

Asociacion de Dueños de Paradores y Turismo de Puerto Rico

Adjuntas, Puerto Rico

Memorial Explicativo Sobre Proyecto de Ordenanza Núm. 24 Serie 2018-2019

7 de marzo de 2019

Hon. Marco Antonio Rigau Jimenez
Presidente Legislatura Municipal de San Juan
Municipio Autónomo de San Juan
Calle Luna Núm.152
San Juan, Puerto Rico



RE: Memorial Explicativo Sobre Proyecto de Ordenanza Núm. 24 Serie 2018-2019

Estimado señor Presidente;

¡Reciba nuestros saludos cordiales!

Mi nombre es Tomás Ramírez, y me dirijo a esta Honorable Asamblea Municipal en representación de la Asociacion de Dueños de Paradores y Turismo de PR (ADPTPR) en referencia al Proyecto de Ordenanza Núm. 24, el cual persigue “añadir un nuevo capítulo vii a la ordenanza núm. 7, serie 2002-2003, según enmendada, conocida como “código de urbanismo del municipio de san juan” con el propósito de incluir el “reglamento para los alquileres a corto plazo en el municipio autónomo de san juan”, asignar funciones a la oficina de permisos; renumerar los capítulos subsiguientes; y para otros fines”.

Primero que todo, la Asociación de Dueños de Paradores y Turismo de PR desea felicitar al Municipio Autónomo de San Juan por tomar un gran paso en la dirección correcta para forzar la discusión sobre la necesidad imperante que tiene Puerto Rico de registrar y reglamentar los alojamientos alternativos de renta a corto plazo o “short term rentals” (STR); identificar a los anfitriones profesionales y comerciales; y erradicar los hoteles ilegales operando en todo Puerto Rico, escondidos bajo la supuesta economía compartida o “sharing economy” en inglés.

Segundo, queremos establecer que la Asociación de Dueños de Paradores y Turismo de PR apoya las prácticas y tecnologías innovadoras que trae la economía compartida a nivel mundial, y la oportunidad que representa para las clases menos aventajadas de Puerto Rico, el que puedan utilizar sus bienes inmuebles para generar ingresos adicionales y mejorar su calidad de vida.

Tercero, como puertorriqueños responsables, también impulsamos que TODOS los participantes en el mercado de alojamientos a corto plazo estén registrados, cumplan con unos estándares mínimos de calidad y seguridad, y contribuyan equitativamente al mercadeo del destino de Puerto Rico, y al mantenimiento de la infraestructura y servicios públicos que utilizan para sus negocios comerciales.

Por estas razones, es que en el proceso de estudio y análisis sobre los alojamientos alternativos de renta a corto plazo en San Juan, debemos hacernos tres preguntas claves;

- ✓ ¿Cuántas personas, residentes en nuestra isla y en este caso, en el Municipio Autónomo de San Juan, poseen múltiples propiedades extras, y la estructura para ponerlas a la renta a corto plazo?;
- ✓ ¿Realmente, quiénes son las personas que están tomando ventaja de las lagunas reglamentarias para lucrarse y evadir nuestros sistemas de ordenamiento e impuestos?; y
- ✓ ¿Qué es lo que más le conviene a los residentes y comerciantes de la Ciudad de San Juan a largo plazo?

Asociacion de Dueños de Paradores y Turismo de Puerto Rico

Adjuntas, Puerto Rico

Memorial Explicativo Sobre Proyecto de Ordenanza Núm. 24 Serie 2018-2019

Con este Proyecto de Ordenanza Núm. 24 (PdO-24), el Municipio Autónomo de San Juan se mueve hacia el futuro y reconoce que la economía compartida ha llegado para quedarse, como han hecho las grandes ciudades turísticas de Norte América, tales como Orlando, San Francisco, Austin, Nueva York, Toronto, Los Ángeles, Phoenix, Chicago, Nashville, y Miami, solo para mencionar algunas.

Estas grandes ciudades turísticas, mientras abrazan los adelantos tecnológicos y nuevas prácticas, se han visto obligadas a establecer reglamentos muy estrictos y con sanciones severas, para mantener sus códigos de ordenanza pública y la salud comunitaria, controlar la gentrificación, y atender la evasión de impuestos, contribuciones, patentes, permisos, junto a el lavado de dinero y las brechas en seguridad pública que suelen acompañar a estas nuevas técnicas, cuando no son reglamentadas.

Hemos estudiado este tema por varios años, y consideramos que el PdO-24 está bastante completo e incluye muchas de las mejores prácticas ya implantadas en las principales ciudades turísticas del mundo. Sin embargo, reconocemos que el PdO-24 necesita algunas enmiendas puntuales para asegurar que atiende las preocupaciones ya expresadas por los residentes y comerciantes de San Juan; y provee los recursos y la estructura adecuada para implantarse y mantenerse, así como para identificar a los anfitriones profesionales que hoy operan hoteles ilegales de hasta 300 unidades dentro del Municipio Autónomo de San Juan y áreas cercanas.

Mas adelante, le incluimos doce (12) recomendaciones específicas para fortalecer el PdO-24, basado en nuestra experiencia profesional, las mejores prácticas ya implantadas en otras ciudades de EEUU, y las recomendaciones de la Asociación de Hoteles y Alojamientos de América (AHLA en inglés) y la Asociación Internacional de Hospederías Pequeñas (PAII en inglés), para atender la expansión de los hoteles ilegales a través de la nación.

Como es de conocimiento público, en Puerto Rico ya existen sobre **15,000** alojamientos alternativos a corto plazo o STR, operando en las principales ciudades y municipios de alto interés turístico; y durante la temporada alta de verano pueden estar activas hasta 20,000 unidades. De estas, menos de 3,000 unidades están propiamente registradas, como requieren nuestras leyes vigentes.

Una verificación reciente nos indica que en el Municipio Autónomo de San Juan ya existen sobre **2,500** de estos alojamientos alternativos, lo cual refleja un crecimiento de 38% en los pasados seis meses. Muchos de estos alojamientos son administrados por anfitriones profesionales o "Mega-Anfitriones" y operan como hoteles ilegales.

Basado en las estadísticas de un estudio reciente, se estima que las ventas en Puerto Rico de estas 15,000 unidades, podrían estar llegando a los **\$300 millones anuales**; por lo que la evasión de permisos, patentes, cuotas de inspección, impuesto de habitación, CRIM y otros requisitos reglamentarios, podría sobrepasar los **\$60 millones anualmente**. Una porción significativa de estas rentas a corto plazo se concentran en municipios de alto interés turístico como San Juan, Carolina, Fajardo, Vieques, Culebra, Luquillo, Rincón, Lajas, Aguadilla y Cabo Rojo.

También indica que más del **84%** de estos alojamientos alternativos son casas o apartamentos completos, y el **55%** de estas unidades se pueden rentar al momento, por lo que muchos de estos STR están operando como hoteles ilegales y no pertenecen a la supuesta economía compartida. Estos datos se confirman con otro estudio reciente, el cual indica que en Puerto Rico el 5% de los anfitriones en Airbnb generan hasta el 40% de los ingresos.

