-to-month contract, which for most people would be considered a residential use. On the other hand, renting the same property for a week (many, many short-term rentals are a week or less) makes it much more like a Marriott Residence Inn, which is a commercial enterprise. Again most people would agree and would not consider it to be a residential use, which is why jurisdictions are regulating such use. I recognize that owners have rights to the use of their home and property. However, when they buy or build in an area zoned residential, they need to be aware of what that means and to respect the rights of the other owners, who expect permanent residents or long term rentals, NOT a hotel.

- Home Values – “Owning a second home in Michigan is an expensive endeavor.” No kidding!! But if you cannot afford that cost without renting on a short-term basis, then you should not be buying it. If “the ability to rent is often baked into the value of the homes..”, then the market or the buyers and realtors may need to readjust to the fact that monthly rental income is much less than short-term.

- Economy – Here is where the “one size fits all” approach of this proposed legislation fails miserably. Many jurisdictions, especially townships, are NOT vacation destinations and their LOCAL economies are not reliant on tourism in summer or winter. This legislation neither deals with this fact nor allows these jurisdictions to address short-term rentals as appropriate for their LOCAL situations.

- Michigan Zoning Enabling Act – Would seem that it was intended to **Enable** local jurisdictions to establish zoning that was appropriate for their specific concerns and situations, not to **Prohibit** their ability to do so.

I request that this committee take NO action on this bill but, should it come to a vote, I ask that you vote for neighborhoods, not for businesses. The Michigan legislature has more important issues to deal with than to tinker with local zoning. Michigan Association of Realtors, through their PAC, should put their efforts into selling properties rather than arguing that short-term rentals would be good for tourism and second-home owners and ignoring the fact that they negatively impact the quality and fabric of neighborhoods!

Sincerely,

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