

Written Testimony to Oppose HB 563

HB 563 completely ignores residents' rights to live in residentially zoned areas. Short-term rentals are hotels – NOT akin to longer-term rentals.

I live in a suburban residential neighborhood about 20 miles northeast of downtown Cincinnati. Investors have been buying multiple properties within less than a mile of my home and have turned them into Airbnbs (short-term rentals). Long-term residents of our community have experienced an increase in noise, trash, and trespassing since a particular LLC investor started running several short-term rentals here.

Airbnbs and other short-term rentals only benefit investors who own multiple properties, while inflicting stress and discord among the residents who live in their homes year-round. **HB 563 completely ignores residents' rights to live in residentially zoned areas. Make no mistake, the majority of short-term rentals ARE BUSINESSES.** One owner with one property who lives on the premises is different than an owner who has never lived in the property for rent and buys multiple properties for the sole purpose of running a hotel business in residential areas. This is a critical distinction for anyone who thinks HB 563 stands up for owners' rights. What it really does is create a loophole for businesses to set up shop in residential zones and circumvent zoning laws.

Investors with multiple properties run as short-term rentals are not the same as investors who rent longer-term. Short-term rentals can mean daily transactions of different "guests" coming and going every single day of the week in one unit. That is a hotel, not just another building rental. HB 563 clearly would allow businesses to overtake residential communities that wish to retain the enjoyment of their own homes. Consider the fair rights of families and individuals who made the largest purchase of their lives to live in residential neighborhoods, not business zoned communities.

Related points:

Excerpts from The Economic Costs and Benefits of Airbnb by Josh Bivens, published by Economic Policy Institute

[The economic costs and benefits of Airbnb: No reason for local policymakers to let Airbnb bypass tax or regulatory obligations | Economic Policy Institute \(epi.org\)](#)

- **City residents likely suffer when Airbnb circumvents zoning laws that ban lodging businesses from residential neighborhoods.** The status quo of zoning regulations in cities reflects a broad presumption that short-term

travelers likely impose greater externalities on long-term residents than do other long-term residents. Externalities are economic costs that are borne by people not directly engaged in a transaction. In the case of neighbors on a street with short-term renters, externalities include noise and stress on neighborhood infrastructure like trash pickup. These externalities are why hotels are clustered away from residential areas. Many Airbnb rental units are in violation of local zoning regulations, and there is the strong possibility that these units are indeed imposing large costs on neighbors.

- **Because Airbnb is clearly a business competing with hotel lodging, it should be subject to the same taxation regime as hotels.** In regard to zoning regulations, there is no empirical evidence that the net benefits of Airbnb introduction and expansion are so large that policymakers should reverse long-standing regulatory decisions simply to accommodate the rise of a single company.