Los datos de Puerto Rico concuerdan con otros estudios hechos en otras ciudades y países del mundo. Estudios recientes, a nivel mundial, indican que el 56% de los ingresos de las plataformas

Asociacion de Dueños de Paradores y Turismo de Puerto Rico

Adjuntas, Puerto Rico

Memorial Explicativo Sobre Proyecto de Ordenanza Núm. 24 Serie 2018-2019

digitales de alojamientos a corto plazo, tales como Airbnb, HomeAway, y VRBO provienen de operadores profesionales y hoteles ilegales; y en algunas ciudades han llegado a representar hasta un 76% de los ingresos. Este patrón de comportamiento ha movido a los Agentes de Viajes en Línea, como Expedia y Booking, a incluir alojamientos alternativos en sus plataformas; y a países como Alemania, Francia, España, Dinamarca y China, a establecer reglamentación más estricta a nivel nacional y con sanciones substanciales para asegurar el cumplimiento reglamentario local y limitar la evasión de impuestos, la corrupción, y el lavado de dinero. [Ver artículo adjunto]

Dicho esto, la estructura que sea creada para implantar el PdO – 24 no puede focalizarse solo en plataformas digitales como Airbnb; y debe reconocer que a diferencia de otras jurisdicciones en los EEUU, en Puerto Rico existen por lo menos cinco modelos de negocios, con varios tipos de plataformas para mercadear estos alojamientos alternativos a corto plazo; y que Airbnb, es solo una plataforma dentro de uno de estos cinco modelos de negocios, por lo que Airbnb representa solo una porción de los arrendamientos. Otro factor a considerar es que llegar a un acuerdo colaborativo con estas empresas de plataformas digitales de mercadeo, ES UN PROCESO COMPLEJO.

Estos cinco modelos de negocios son;

1. **Plataformas de la Economía Compartida:** Airbnb, FlipKey, VRBO, Homeaway, Join a Join, etc.
2. **Agentes de Viaje en Línea (OTA's en inglés):** Expedia, Booking, Hotels, etc.
3. **Plataformas de Descuento:** Gustazos, Oferta del Día, Ofertones, etc.
4. **Páginas de Facebook:** Cabañas Kitten, Cabañas Muelle, Cabañas Escóbales, etc.
5. **Agentes de Bienes Raíces:** algunos de estos "realtors" se han convertido en "MegaAnfitriones" y operan hoteles ilegales de entre 60 y 400 unidades. [Ver artículo sobre nuevo caso de evasión en Nueva York]

En Puerto Rico, la gran mayoría de estos alojamientos alternativos se mercadean por medios digitales utilizando de 3 a 4 modelos de negocios simultáneamente; y a través de varias plataformas dentro de un mismo modelo de negocio.

Algunos registran la misma propiedad con nombres de anfitrión diferentes en cada plataforma o modelo de negocios, para reducir la posibilidad de ser identificados.

Para atender estas estrategias de evasión de permisos y contributiva, otras ciudades turísticas han implantado dos medidas importantes;

- i. un proceso robusto de registro donde solo el propietario u operador legal de la propiedad puede registrar la misma para el uso como alojamiento alternativo en la ciudad; y
- ii. asignar responsabilidad a las plataformas digitales por la educación y el cumplimiento reglamentario de los anfitriones participantes, y que solo pueden incluir en sus anuncios, unidades que estén propiamente registradas en la ciudad o el estado, e incluir el numero de registro en todos los anuncios.

Por otra parte, identificar estos alojamientos alternativos es relativamente fácil si se asignan recursos dedicados. Hay páginas digitales que consolidan los datos, evalúan las fotos, y hasta los filtran por localización geográfica. Además, focalizando los recursos en las principales plataformas en los modelos de negocios 1 y 2, se puede supervisar la gran mayoría de las unidades con más ventas. Ciudades como Miami, Austin, Nueva York, Los Ángeles, y Barcelona, han creado unidades

Asociacion de Dueños de Paradores y Turismo de Puerto Rico

Adjuntas, Puerto Rico

Memorial Explicativo Sobre Proyecto de Ordenanza Núm. 24 Serie 2018-2019

y asignado recursos dedicados al registro y la fiscalización de los STR, y han establecido procesos sencillos – de escritorio – para identificar a los operadores ilegales, con gran éxito.

En Puerto Rico, otro componente que añade al crecimiento de este esquema de evasión de impuestos y necesita alguna revisión, es la **Ley 22 del 2012**. Esta ley le requería a los inversionistas que se acogen a los beneficios de esta ley y mueven a Puerto Rico, comprar una propiedad en la isla; y no les pone condiciones de cumplimiento con las leyes y reglamentos existentes con respecto a los alojamientos a corto plazo. Además, aceleran la reducción de residentes y negocios locales, tal como ha pasado en varias ciudades históricas de Italia [Ver artículo incluido].

Dada las condiciones económicas en nuestra isla, estos inversionistas de la Ley 22 del 2012, compran edificios completos, los mejoran y convierten en apartamentos; y le ceden la operación a anfitriones profesionales, quienes los operan como hoteles ilegales en San Juan y otras ciudades de alto interés turístico. Como resultado, en Puerto Rico los alojamientos alternativos de renta a corto plazo han crecido sobre 450% durante los pasados cinco años.

Por otra parte, Puerto Rico ya tiene varias leyes y reglamentos para atender estas nuevas tendencias, incluyendo la **Ley 272 del 2003**, y el **Reglamento de Hospederías Núm. 8856** de la Compañía de Turismo de Puerto Rico (CTPR). Al mismo tiempo, reconocemos que la Ley 272 y el Reglamento Núm. 8856 NO atienden varios asuntos reglamentarios y contributivos muy importantes relacionados a la complejidad y costos incrementales que representa la operación de estos nuevos negocios para los Municipios donde están establecidos.

Creemos que el PdO-24, una vez enmendado, podrá cerrar gran parte de estas brechas y nos encamina para atender la proliferación descontrolada de los hoteles ilegales y la evasión contributiva de los operadores profesionales, al implantar prácticas y procesos sostenibles que ya han sido probados con éxito en muchas ciudades importantes de Estados Unidos, y en otros países del mundo que dependen del turismo y la economía del visitante.

Anticipamos que – como ha sucedido en varias ciudades turísticas importantes – el Municipio Autónomo de San Juan tendrá que asignar recursos dedicados y tomar medidas muy firmes para implantar esta medida, y hasta tendrá que enmendar sus procesos varias veces, para asegurar su cumplimiento. Recomendamos se estudien los modelos implantados en ciudades como Miami, San Francisco, Los Ángeles, Austin, y Nueva York.

Adjunto le incluimos dos anejos: (i) una hoja con un listado parcial de los permisos, licencias, patentes y cargos que pagan las hospederías pequeñas legalmente registradas, lo cual representa un costo anual de entre \$20,000 y \$100,000 dependiendo del tamaño; y (ii) un listado de las mejores prácticas (benchmarking), implantadas en las principales ciudades de Estados Unidos para atender los alojamientos alternativos, los anfitriones profesionales, y los hoteles ilegales. [Ver documentos adjuntos]

Por todo lo anterior, la Asociación de Dueños de Paradores de Puerto Rico apoya la creación de reglamentación con las estipulaciones contenidas en el PdO-24, para aplicarse en San Juan y otros municipios que así lo ameriten. La tendencia creciente en las principales ciudades turísticas en los Estados Unidos y el mundo van dirigidas a;

- (i) reglamentar y registrar a TODOS los alojamientos alternativos a corto plazo y a las plataformas de mercadeo digital, y hasta donde sea posible controlar la gentrificación;

Asociacion de Dueños de Paradores y Turismo de Puerto Rico

Adjuntas, Puerto Rico

Memorial Explicativo Sobre Proyecto de Ordenanza Núm. 24 Serie 2018-2019

- (ii) identificar a los anfitriones profesionales y comerciales que operan hoteles ilegales y asegurar que – como comerciantes – cumplen con todo el ordenamiento aprobado y contribuyen al mantenimiento de la infraestructura y servicios que utilizan para correr sus negocios;
- (iii) permitir que sean los gobiernos locales (ciudades-municipios-condados) junto a las respectivas juntas comunitarias de los condominios y urbanizaciones con control de acceso, los que reglamenten, registren y hasta prohíban los alojamientos alternativos a corto-plazo en ciertas áreas.

