

HCS HB 2457 -- RESIDENTIAL DWELLING RENTALS

SPONSOR: Anderson

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on General Laws by a vote of 11 to 1.

This bill prohibits political subdivisions from enacting an ordinance that prohibits the use of a residential dwelling as a residential dwelling rental after August 28, 2018. The bill prohibits political subdivisions from enforcing an ordinance that prohibits residential dwelling rentals after August 28, 2019. However, the bill clarifies that if a residential dwelling is not the owner's primary residence and is occupied by a transient guest for more than 90 days per year, a political subdivision may require such owner to obtain a special use permit for the residential dwelling.

The bill describes a residential dwelling rental as a single residential dwelling or any part thereof offered for rent to transient guest and specifically states that it shall not include a time-share unit or lodging establishment.

The bill states that a political subdivision may impose reasonable regulations on residential dwellings to protect public health and safety, morals, and general welfare and to regulate the density of residential dwelling rentals in any zoning district but no regulation shall be imposed on residential dwelling rentals that is not also imposed on all residential dwellings. No commercial building code can apply to a residential dwelling and no business license can be required to in order to use a residential dwelling as a residential dwelling rental.

This bill clarifies that sales taxes, tourism taxes, and other taxes on the use of hotels and motels shall also apply to guests of residential dwelling rentals. An owner, or a facilitation platform if one is used, must collect and remit any taxes a transient guest is required to pay. Intermediaries that facilitate rentals of residential dwellings that do not meet the definition of a facilitation platform must retain records of rentals and notify transient guests that they are obligated to pay certain taxes. Some of the provisions of this bill relating to taxes and the requirements of facilitation platforms and marketing platforms will not go into effect until January 1, 2019.

This bill is similar to HB 608 (2017) and SB 1117 (2016).

PROPOSERS: Supporters say that 12 municipalities in Missouri currently ban residential dwelling rentals. Supporters believe

that residential dwelling rentals bring money into this state and create job opportunities. Supporters believe that banning residential dwelling rentals is unconstitutional.

This bill is similar to HB 608 (2017).

Testifying for the bill were Representative Anderson; Elizabeth Herder; Stephen G. Mitchell; and Expedia, Inc.

OPPONENTS: Those who oppose the bill say that homes that are used solely as rental property are in fact businesses and political subdivisions should be able to treat them as such. These types of rental properties are essentially the same as hotels or motels and a political subdivision should be able to require that they be inspected for safety. Opponents stress that communities should be able to regulate zoning without state interference. Others who oppose the bill are afraid their residential dwelling rentals will be considered businesses and could thereby be banned by homeowners' associations. Opponents think that the bill defines residential dwelling rentals to include lodging establishments. These opponents think there will be unintentional consequences to this bill that limit their ability to rent homes in the Lake of the Ozarks area.

Testifying against the bill were Pat Kelly, Municipal League of Metro St. Louis; Missouri Realtors; Tyann Marcink; Laura Martin; Missouri Hotel and Lodging Association; Missouri Municipal League; Stacy Shore; Kim Tyler; and Jeramie Worley, Missouri Vacation Home Alliance.

OTHERS: Others testifying on the bill discussed the recent residential dwelling rental ordinances passed in Kansas City.

Testifying on the bill was the City of Kansas City.