

April 23, 2024

Hello, Michigan State House Representative;

I have copied committee members and my representative Nancy DeBoer on this communication.

HB 5438 will be reviewed by the Local Government and Municipal Finance Committee Wednesday, April 24. I support the taxation of Short-Term Rental Businesses (STRBs) being considered within this legislation because they operate as commercial entities which house the public in the same way and directly compete with local Hotels and Motels.

Unlike Bed and Breakfast homes, STRB owner-operators do not live in their businesses, and most are not residents or voters of communities in which they own such businesses.

Taxation of STRBs is necessary to generate local, county, and state revenues needed for oversight and regulation. However, one clause within the proposed legislation should be re-considered and omitted:

"A local unit of government shall not enact or enforce any ordinance, rule, or regulation, including, but not limited to, a zoning ordinance, rule, or regulation, that has the effect of totally banning or prohibiting short-term rentals."

Individual townships and cities have unique circumstances that call for uniquely designed zoning ordinances. Circumstances that deserve consideration include:

1. Existing burden of State-Determined high-density seasonal short-term visitors:
 - the inclusion of one or more Michigan State Park Campgrounds or State Park Beaches within the boundaries of a small single local unit of government (LG) stresses local resources and residents April - October (5-6months) each year. These LGs should have ability to control further influxes of overnight and day visitors through zoning ordinances.
(i.e. Holland State Park Campgrounds, Beach and Lake Macatawa, offer 98 and 211 camper sites respectively; the Ottawa Beach Park has capacity for 300+ autos). Oak Grove private campground has 135 sites; all are within 1.5 miles of each other along Ottawa beach Road. Each campsite hosts more persons than typically reside in a private dwelling.
2. Proximity of larger LGs with tourism as a major industry:
 - Small LGs that are not tourism-centric are exposed to market forces that affect unwelcome expansion of STRBs. If not allowed to institute protective zoning ordinances or regulations these pressures are increased, especially when adjacent larger LGs severely restrict STRBs to preserve desirable city features.
 - (i.e. City of Holland and Holland Township restrictions effect Park Township)

3. Ability and necessity to increase resident taxes:
 - Small LG communities have limited ability to tax residents to support operations to monitor, report, address, and resolve issues that arise from the operation of STRBs.
 - The need for such additional services / monies increases with STRB expansion and can outstrip revenues available for usual LG activities like greenspace and park development, community center programs.

4. Adverse effects on school enrollment:
 - Small LGs, in which the percentage of housing units available to year-round families decreases with increases in STRBs, are faced with diminishing school enrollment. School districts are endangered by the rising tide of private residence conversion to lucrative STRBs.

5. Housing availability in LGs for persons who can only afford a single domicile:
 - STRB owners have more than one domicile.
 - Persons that stand to benefit from a law allowing STRB expansion are personally at least well-enough funded to afford a second home. If not private second-home owners, they are sufficiently well-positioned to join with others in an LLC to purchase and manage a business.
 - Many STRB owners live out of State, a trend that will be encouraged by denial of LG controls.
 - Affordable housing is in short supply for those who can only afford to lease or own a single domicile. This situation can worsen.

Although the ideas and examples used in this letter come from my experience as a resident of Park Township, surely complexities involving this issue will differ in all communities across the State. A one-size-fits-all resolution that takes away LG control of STRBs through zoning will not serve, help, or hurt all communities equally.

Please omit the HB5438 clause that addresses zoning ordinances and regulations copied above in this letter.

Sincerely,
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