Con el objetivo de fortalecer el PdO-24 le proponemos las siguientes enmiendas;

1. Definiciones (p) – Plataformas Digitales – debe incluir algunos ejemplos para asegurar que incluye por lo menos a todos los modelos de negocios conocidos, para asegurar se cierra cualquier brecha posible.
2. Definiciones - El PdO-24 debe incluir una definición clara de lo que constituye un hotel ilegal. Proponemos lo siguiente; *Hotel Ilegal – anfitrión u operador que administra dos o más unidades, donde el 50% o más de estas unidades, se rentan consistentemente como alojamiento alternativo a corto plazo.*
3. Añadir un Artículo adicional para prohibir explícitamente la operación de hoteles ilegales que no estén registrados como comerciante y no tengan los permisos para operar una hospedería; e imponer sanciones de hasta diez mil dólares (\$10,000) por día, por violaciones a este Artículo de la ordenanza.
4. Enmendar el Artículo 6.2 (a) para aclarar que dicha licencia podrá ser solicitada solamente por el titular, dueño legal o administrador de la propiedad en persona. Un estudio que se hizo en Cabo Rojo indicó que sobre el 90% de los operadores de alojamientos alternativos y hospederías ilegales NO eran residentes de ese Municipio Autónomo.
5. Enmendar el Artículo 6.3 (b) para permitir que el dueño-operador o anfitrión pueda operar/administrar hasta un máximo de seis (6) unidades dentro del territorio del Municipio Autónomo de San Juan; de forma que este alineado con lo ya establecido en el Reglamento de Hospederías Núm. 8856 de la CTPR.
6. Enmendar el Artículo 8.1 las letras (a) y (b) enmendar estos artículos para que el pago de licencia sea de \$250.00 por cada unidad autorizada. Esto podría producir al Municipio hasta \$650,000 anualmente, los cuales podría utilizar para mantener la operación de registro y supervisión. Además, recomendamos modificar el cargo de 3% del ingreso bruto mensual y establecer un pago de patente por ventas sea equivalente al canon (%) actual utilizado para las ventas de todo negocio en el Municipio Autónomo de San Juan.

Otras alternativa, es subir la cuota de registro por unidad a \$400 por año, lo que produciría cerca de \$1,000,000 anuales y permitiría establecer el sistema de administración del programa. Esta cuota de registro es cónsana con lo establecido en otras ciudades.

7. Verificar el Artículo 8.2 para asegurar que el Municipio Autónomo de San Juan puede capturar TODOS los ingresos que debe recibir y necesita para implantar exitosamente esta medida, dado que hay por lo menos 5 modelos de negocios diferentes operando en Puerto Rico; y hasta hoy, solo 2-3 plataformas dentro de uno de los modelos de negocios, tienen acuerdos de retención y pago de impuestos con la CTPR.

Asociacion de Dueños de Paradores y Turismo de Puerto Rico

Adjuntas, Puerto Rico

Memorial Explicativo Sobre Proyecto de Ordenanza Núm. 24 Serie 2018-2019

8. Revisar el Artículo 9.2 para incluir un mecanismo adecuado para asegurar que el Municipio recibe todos los ingresos que debe recibir y necesita, dado que actualmente, muy pocas plataformas digitales operando en Puerto Rico, colectan estos impuestos.
9. Añadir un Artículo entre los Artículos 9.2 y 9.3 para reglamentar a las plataformas de mercadeo y promoción. Entre los requisitos se debe incluir lo siguiente:
 - a. La responsabilidad de las plataformas de informar periódicamente a los anfitriones que participan en la misma sobre los requisitos de esta Ordenanza.
 - b. Requerir que solo unidades propiamente registradas en la CTPR y en el Municipio sean anunciadas en la plataforma' y que cada anuncio lleve el Núm. de Hostelero, y el Núm. de Licencia Municipal, o ambos.
 - c. Establecer las multas y sanciones severas para las plataformas que elijan violentar los requisitos de esta Ordenanza.
10. Enmendar el Artículo 10.2 – Incumplimiento con este reglamento - Subir las penalidades a \$1,000 por la primara violación, \$5,000 por la segunda violación y \$10,000 por la tercera violación o incumplimiento.
11. Enmendar Artículo 13 – Efectividad – para que el término máximo de transición sea de tres (3) meses, o 90 días calendario. La publicidad que ha levantado la discusión de esta ordenanza ha provisto bastante educación a los anfitriones y a las plataformas, y mucho de lo pide esta Ordenanza ya ha sido aceptado e implantado por estas plataformas en otras jurisdicciones.
12. Añadir un Artículo para establecer un máximo de noches anuales de renta. Recomendamos que el máximo permitido sea cercano a 180 noches anuales. Esta recomendación es mucho más amplia que lo permitido en otras jurisdicciones de EEUU.

Con estas enmiendas, se mejoraría significativamente la ordenanza del Municipio Autónomo de San Juan para reglamentar los alojamientos alternativos de renta a corto plazo; se acercaría a las políticas públicas reglamentarias ya establecidas sobre los STR a nivel mundial; y se proveería un ecosistema empresarial balanceado para cientos de empresas locales y los miles de empleos directos, indirectos e inducidos que crean las hospederías legales.

En resumen, nos reiteramos en que la Asociación de Dueños de Paradores y Turismo de PR, apoya las nuevas tendencias y tecnologías de la economía compartida, y reconoce:

- i. los ingresos adicionales que puede representar para la clase media y pobre de Puerto Rico, que elige rentar a corto plazo parte de su residencia principal o algunas otras propiedades adicionales que posea; y
- ii. la gran oportunidad de convertirse en un canal adicional de mercadeo y distribución para las hospederías pequeñas legales.

Sin embargo, como hemos podido demostrar y estamos seguros que el Municipio ya conoce, en Puerto Rico es un grupo muy pequeño de anfitriones oportunistas los que se están beneficiando de estos cambios tecnológicos, y las lagunas reglamentarias que tenemos.

Por todo lo antes expresado, la Asociación de Dueños de Paradores y Turismo de PR apoya la creación de reglamentación adecuada de TODOS los alojamientos de renta a corto plazo, que permita el crecimiento de la economía compartida, mientras se atienden las preocupaciones genuinas de los residentes de San Juan, se controla la posible gentrificación, se implantan

Asociacion de Dueños de Paradores y Turismo de Puerto Rico

Adjuntas, Puerto Rico

Memorial Explicativo Sobre Proyecto de Ordenanza Núm. 24 Serie 2018-2019

estándares mínimos de calidad y seguridad y se provee un ecosistema empresarial balanceado y competitivo que impulse la innovación y la asegure la contribución equitativa de TODOS los participantes en el mercado de alojamientos a corto plazo.

Creemos que el Proyecto de Ordenanza Núm. 24, una vez enmendado, va a atender estas necesidades.

Hemos estudiado estas tendencias y tecnologías innovadoras por varios años, y nos consideran conocedores en este tema, por lo que nos ponemos a la disposición de esta Asamblea Municipal para apoyarlos en fortalecer el Proyecto de Ordenanza Núm. 24, para el beneficio de los residentes de San Juan y de todo Puerto Rico.

