

Sharing Economy

Impacts of AirBnB, VRBO and transportation network companies on local government

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The contents of this presentation reflect the view of the presenter, not of CML.



What is a “shared economy”?

- Also known as
 - The Sharing Economy - The On-Demand Economy
 - Collaborative Consumption - The Peer to Peer Economy
- A socio-economic ecosystem built around the **sharing of human and physical resources**. It includes the shared creation, production, distribution, trade and consumption of goods and services by different people and organizations.

An entire generation is growing up with new values

An economic model based on **sharing, swapping, bartering, trading, or renting** access to products.

- Authenticity
- Doing well is doing good
- Creating Together
- Greed is BAD, money is OK
- Mutual reviews
- Sustainability
- Community Sharing
- Crowdfunding
- Live with LESS

Life 2.0

- **52%** of Americans have rented, borrowed, or leased the kinds of items that people usually own in the last 2 years
- **83%** said they would share these items if they “could do so easily.”

- Space

Airbnb, VRBO, Cannabeds, MisterBnB, One Fine Stay, Love Home Swap, Home Exchange, Home Away, Couch Surfing, Share Desk, Peer Space, Pivot Desk, Breather, Liquid Space, Storefront, Beyond, Smart Host, Everbooked, Rate Coaster, Share Better, Air Bud, Pricelabs, Beyond Pricing, Price Method, Kinkbnb

- Transportation

Uber, Lyft, Sidecar, Flight Car, Car2Go, Zip Car, E Go Carshare, Relay Rides, Getaround, Shuddle, BlaBlaCar, OLA, Bridj, Halio, Boat Bound, Scoot, Drive Now, Surfair, Zetta Driver, What's the Fare, Sherpa Share, Get My Boat, SkyBus, Chariot, Via, Carma

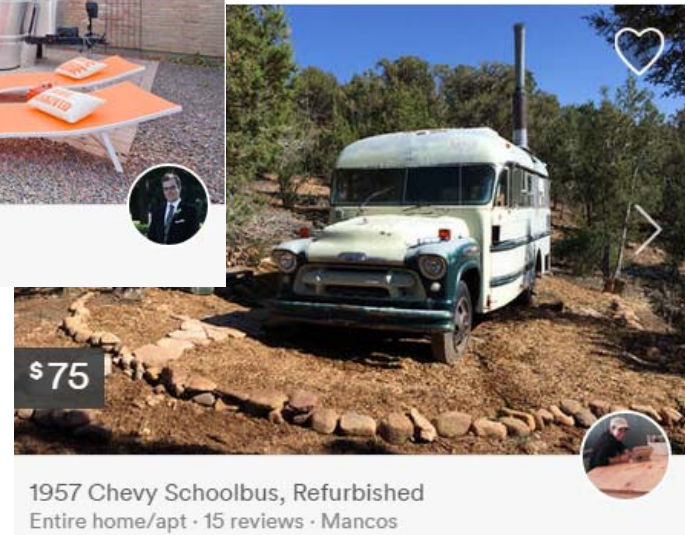
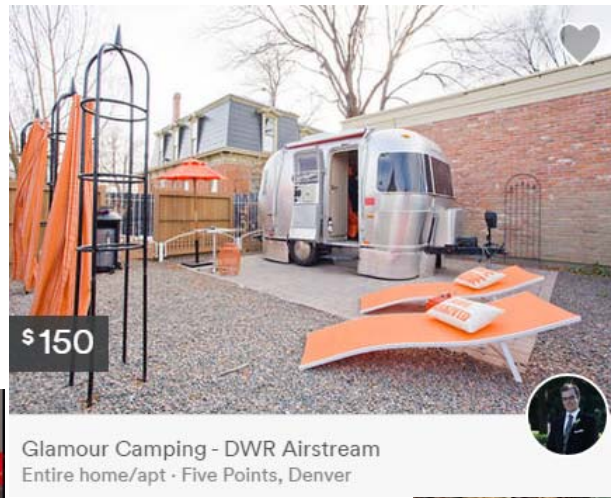
- Food

Feastly, Muncherie, Mealsharing, Eat With, Good Eggs, Kitchit, Supper Share, Vizeat, Leftover Swap, Kitchen Surfing, Share Your Meal, Blue Apron

Short-term rental (“STR”) is typically a residential property that is rented to a visitor for less than 30 days.



Airbnb



Why do we care?

