May 15, 2024

The Honorable Phil Scott
Governor
109 State Street, Pavilion
Montpelier, VT 05609

RE: Veto Short-Term Rental Surcharge in H. 887

Dear Governor Scott:

On behalf of Chamber of Progress, a tech industry coalition promoting technology’s progressive future, I write to urge you to veto the short-term rental surcharge imposed in H. 887. This surcharge would threaten the economic opportunities short-term rentals create for homeowners and small businesses in the state.

**Short-term rentals offer homeowners the opportunity to supplement their income.** 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.¹ By making space in their residences available, hosts can augment their earnings to cope with escalating mortgage payments and inflation.

**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.² 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.

² [https://www.sec.gov/Archives/edgar/data/1559720/000119312520294801/d81668ds1.htm#toc](https://www.sec.gov/Archives/edgar/data/1559720/000119312520294801/d81668ds1.htm#toc)
Taxing short-term rentals at the levels allowed under this bill would make it harder for hosts to keep up with the rising cost of living. H. 887 would add an additional 3% surcharge to all short-term rentals in the state. Charges at that level risk making short-term rentals less attractive for visitors compared to other lodging options, like hotels. For small businesses outside of downtown areas, that means fewer customers. For hosts who rent out their primary residences, it means less supplemental income they depend on to stay in their homes.

The vast majority of short-term rental hosts rent out their primary residences and use the extra income to stay in their homes. Short-term rentals encourage visitors to explore more of the state and patronize small businesses outside of downtown areas. For their sake, we urge you to veto the surcharge in H. 887.

Sincerely,

Ruth Whittaker
Director of Civic Innovation Policy