Cordialmente,



Tomás Ramírez, MS. RPh.
Vicepresidente
Asociación de Dueños de Paradores y Turismo de PR

Copia:

Jesus "Jun" Ramos – Presidente ADPTPR

Asociacion de Dueños de Paradores y Turismo de Puerto Rico
ALGUNOS REQUISITOS Y CARGOS REGULARES DE HOTELES, BB, Y PARADORES
Costo incremental de \$20K a 100K anual a hospederías pequeñas

Requisito, Pago o Permiso	Hoteles, BB Paradores	Alojamiento Alternativo
Permiso de Uso de Hospedería	SI	NO
Patente Municipal – Anual	SI	NO
Registro de Comerciante	SI	NO
Endoso de CTPR	SI	NO
Registro con Division de Room Tax – CTPR	SI	SI – No enforzado Solo <20% actual
Pago de CRIM Mueble e Inmuebles Comercial – Anual	SI	NO
Pago de Agua Comercial – CCAR + 50%	SI	NO
Inspección de Salud – Hotel – Anual - \$100	SI	NO
Inspección de Salud – Rest. – Anual - \$100	SI	NO
Inspección de Salud – Piscina – Semestral \$100/visita	SI	NO
Prueba de Agua de Piscina Salud – Semestral \$200	SI	NO
Inspección de Bomberos Anual - \$20/hab.	SI	NO
Certificado de Salud de Todos los Empleados \$40/ee	SI	NO
Certificación en el Manejo de Comidas \$100/ee	SI	NO
Manual de Emergencias y Desalojo + Simulacro	SI	NO
Facilidades Cumplen con Requisitos Ley ADA	SI	NO
Estacionamientos Identificados para Impedidos	SI	NO
Estacionamiento Identificado para Autos Híbridos	SI	NO
Inspección Semestral – Calidad Turística – CTPR	SI	NO
Evidencia de Capacitación Continua de Empleados	SI	NO
Seguro Responsabilidad Pública - >\$1M - \$5-6K/Y	SI	NO
Inspección Anual de Extintores de Fuego -\$10/Ext.	SI	NO
Recogido de Basura – Pago Comercial + Tangón	SI	NO
Exterminador de Plagas Certificado Mensual – \$400-700	SI	NO
Cargos adicionales por empleado >25% FUTA, SUTA, S/S, FONDO, Etc.	SI	NO
Inspecciones periódicas de Rentas Internas, DTRH, JCA, ADA y muchos otros.	SI	NO
Sistema de Seguridad Electrónico, Cámaras y Guardias	SI	NO
Cuenta de Banco Comercial y Costo de Transacciones	SI	NO
Auditorias Periódicas por Canon de Arrendamiento (Room Tax) por CTPR	SI	NO
Someter Reportes Estadísticos a CTPR – Mensual	SI	NO
Plan de Reciclaje y Reportes a ADS	SI	NO
Cargos por OTA's – Expedia, Booking, etc.	15-25%	≤15%
Impuesto de Habitación - Room Tax	7 -11%	7%

REQUIREMENTS FOR SHORT TERM RENTALS – BENCHMARKING

A. Austin, Texas

- Required to obtain an operating license from the city – Fee \$550 + \$300 annually.
- Required to pay occupancy tax of 6%.
- Required to comply with all building and HOA by-laws.
- Annual registration application fee of \$300
- Proof of Property Ownership and Liability Insurance
- All 3rd Party Agents must have Notarized authorization from Owners allowing them to manage the property.

B. Nashville, Tennessee

- Short-term rentals allowed in residential areas but only as an accessory. (Meaning, it has to be primary residence, not a different property).
- Required to register and obtain permit from city to operate. \$50 fee. Renewal annually.
- Proof of property ownership, and Insurance
- Notification to adjacent neighbors.
- Required to pay a 7% sales tax, a 2.5% Local Sale Tax, plus the 5% room tax – total of 14.5%.
- Required to comply with all building and HOA by-laws.

C. San Diego, California

- Required to obtain from San Diego City Attorney opinion from Land Development Code in order to get permit for short-term rental operation.
- Must comply with all building code standards, including minimum construction, design, health and safety standards.
- Required to obtain business tax certificate.
- Required to pay transient occupancy tax of 10.5%.
- Operators of non-owned units required to pay a rental unit tax of between (\$50-\$150 per unit) – (Example: Operate 50 rooms times \$50 = \$2500).
- Required to comply with all building and HOA by-laws.

D. Orlando, Florida

- Required to obtain opinion from Land Development Code in order to get permit for short-term rental operation.
- Must comply with all building code standards, including minimum construction, design, health and safety standards.
- Required to obtain business tax certificate; \$275 Y1, \$125 annually.
- Required to pay: 1. Transient Rental tax of 6%, Florida Sales Tax of 1-1.5%, Tourist Development Tax of 2-5%. – **Total Tax 9-10.5%**
- Required to pay additional county tax of 6%.

REQUIREMENTS FOR SHORT TERM RENTALS – BENCHMARKING

E. Kissimmee, Florida

- Required to obtain opinion from Land Development Code in order to get permit for short-term rental operation.
- Must comply with all building code standards, including minimum construction, design, health and safety standards.
- Required to obtain business tax certificate. Fees - \$150 per year for a single vacation rental, plus a \$10 Hospitality Education Program (HEP) annual fee, and a \$50 one-time application fee. And, a \$10 per unit annual fee for each additional vacation rental unit you license.
- Required to pay: 1. Transient Rental tax of 6%, Florida Sales Tax of 1-1.5%, Tourist Development Tax of 2-5%.
- Required to pay additional county tax of 5%

F. Las Vegas, Nevada

- Required to obtain opinion from Land Development Code in order to get permit for short-term rental operation.
- Must comply with all building code standards, including minimum construction, design, health and safety standards.
- Required to obtain business tax certificate.
- Required to pay: 12.5-13.5% transient lodging tax depending on distance from Las Vegas Convention Center

G. Phoenix, Arizona

- Required to obtain opinion from Zoning Department
- Must comply with all building code standards, including minimum construction, design, health and safety standards.
- Required to obtain business license.
- Required to pay: 12.5-13.5% transient lodging tax depending on distance from Las Vegas Convention Center.
- Required to pay: 1. Transaction tax of 5.5%, 2. County excise tax of 5%, and 3. Transient tourist tax of 5% = 15.5%.

H. Palm Springs, California

- Required to obtain operating license.
- All properties are given ID Number that must be listed physically in property and on any promotion.
- Required to pay transient tax of 13%.

I. Toronto, Canada

- Required to obtain a license
- STR operators & hosts must register with the City for \$50 fee
- Pay a Municipal Accommodation Tax (MAT) of 4%

REQUIREMENTS FOR SHORT TERM RENTALS – BENCHMARKING

- STR companies and platforms must be licensed and pay a one-time license fee of \$5000 and a fee of \$1 for each night booked through the company.

J. Chicago, Illinois

- Clear definition of a STR and 3 Categories
 - Shared Housing Host – Operator / Shared Housing Unit
 - Vacation Rental
 - Bed & Breakfast - <11 rooms
- Must register and be approved by the City
- Intermediary collects and submit transient tax to city
- A “Shared Housing Unit Operator” is an owner or operator of more than one Shared Housing Unit. A Shared Housing Unit Operator must obtain a license from the City.
- **A Short Term Residential Rental Intermediary (Realtors)** - must electronically register its shared housing hosts with the City and must remove no registered/approved hosts; and must apply and collect hotel accommodation tax and submit it to the City as part of each rental transaction facilitated through the platform.
- **In PR, we have many super-hosts with 20,30, 50, 100 and 300 units.**
- STR intermediaries and Platforms shall only lists registered and approved STR's.
- Occupancy Tax 6%; including for cleaning fees.

K. Los Angeles, Ca.

- Room Tax 14% applicable to all units/properties.
- Owners are responsible for registering, collecting, and remitting the Transient Occupancy Tax.
- Allows for use of primary residence ONLY as STR for a maximum of 120 days/Y. Provides a process for extended renting for a maximum of 240 days/Y.
- Signed affidavit committing to abide by all STR requirements & regulations.
- A Transient Occupancy Tax Registration Certificate is required within 30 days of commencing business. Examples of lodging businesses subject to the TOT include:
 - i. Hotel/Motel.
 - ii. Vacation/Short-term Rentals of any kind (i.e. houses, condos, rooms, or spaces) rented directly by the owner/operator, by property management companies, or via internet travel services
 - iii. Recreational Vehicle (RV) Parks and Campgrounds
 - iv. Secondary operators (managing agent, booking agent, online sellers, agents, etc.)
- Only 1 booking per unit.
- A per-night fee on home-sharing activity to offset the cost of enforcement and compliance.