- Health & Safety
- Code Enforcement
- Zoning
- Tax revenue
- Licensing & local regulation
- Impact on long term rental market

CML Sharing Economy Sales Tax Sub-Committee

- Goal is to address remittance from Airbnb directly to municipality
- Stop thinking about it as owner occupied OR short term rental.

Breckenridge – Leslie Fischer
Golden – Alan Haynes Vail – Sally Lorton
Lakewood – Curt Osborne
Aspen – Kathy Yang

Airbnb

Who's responsible for paying local taxes?

Hosts are responsible for following all laws and regulations, including paying any local taxes that apply to their accommodations.

If a listing is in an area where Airbnb remits occupancy taxes on behalf of hosts, the tax is calculated and collected from guests at the time of booking, with no action needed from the host. **The tax will be listed as a line item on all guest receipts, and shown within hosts' Transaction History.**

If you are a host whose listing is in an area where we are not currently remitting taxes on your behalf, read more about [collecting local taxes](#).

Hosts who determine they need to collect such a tax may either incorporate it into their nightly price, add it via a Special Offer, or ask their guests to pay it in person. In each case, it's important that guests are informed of the exact tax amount prior to booking.

The taxes that are due vary by country, state, county and city. We understand that many of these rules are complex and difficult to follow. **Airbnb wants to help hosts follow the laws relevant to them, and is facilitating the collection and remittance of occupancy-related taxes from guests on behalf of hosts in certain areas.**

We'll continue to work with governments in other locations to explore ways to help facilitate tax collection. We're looking forward to continuing to partner with our community and neighborhoods to enrich the cities we all share.

Airbnb

How do taxes work for hosts?

Local Tax

Your state or locality may impose a tax on the rental of rooms. In many places this is known as a occupancy tax, but may also be known as an lodging tax, a room tax, a use tax, a tourist tax, or hotel tax. We expect all hosts to familiarize themselves with and follow their local laws and regulations.

If you determine that you need to collect tax, you may either incorporate it into your nightly price, add it via a Special Offer, or ask your guests to pay it in person. In each case, it's important that guests are informed of the exact tax amount prior to booking.

If you choose to collect tax outside of your listing's rates, please note that it should be collected only upon arrival and that we are unable to assist with collection.

In some locations, Airbnb has made agreements with government officials to collect and remit local taxes on behalf of hosts, making the tax collection process easier for all parties involved. For Airbnb listings in these areas, applicable local taxes are calculated and collected at the time of booking. This won't affect the payouts you receive for reservations. As a host, you'll continue to collect your payout of accommodation fees minus Airbnb service fees, just as you do today.

We're dedicated to keeping your personal information private—if at any point we're required to share any information with your local government, you'll be specifically notified of the needed disclosures.

Some good tax news is potentially developing...

- Airbnb sent preliminary VCAs to Colorado's three largest cities to collect & remit tax.
- Denver v. Expedia is pending before Colorado Supreme Court to determine whether online travel companies can avoid collecting & remitting lodging tax when they do not physically provide hotel rooms to consumers.

Policy Question: Does your community support this?

The Good

- Tourism spending and tax dollars
- Owner rental income used to supplement income to:
 - improve properties,
 - stay in houses,
 - spend in local economy

Does your community support this?

The Bad

Opposition groups consist of:

- Affordable housing advocates
- Some neighborhood groups
- Hotel industry or unions representing hotel workers
- Some municipalities: housing availability and affordability, increased demand on resources

Does your community support this?

The Bad

Against the intent of residential zones.

Being operated as businesses

- bachelor/bachelorette parties or other noisy events
- noise
- parking problems
- trash
- lacks sense of community

Does your community support this?

The Bad

Like a hotel but no:

- code inspections
- licensing or
- other requirements
- sales tax

Regulatory Considerations

- **Existing “good neighbor” laws**
 - noise ordinances,
 - parking regulations
 - trash guidelines
- **Apply to residents and guests**
- Proper enforcement = sufficient protection against disruptive behavior

Regulatory Considerations

- Limits on Number of Overnight Guests?
 - Most cities relate to the number of bedrooms in the host dwelling
- Property Owner Occupancy and/or Presence?
 - Some cities relate to other occupancy rules (such as maximum number of unrelated adults)
- Limit Number of STRs Per Year

Enforcement Challenges

- **Should there be a license for short-term rentals?**
 - De minimus exception for two or three short-term rentals per year?
 - Ordinance to include local license # on ads
 - Property owner list (share with County Assessor for personal property)

Questions

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