

May 23, 2024

The Honorable Gerald Boudreaux Chairman Louisiana Senate Democratic Caucus 900 N 3rd Street, Baton Rouge, LA

RE: Oppose HB 518

Dear Senator Boudreaux and members of the Senate::

On behalf of the Chamber of Progress – a tech industry association supporting public policies to build a more inclusive country in which all people benefit from technological leaps – I write today to urge you to **oppose HB 518**. While we support regulations of short-term rentals safeguarding hosts and guests, certain aspects of this bill jeopardize economic opportunities for hosts and local businesses.

HB 518 could result in fewer opportunities for hosts to rent out their homes and earn extra income. This bill enables municipal governments to impose de facto verification requirements for short-term rental platforms. Even as amended, the bill would still allow local governments to impose high fines on short-term rental platforms when individual users fail to comply with local regulations. To mitigate the risk of civil liability, platforms may err on the side of caution and opt to remove listings in situations where it is challenging to discern compliance with highly specific local ordinances or policies, especially given the myriad variations across Louisiana. Multiple levels of enforcement – at the local, state, and platform level – increases the chance of miscommunication and erroneous determinations leading to the over removal of legitimate and compliant listings.

Hosts renting out space in their primary homes do not have sophisticated legal or compliance departments to address any issues with their registration information. In fact, most hosts do not fall into the category of traditional property investors or conglomerates. Instead, they are individuals residing in their primary homes, seeking to diversify their income streams to meet financial needs. By making space in their residences available, hosts can augment their earnings to cope with escalating mortgage payments and inflation. Any disruption to their listings could jeopardize their financial stability.

Furthermore, the removal of listings threatens consumer choice. Not only do short-term rentals offer affordable lodging options, but also flexibility for visitors with needs that hotels alone cannot meet. Large families and workers who are on temporary assignments can opt for short term rentals with more space and kitchen access, rather than relying on hotel rooms. Families traveling with children, who would prefer not to be split into multiple units, can stay together comfortably. Reduced listings may result in fewer available and affordable options for families visiting staying in the Bayou State.

HB 518 could also hurt local economies. Guests who opt for short-term rentals contribute to local economies not only directly to hosts but also by patronizing nearby shops and restaurants. According to survey data, 92% of hosts provided recommendations for local restaurants and cafes, and guests reported that 41% of their overall trip spending occurred in the neighborhoods they stayed in.¹ Short-term rentals offer visitors the opportunity to experience more of the city and its small businesses than other lodging options, which tend to be concentrated around tourist attractions and downtown areas. If listings are removed as platforms exercise caution in response to regulations, it could result in a decline in visitors and tourism in those areas, ultimately harming local economies.

For the sake of hosts, guests, and local businesses across Louisiana, we respectfully urge you to **oppose HB 518**.

Sincerely,

Kouri Marshall

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Director of State & Local Public Policy, Central US

¹ https://news.airbnb.com/airbnb-estimated-direct-economic-impact-in-the-u-s-nears-34-billion/