L. Miami, Fl.

- Approving new restrictions and fines to curb illegal rentals, which diminish the quality of life in residential neighborhoods.

REQUIREMENTS FOR SHORT TERM RENTALS – BENCHMARKING

- New rules require platforms that advertise STR's to post listings only if they include business license and resort tax registration numbers.
- Must have information proving that the property owner has registered with the city.
- Platforms will be fined \$1,000 for a first offense and up to \$5,000 for repeated violations.
- Platforms that agree to use a technology known as “geofencing” or “geocoding” to block property owners from listing properties located within a prohibited area are exempt from the new rules.
- In order to qualify for the exemption, platforms have to submit a monthly certificate to the city verifying that the geofencing or geocoding is active and effective.
- The city already imposes stiff fines for illegal short-term rentals that start at \$20,000 for the first violation.

A. WHAT THESE PLATFORMS CAN DO FOR PUERTO RICO?

- Agree to follow the current rules as they follow these rules in many other cities and counties.
- Only list duly registered and approved units and hosts. Remove illegal properties out of their listings.
- Monthly basis provide to PRTC: 1) address of all sites facilitated or advertised by the Platform; 2) total number of nights that the unit was booked; and 3) amounts paid for each stay
- Monthly - Provide data of guests and visitors to PRTC and DMO, similar as hotels currently do.
- Collect Room Tax including cleaning fees, when agreed.
- Provide a listing of all hosts and units advertised.
- Collect data from people who list their units for under 90 days, so PRTC can use the information when determining who can register.
- Identify, control and limit the number of super-hosts or "commercial de facto year-round hotels,".
- Identify super-hosts and earnings thus Hacienda reconcile Tax Returns and follow the money.
- Reduce the issues of elusive landlords and properties that are not adequate for renting.
- Use geofencing to ensure units are in approved locations and with the proper permits.

In San Francisco hosts must provide personal information such as proof of residency in the unit, a driver's license, photo identification and basic listing information for the property. Hosts must also pay fees for a business registration certificate and a short-term residential rental certificate.

Miami Beach has developed tough tactics: \$20,000 fines, late-night enforcement visits, and even an [online tool](#) to help property owners screen potential tenants for violations of the city's short-term rental laws. Now, Miami Beach wants to criminalize operating as a business — such as a short-term

REQUIREMENTS FOR SHORT TERM RENTALS – BENCHMARKING

rental — for more than two days without a license. The city is also restricting how short-term rentals are advertised on platforms like Airbnb and HomeAway.

New York City Sued Airbnb Operators For Allegedly Posing As Fake Hosts

A \$20.7 million lawsuit implicates a ring of real estate agents and companies posting multiple listings on sites like Airbnb, HomeAway and VRBO.

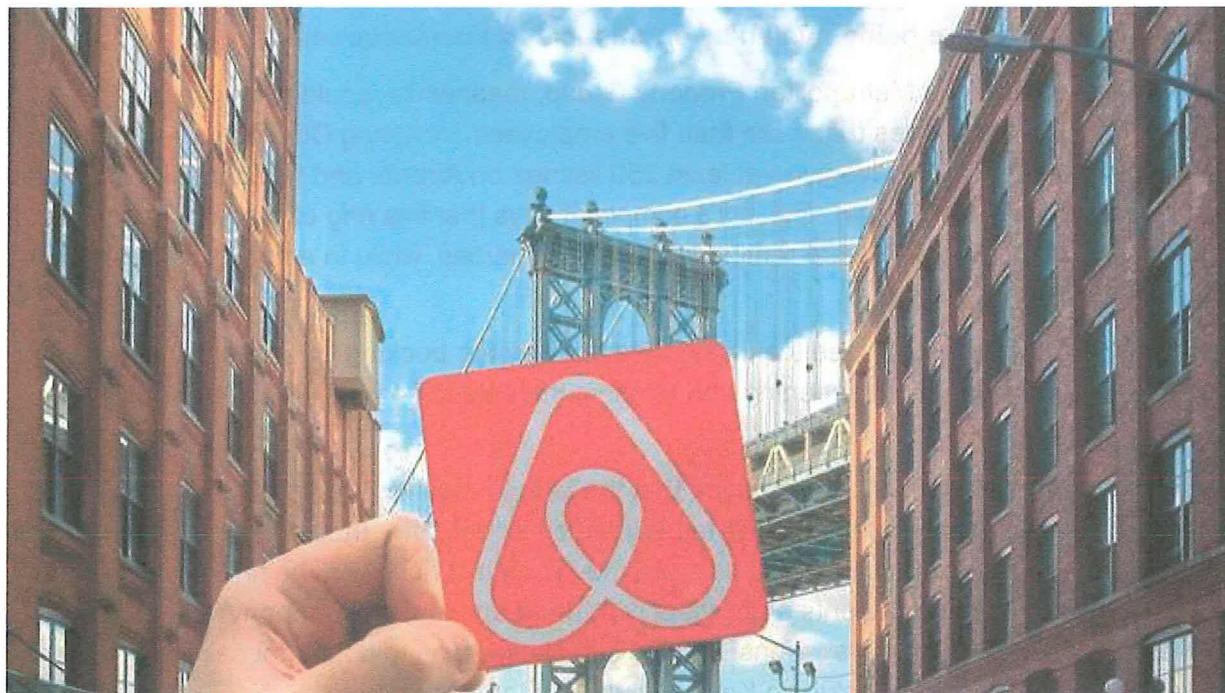


Image: Shutterstock

Most major cities in the US and beyond have grappled in some way with Airbnb's impact on the housing market—especially as we learn more about how short term rentals can stress the housing market and heavily burden communities of color. But the friction between New York City and Airbnb has been particularly fraught, and is getting worse.

In the past week, the city's Office of Special Enforcement (OSE), which operates under the mayor, announced two nuisance abatement lawsuits against networks of property owners who it says aren't abiding by city rules, leaving guests in the dark about whom they are renting from.

New York restricts landlords from renting out units for less than 30 days unless the host is also present, a policy meant to protect long-term tenants and housing market prices by keeping more housing options available to actual city residents. Airbnb also has a "One Host, One Home" policy that says each homeowner can only have one listing on the site.

The city sued the Torkian Group, owned by brothers Behrooz and Hersel Torkian, for \$1.18 million lawsuit last Wednesday, and identified at least 17 apartment listings now fully used as short-term rentals through Airbnb and Homeaway. Today the city announced another lawsuit for \$20.7 million, alleging that a larger network of five or more property owners under the Metropolitan Property Group, a real estate firm, were illegally renting out 130 apartments through Airbnb, according to information sent to Motherboard by the OSE.

"Over and over again, well-meaning visitors are being misled by sophisticated businesspeople into booking illegal rentals," said Christian Klossner, executive director of the OSE, in an emailed comment.

The lawsuit against the Torkian brothers is rife with alleged fraud and manipulation. According to the OSE, the Torkians allegedly supplied Airbnb guests with fake leases to show authorities who might be checking in on their stay. And there's also evidence that the operators used fake names to [pose as hosts](#) on rental sites like VRBO. (The Torkian Group did not respond to multiple requests for comment.) The OSE got this data by subpoenaing Airbnb, TripAdvisor, and HomeAway.

