City of Alexandria, Virginia Department of Finance

Short-Term Residential Rental Registry

October 17, 2017





What is Home Sharing?

- "Home sharing" refers to the rental of houses, condos, or apartments to short-term guests.
- Has become a popular way for owners and tenants ("operators") to earn extra income.
- Typically occur through online homesharing platforms, such as Airbnb, craigslist, Expedia, FlipKey, HomeAway, TripAdvisor, and VRBO.







Why are we talking about this now?

- A new State law (<u>§ 15.2-983</u>) enacted in 2017 allows localities to adopt an ordinance to establish a local registry of short-term rental properties.
- Registration is administrative in nature.
- The law does not change any existing tax or zoning requirements, condo or lease provisions, homeowner association restrictions, or other agreements or rules.

Background



- Key taxes pertinent to Home Sharing:
 - State and Local Sales Taxes totaling 6%
 - Regional and Local Transient Lodging Taxes of 8.5% plus \$1 per room per night must be collected and remitted to the City for any rental that can lodge four or more persons at any one time
 - <u>Staff is considering a proposal to City Council to amend the ordinance by removing</u> the "four or more persons" reference. This would promote equity between short-term rentals of various sizes.
 - Business, Professional and Occupational License (BPOL)~ if gross revenue is greater than \$10,000 annually, and host rents more than four separate dwelling units (each having cooking facilities).
 - A BPOL license is only required if they meet these two conditions.





- Nationwide, many localities are working to ensure that all taxes are assessed and collected fairly.
- This starts with identifying home sharing properties. Estimates of the number of short-term rental properties in Alexandria vary widely.
- The City plans to implement a program to collect home-sharing transient occupancy taxes.