Insurance and Real Estate Committee
JOINT FAVORABLE REPORT

Bill No.: HB-7177
Title: AN ACT CONCERNING SHORT-TERM RENTAL PROPERTIES.
Vote Date: 3/14/2019
Vote Action: Joint Favorable Substitute
PH Date: 2/27/2019
File No.: 

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SPONSORS OF BILL:
Insurance and Real Estate Committee

REASONS FOR BILL:
To assure communities around short-term rental properties are notified of its existence, as well as precautionary insurance and licensing provisions to ensure the safety of the community, and financial well-being of the renters and the sellers.

SUBSTITUTE LANGUAGE:
LCO #5809 removes the 90-day limit of rental from the original bill. It also changes the need to disclose to neighbors every time you are renting, only that you are renting the property in the first place. Lastly, it removes the tax.

RESPONSE FROM ADMINISTRATION/AGENCY:
Michelle Seagull, Commissioner, Department of Consumer Protection testified that the bill would “require [DCP] to license all short term rentals for any property that can house one or more persons, such as those rentals offered through Airbnb,” stating that to do this they would need to implement a program for a substantial number of people, and would have to meet an immense amount of requirements for licensing.

NATURE AND SOURCES OF SUPPORT:
None expressed.

NATURE AND SOURCES OF OPPOSITION:
**American Property Casualty Insurance Association** opposes the bill because they believe the $1M mandated minimum insurance requirement is an ineffective method, and that states like California have adopted a disclosure requirement instead, and offer that as an alternative.

**Josh Meltzer, Public Policy, Airbnb** erred the companies concerns about the bill, citing their willingness to work with legislation to improve it. Specific concerns revolved around the sharing of personal information as being intrusive, notifying the surrounding community could be a privacy concern, and that the cap on the number of nights allowed (removed by sub. language) is irrational.

**Connecticut Realtors** opposes the bill because of the mandated insurance policy, the taxation power that municipalities will gain, and fiscal cost to the state, among other points. They state the taxes are never good for home values, and that the renters cannot afford additional burdens to pay, especially if renting short term as a student, or on travel for a job. Also, they concur the community notification of rental is irrational.

Reported by: Logan Cotter        Date: 03/28/19