"Well-meaning visitors are being misled by sophisticated businesspeople"

The city's lawsuit against the Metropolitan Property Group, meanwhile, could prove more complicated. The lawsuit alleges that more than five employees, including CEO Sami Katri, posed as hosts using fake identities, advertised at least 250 listings on Airbnb, and failed to tell thousands of guests that their rentals were illegal. The city's complaint says that this ring of property operators duped guests into believing they were renting individual properties, while in actuality orchestrating multiple sites through their agents.

"The simple truth is when we can see the listing data the way the booking websites see it, we can easily see there's illegal activity happening and connect the dots to find out who is behind it," Klossner said.

But a lawyer representing Metropolitan told me that the lawsuit involves misleading data and formerly employed real estate agents who listed homes on Airbnb after they left the company. "The city should have done their due diligence," said attorney Douglas Tick, who the firm hired on retainer. "They wrongly named agents and probably harmed an innocent company." He said the company was blindsided by the allegations. (An OSE spokesperson told me that several of the agents mentioned in the report, including Katri, still work at the company.)

Airbnb, meanwhile, maintains that these lawsuits are focused on the bad apples, and that most of the hosts continue to use the site to make ends meet on their personal property, or occasionally share their home with guests, according to a spokesperson for the company. The company has also worked with Brooklyn-based assemblyman Joseph Lentol to try and craft [a bill](#) that it says would help make their "One Host, One Home" policy a citywide regulation that could be enforced by the government.

"There's a lot of hosts using Airbnb to make ends meet and we need legislation to protect them," Liz DeBold Fusco, Airbnb's northeast press secretary, told me on the phone. "We haven't seen the city work with us on this."

But an understanding with the city may not be on the horizon any time soon, especially when it comes to the topic of sharing data. While Airbnb was required to hand over specific host and rental data in the recent OSE subpoenas, the company also fought back by [suing the city](#) when the New York City Council passed a law last summer that required the company to share its data. Airbnb has also said that the OSE is heavily influenced by the hotel industry, which has a vested interest in curbing the Airbnb market. An OSE spokesperson denied this claim.

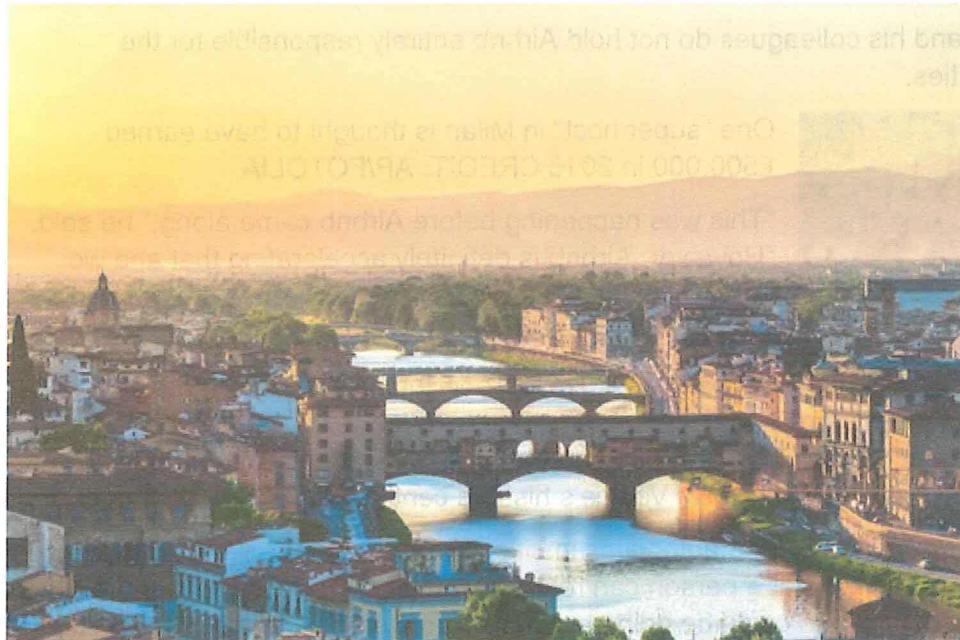
So what should New York residents and Airbnb take away from these power plays? Murray Cox, who [runs](#) the independent investigative site Inside Airbnb told me that both the city and Airbnb's attempts to curb bad actors fall short of the real problem. "Airbnb is very good at manipulating the narrative," he said. "Airbnb will hand off the responsibility by saying 'we need to be properly

regulated.” He said there are currently 13,000 homes being rented out via Airbnb full time in New York City, and only about 7,000 hosts have only one listing, [according to](#) publicly available data.

But the city’s attempt at litigating corrupt property owners, he said, will only work on a small scale. When it comes to the neighborhoods of color suffering from the impact of short term rentals, he said, “It’s not going to impact that at all.”

A real solution could lie in looking at other examples of how other cities have regulated Airbnb. Both Fusco and Cox told me that San Francisco’s rules—which require hosts to undergo a stricter registration process—has helped balance the city’s housing market while allowing the company to remain profitable in the city. After it implemented its new regulations in San Francisco last year, Airbnb [lost](#) several thousands of hosts.

Airbnb boom is ‘emptying’ historic Italian cities



Nearly 20 per cent of Florence's housing stock is listed on Airbnb

13 JUNE 2017 • 12:56PM

Italian cities are the latest subjects of concern that Airbnb is pushing permanent residents out of historic city centres and aiding a trend in 'Disneyfication' in places such as Florence, according to a new report from the University of Siena.

The authors behind the report claim that up to one in five properties in the historic centre of Florence is being rented out through Airbnb, turning the feted city into a "theme park for tourists".

"Almost 20 per cent of the entire housing stock in the historic centre of Florence is listed on Airbnb, which is a lot," said Stefano Picascia, one of the authors behind the report. "Every single flat on a short-term let is one flat less in the regular long-term market."



Italian cities, including Rome (pictured), are becoming "theme parks" CREDIT: AP/FOTOLIA

Picascia and his colleagues claim locals are increasingly being pushed out by tourism, which is affecting the character of Italy's cities.

"The centre of Florence is now 'Disneyfied,'" Picascia told Telegraph Travel. "It's basically a theme park for tourists."

The problem is even more acute in the historic city of Matera, the report claims, where more than 25 per cent of the local housing stock is available to rent on Airbnb.

The accommodation site was supposed to be a pioneer of the sharing economy – an opportunity to distribute tourism revenue across cities – but Picascia claims a handful of landlords are now monopolising the Airbnb.

One so-called “super host” in Milan is reported to have taken around €500,000 (£440,000) in rent last year.

"What we found was great inequality in the distribution of revenue," said Picascia. "Every city has a few super hosts that sometimes own hundreds of properties."

The Airbnb boom, warns Picascia, is also having an impact on the price of everyday items such as groceries, as city centre retailers focus on cashing in on tourism rather than catering for locals.

"This has definitely had an impact on the character of Florence," he said.

Yet surprisingly, Picascia and his colleagues do not hold Airbnb entirely responsible for the 'Disneyfication' of Italy's cities.



One "super host" in Milan is thought to have earned €500,000 in 2016 CREDIT: AP/FOTOLIA

"This was happening before Airbnb came along," he said. "However, Airbnb is definitely accelerating that and we believe it is depriving the market of properties that could be used by permanent residents."

As [Telegraph Travel reported yesterday](#), Venice's

population was plummeting well before Airbnb entered the fray, due to the number of residential properties being converted into hotels. The local authorities became so worried about the problem that they banned new hotels from opening up in Venice's historic centre.

Picascia praised Airbnb for working with the authorities in cities like Amsterdam, where there is a limit on the number of days per year that a person can rent their property through the site.

However, he claims other destinations could be doing more to not only reduce the impact of Airbnb on city centres, but use the platform to boost local economies in less popular parts of the city.

