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Operates Inn at the Park and DuPont Mansion Bed & Breakfast on 4<sup>th</sup> St. in Old Louisville, KY Representing Old Louisville Inn and Kentucky Bed & Breakfast Association with 100 +/- **RIILTYS:**

Short term rental properties **in Kentucky that are**

**Registered, Insured, Inspected, Licensed, Taxpaying with a Yard Sign**

Airbnb representatives say:

We are new and we bring you gifts from the Sharing Economy, e.g., Increased Tourism; Additional Tax Revenue; and Income Supplements for hard pressed homeowners in your city.

They say they will accept the saddle, bridle and bit of reasonable new regulation and taxes if we let their horse into the city of legitimate business. So they ask and want you to determine:

WHAT NEW REGULATIONS OF SHORT TERM RENTAL SHOULD THE CITY ADOPT? That is the **WRONG** question, framed by the wrong party and will lead only down a path of self-destruction.

**IN FACT:** Sharing Economy is an Oxymoron; It is not real.

True Sharing is friendly, charitable and Not-For-Profit; The Economy is all about business. Airbnb is **NOT** the mothership of a so called sharing economy. It is a Trojan horse seeking your admittance, your legitimization. It is in fact, a Fifty **Billion** dollar Commercial Real Estate Broker with 1.5 Million Short Term Rental listings in over 5,000 cities in 192 countries and rapidly growing. It is disrupting not just the hotel and traditional Bed and Breakfast markets, but also negatively impacting affordable housing inventories and raising lease rates to unaffordable height in a number of cities. Airbnb itself is

not just a powerful marketing Corporation, It advertises lists real estate for rent; it charges commissions to both lessor and lessee; and it collects and disburses rents.

Airbnb listings are not and will not bring tourists or additional tax revenue. Tourists decide to come for events and attractions and activities—then they seek lodging. They are not attracted by and their vacation (or business travel plans) are not impacted by newly available lodging.

The short term listings Airbnb promotes are not unregulated; they are subject to all the same Registration, Inspection, Insurance, License and Taxations requirements that he RIILTYS that I represent. We don't hide behind a Trojan Horse masquerading as the Mother of a so-called Sharing Economy. We comply with existing Short Term Rental requirements and pay substantial taxes. The appropriate question is NOT what new or amended regulations to enact but, Is there ANY reason to relax existing regulations for short term rentals that are marketed on the Internet?

The answer is NO; there is no reason to relax registration, license, and inspection and tax requirements just because a large and growing number of businesses are hiding and not complying. Exponential growth is all the more reason to increase enforcement efforts. Our Sister Cities warn that we should “go slowly” in considering new legislation and that the numbers will be huge and enforcement of new regulations will be an expensive nightmare.

DO NOT LET THE TROJON HORSE INTO THE CITY WITH ANY NEW, RELAXED REGULATION OF SHORT TERM HOUSING. The promised gifts will not materialize and the thousands of independent contractor soldiers offering short term rental will overwhelm us. Airbnb may continue to promote legal short term rentals but the category of legal short term rentals should not be expanded without good reason being shown for doing so.

Is enforcement of EXISTING regulations feasible? YES. Here are the steps:

1. Public Announcement of:
  - a. Intent to enforce existing laws, regulations and collect taxes due on ALL Short Term Rentals
  - b. Moratorium on enforcement for 90 days
  - c. Amnesty program, forgiving all interest and penalties on back taxes providing the business operator does the following:
    - i. Registers the business with the City and State within 45 days  
AND
    - ii. Accounts for and pays all back due Sales Tax, and State and Local Transit Room Taxes within 90 days OR enters into a binding installment payment agreement with the taxing authorities for the payment of said taxes over a reasonable period of time.
2. Use a portion of the new found tax revenue from the Amnesty Program to fund a rigorous, fair enforcement program..... OR
3. Request For Proposals [RFP] for Privatization of the enforcement process, allowing Independent contractor enforcement and collection personal to utilize, with full cooperation, all Government enforcement tools such as penalty and interest assessments, filing of liens, Court Orders, etc.
4. Insist in any and all communications of any kind with Airbnb that:
  - a. All Independent contractors listing property with Airbnb be required, as a condition of listing, to register their business with the City, AND
  - b. Airbnb collect and remit all transit room and Sales taxes on property not later than the last day of the month following the month in which the taxes are collected. **END**

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