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DC: Proposed Laws Challenge the Airbnb Model

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Vincent Orange, Councilmember of the D.C. Counsel has introduced two bills that would directly challenge the Airbnb business model.

The "Short Term Rental Regulation and Housing Protection Amendment Act of 2015" would establish a Special Enforcement Division with DCRA to regulate the industry, monitor compliance by the housing providers and the Hosting Platforms (such as Airbnb) for code compliance, refer violators to the fire department and other governmental offices including the Attorney General for appropriate action and to maintain a registry of individuals providing short-term rentals (which would be available to the public on a website) public information).

Short-term rental providers would need to obtain a Basic Business License with a Housing:Transient endorsement as well as a Home Occupation Permit. The legislation gets a little muddled in a further requirement of a "Home Occupation Permit for a Bed and Breakfast", but would prohibit the issuance of a permit unless the property meets code, is in compliance with the Americans with Disabilities Act as well as "any other requirements, which DCRA shall deem necessary to ensure the health and safety of visitors during short-term rentals.

A person may be issued only a single permit and that permit may only be issued for the person's permanent residence and the housing provider must reside in the property during the short-term rental.

Applicants for permits would have to notify the ANC and neighbors "abutting or directly across the street from the … short-term rental." If the applicant is not the owner of the property, notice needs to be sent to the owner.

There are significant requirements that the Hosting Platform would need to comply with and the law purports to require the Hosting Platform to retain records for ten years.

Penalties for violation (including advertising a unit without a license) can be up to $500 per each unit, forfeiture of all "illegally obtained revenue", as well as imprisonment for up to 6 months or both.

The second proposed bill, the "Short-Term Online Rental Marketplace Rental Procedures and Safety Act of 2015" establishes the licensing requirements finding that, on the one hand, short-term rentals can "provide a flexible housing stick [sic.] that allows travelers a safe accommodation while contributing to the local economy", but that "a lack of regulations can pose public safety risks", and loss of tax income to the District.

The law would limit a guest to 90 days (but not less than 24 hours), prohibit any sale of food or alcohol (unless the housing provider has permits and licenses for those purposes). The bill outlines some other requirements such as smoke detectors and that the number of adult guests cannot exceed more than twice the number of sleeping rooms plus four.

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