This, Picascia suggests, could be done by imposing taxes on city centre listings but not on more suburban dwellings.

"If local authorities could somehow encourage people who live outside the historic centre to list their properties on Airbnb," he said, "this could have a positive effect on local economies."

Local governments could also consider offering incentives to encourage tourists to stay in the countryside, where there is less impact on the environment and local communities. This could include tax breaks for Airbnb hosts who list properties in rural areas, or providing grants for renovations to old buildings that could be converted into vacation rentals. Another option could be to offer tax relief for Airbnb hosts who list properties in areas that are experiencing a decline in tourism, such as smaller towns or coastal regions. Local governments could also work with Airbnb to develop guidelines for hosts to follow, such as minimum stays or restrictions on the number of guests allowed per unit. This would help ensure that Airbnb listings do not negatively impact local businesses or residents. Local governments could also consider partnering with Airbnb to promote tourism in their area, such as through targeted advertising or promotional offers for Airbnb hosts. This could help increase the visibility of local attractions and encourage more tourists to visit the area. Overall, the key is to find a balance between accommodating tourists while also protecting the local community and environment. Local governments play a crucial role in ensuring that Airbnb listings are used responsibly and do not negatively impact the area.

Greeks Begin To See The Ugly Side Of Airbnb



Panos Moudoukoutas

Contributor



Greeks are beginning to see the ugly side of the online marketplace and hospitality service site Airbnb.

That's according to a piece published recently in [euronews](#). "Rents are skyrocketing, local residents are "expelled," and neighborhoods are deserted" says the article.

"Airbnb changed the game in the Greek real estate market," says attorney Kyriaki Perrou. "It boosted demand for rental property, and helped stabilize the market."

Sakis Dionysopoulos, President of Dion, a diverse holding company, agrees. "Airbnb turned things around for the property sector," he says. "It prompted a wave of building upgrades, created jobs for the construction sector, and generated income for property owners."

That's something Greece very much needed. The Greek Home Price Index dropped from 100 in 2009 to 58.9 in 2017, following the decline in the overall economy, which depressed incomes and rents. A popular asset turned into a liability even in the hottest property areas of the country. Home ownership dropped from 76% before the crisis broke off in 2010 to 72% recently.

That's why, in the beginning, the presence of Airbnb in the Greek market was a good thing. At the end of 2018, home prices had recovered, with the Greek Home Price Index rising above 60.

It still is a good thing, if you are still a home owner or a landlord. But it's a bad thing if you sold your home and turned into a tenant property. "Airbnb has made it difficult for local people to find and afford a place to rent," adds Perrou.

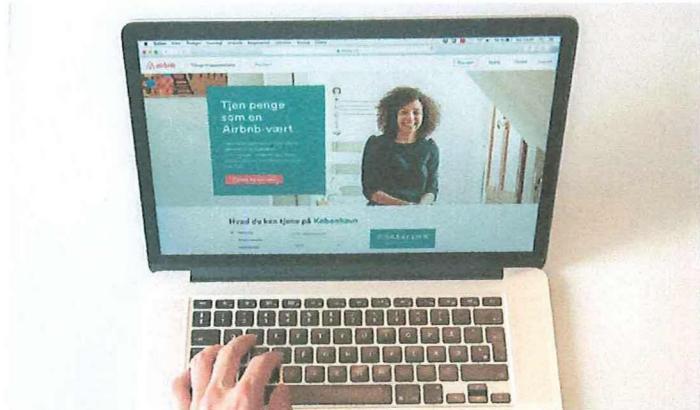
Theophanis Matsopoulos, Athens Chamber of Commerce and Industry Counsellor, agrees. "There's a big shortage for long-term rentals, which pushes rents sky high" he says.

That's the case even in areas that aren't near city landmarks. Like Patisia, a low income area, where rents are up 25% over the last year.

In world first, AirBnB to report income directly to Danish authorities

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18 May 2018



Airbnb will build a solution into its online platform to directly report income to Skat. Photo: Ólafur Steinar Gestsson/Ritzau Scanpix

Danish tax officials and the international home rental site Airbnb have announced an agreement that will ensure that short-term rental income in Denmark will be automatically reported to the authorities.

According to the Tax Ministry, Denmark is “undoubtedly” the first country to get Airbnb to agree to such an arrangement.

The agreement came just days after parliament agreed to set a cap on how many days Danish homeowners can rent out their homes through the service, as well as how much money can be earned tax-free through Airbnb before it has to be reported to Skat, the national tax authority.

Tax Minister Karsten Lauritzen said the agreement is essential to ensure that Airbnb ‘hosts’ pay the right amount of tax.

“I’m not always a happy tax minister, but I am today,” he said on Thursday. “This is how we will get the sharing economy to grow while also ensuring that taxes are paid.”

Lauritzen announced the arrangement alongside Airbnb’s Patrick Robinson, the company’s director of public policy in Europe, the Middle East and Africa. Robinson said that Denmark was a good place for Airbnb to start the automatic reporting.

“Denmark is a good place to try this. Denmark has a strong welfare society and the Danes are open to new things,” Robinson said.

As part of the political agreement that proceeded the Airbnb deal, Airbnb hosts were given increased tax-free allowances on their rental income. For permanent residences, the amount homeowners can earn before paying tax will be increased from 24,000 to 28,000 kroner. For those renting out summer homes, the tax-free allowance will be raised to 40,000 kroner from the previous 21,900 kroner. When the rental income exceeds those amounts, it will be taxed by Skat.

The amount of days that one can rent out their home will be capped at 70 per year.

Airbnb is expected to build a digital solution that can be integrated into its online platform. All rental income in Denmark will then be sent digitally to Skat to ensure the proper taxes are paid.

NOTE: This article was updated on May 18 at 9.10pm to clarify the different levels of tax-free allowance

Criminals are reportedly using Airbnb to launder money

By Yoni Heisler, BGR

November 27, 2017 | 7:25pm



Russian criminals and cyber thieves are increasingly utilizing Airbnb listings as a clever way to launder money, according to a fascinating [new report from The Daily Beast](#). Laundering money is of course nothing new, but Airbnb provides criminals with a seemingly straightforward way to turn dirty money into seemingly clean money.

The way the scheme works is pretty simple. Criminals work in cahoots with Airbnb hosts who are often found via online forms. A booking is made with an Airbnb listing

and an accompanying payment is sent over, even though no one actually ends up staying at the presumably rented out property. From there, a percentage of the payment is sent back to the criminal. Another twist on the scheme is that some criminals will set up their own Airbnb accounts or even purchase hacked accounts online. And in an effort to add even more legitimacy to what are in reality hollow transactions, fake reviews for visits that never happened are often left for the Airbnb host.

The report reads in part:

The money is 50/50," one apparent scammer wrote on a Russian crime forum in August. "You receive the money within two days after the booking date," it continues, and adds that there are "story-telling hosts" ready, likely referring to hosts who are in on the laundering.

In a statement on the matter, an Airbnb spokesperson said that the site employs a number of security measures to prevent such behavior from taking place.

"We have a real-time detection system that scores each and every Airbnb reservation ahead of time for risk," Airbnb said. "Using machine learning and predictive analytics, models instantly evaluate hundreds of signals to flag and then stop any suspicious activity."

"When we are made aware of suspicious credit-card activity, we employ micro authorization friction and 3D-Secure to verify if a credit card is being used by its owner and assess the level of risk associated with a transaction," the statement further notes.

Manafort Money Laundering Scheme Highlights Airbnb's Lack of Transparency

The news of the federal indictment of Paul Manafort, who was charged with money laundering through his illegal short-term rental property listed on Airbnb in New York City, which has come to light in large part to this report by [Bloomberg](#), shines a flood light on the lack of transparency and the flouting of the law at Airbnb. Paul Manafort purchased the property in question telling lenders that it would be a primary resident for his daughter, Jessica, who at the same time signed leases for four apartments on Broome Street.

In New York City, it is illegal to rent an apartment for less than 30 days when the primary resident is not present, and yet Jessica Manafort was apparently listing multiple properties on Airbnb and pocketing \$30k a month. Unfortunately, this is not an isolated occurrence for the platform.

Airbnb allows hedge funds and shady investors to run illegal hotels in cities across the country. Manafort's indictment blows holes in Airbnb's claims of being a 'mom and pop' home sharing site — it is a multi-billion-dollar corporation profiting from the illegal use of its platform by commercial interests.

More than 30% of Airbnb's profit is generated by commercial hosts who are buying up residential units and converting them into illegal short-term rentals. According to the [Wall Street Journal](#), this trend is causing rents to soar and depleting affordable housing stock in cities across the country.

Airbnb's lack of transparency and its empowerment of law-breakers harm communities in New York and beyond. Legislators must pass stronger short-term rental regulations now.

Dear [Decision Maker],

I am writing to you to express my concern about the recent indictment of Jessica Manafort, a commercial host on Airbnb, for violating New York City's short-term rental laws. This case highlights the urgent need for strong regulations to protect our communities from the negative impacts of illegal short-term rentals.

As a resident of [City/Town], I have witnessed firsthand the detrimental effects of illegal short-term rentals on our neighborhood. Commercial hosts like Manafort are often wealthy individuals who purchase entire buildings or entire floors of buildings to convert them into illegal hotels, displacing long-term residents and driving up rents for everyone else. This has led to a loss of community cohesion and a decline in property values, as well as significant safety concerns for residents.

The recent indictment of Manafort is a reminder that Airbnb and other platforms are not doing enough to prevent these illegal practices. As a company that claims to be "the world's largest community-driven marketplace," Airbnb has a responsibility to ensure that its platform is used ethically and responsibly. It is unacceptable for a platform to profit from the exploitation of our communities.

I urge you to take immediate action to address this issue. Please consider the following steps:

1. Strengthen Short-Term Rental Regulations: Enact laws that require commercial hosts to obtain permits and pay taxes, and limit the number of days they can rent their properties for.
2. Increase Enforcement: Increase the resources available to enforcement agencies to investigate and prosecute illegal short-term rental activity.
3. Promote Transparency: Encourage Airbnb and other platforms to provide more transparency about the types of hosts using their platforms, and to work with local governments to develop better tools for tracking and regulating short-term rentals.
4. Educate the Public: Work with local organizations to educate residents about the impact of illegal short-term rentals and how they can report suspicious activity.

Thank you for your attention to this important issue. I look forward to seeing the changes that will protect our communities for generations to come.

Miami Beach Considers Charging Unlicensed Airbnb Hosts With Misdemeanors **UPDATED**

JERRY IANNELLI | SEPTEMBER 11, 2018 | 4:08PM

Update: Gelber's office has now revised its proposal and slightly backed off plans to criminalize Airbnb hosts. The mayor now proposes issuing \$1,000 and \$3,000 fines before filing criminal charges as a third strike. But charges could still rack up quickly, as the city would consider each day operating without a license as a separate, "new" offense.

There are perfectly legitimate worries that Airbnb gentrifies neighborhoods and makes cities even less affordable than they already are. But so far, cities have had a hard time figuring out exactly how to handle the service, which lets homeowners rent their properties for days at a time. New York Mayor Bill de Blasio is locked in a fierce fight with the company over his city's plan to crack down on Airbnb.

For better or worse, Miami Beach has been mounting its own attack on Airbnb rentals for years. Tomorrow the city will consider a dramatic new proposal from Mayor Dan Gelber: potentially criminalizing some illegal rentals.

As it stands, it's illegal to rent residentially zoned properties in most of Miami Beach for less than six months and one day. To legally rent out such properties, owners must obtain a business tax license from the city and pay annual fees.

Gelber will present two new proposals to the commission tomorrow that seem designed to crack down on the rental service: One proposal would force companies such as Airbnb to remind users they need those business tax licenses to operate legally and require property owners using such sites to include their license numbers in any online ads. The ordinance would also make it illegal for platforms such as Airbnb and HomeAway to work with rentals that don't have the licenses.

But Gelber's second proposal is more draconian. It would ratchet up penalties for anyone caught operating a business without a license. Currently, the first penalty for operating businesses without tax licenses is a civil fine of \$1,000. Gelber wants to increase that first-time penalty to a misdemeanor crime, which could net an offender a \$500 fine or up to 60 days in jail.

Gelber's proposal notes that the stiffer penalties are needed because residents "continue to engage in or conduct business without a business tax receipt as required by the city in spite of existing civil penalties."

Though Airbnb hosts seem to be the obvious targets of the plan, it would also criminalize anyone operating any kind of business without a tax license. That could include everything from residents who sell food out of their homes to people cutting hair in their living rooms.

A spokesperson for Airbnb in Florida, Ben Breit, declined to comment on the proposal. Gelber's spokesperson, Veronica Passye, did not immediately respond to a message from *New Times*. But other news outlets have warned that a crackdown was coming. In May, CNBC published a large piece about Miami Beach's attempt to shut down illegal rentals through civil fines. The following month, CNBC reported Gelber was debating a package of new Airbnb regulations.

"Airbnb's business model is not compatible with the kind of recognition that short-term rentals are not broadly in the public interest in cities," Gelber told CNBC earlier this year. "So they're either going to fight or they're going to change."

Civic activists and politicians continue to hotly debate whether services such as Airbnb are detrimental to urban areas. In May, McGill University urban planning professor David Wachsmuth released a study suggesting Airbnb has had a "dramatic," and negative, impact on the New York City housing market. Wachsmuth found that after listings for short-term rentals flooded New York, the local affordable-housing supply dropped and neighborhoods gentrified. Wachsmuth also discovered that 12 percent of New York-area rentals were owned by "commercial operators" with multiple rental units rather than families or homeowners renting out spare rooms or apartments.

Given that Miami Beach is already suffering its own affordable-housing crunch, Wachsmith's study raises alarm bells about the services' effects.

Other cities have devised their own proposals to crack down on the services. De Blasio has proposed requiring platforms including Airbnb to hand over data on every host in town, including the hosts' names and addresses. Roughly half of the 50,000 rentals in New York are illegal, according to Wachsmith's study.

At the same time, however, Airbnb has long maintained that Miami-area officials are just aiming to protect the area's powerful hotel industry at the expense of residents who want to make some extra income. There's some evidence to support that claim: In 2017, *New Times* obtained emails that showed then-Miami Mayor Tomás Regalado coordinating with hotel lobbyists to propose a ban on short-term rentals that wound up not passing. In that case, a hotel-industry lobbyist forwarded Regalado a copy of Fort Lauderdale's ban on short-term rentals, which Regalado's office then shoddily edited before submitting the ordinance in Miami. (De Blasio has also been accused of helping the hotel industry instead of residents.)

But even with major civil penalties in place, Miami Beach has struggled to rein in unauthorized Airbnb rentals. The city adopted a \$20,000 first-time fine — then the nation's costliest penalty — for illegal renters in 2016. The city has since issued millions of dollars in fines but has struggled to collect the money from property owners.

In June, Miami Beach resident Natalie Nichols sued the city over the high cost of the fines. In an August court motion, the city argued the fines were "necessary to deter residents from violating" the ban on short-term rentals. In the meantime, the Miami area remains one of Airbnb's most lucrative markets.

Jerry Iannelli is Miami *New Times'* daily-news reporter. He graduated with honors from Temple University. He then earned a master's degree in journalism from Columbia University. He moved to South Florida in 2015.