



CAPE COD & ISLANDS
ASSOCIATION of REALTORS®, INC.

Short-Term Rentals

Policy Statement

Overview

In late 2018, Massachusetts passed a law regulating and adding room occupancy tax to short-term rentals. The law provides a definition of a short-term rental (a stay that is 31 days or less) and requires short-term rentals to register with the state and provide \$1 million in legal liability insurance. It also requires the entity collecting rent to assess, collect, and remit the taxes. The state law explicitly allows cities and towns to create a registry and inspection process for short-term rentals.

Short-term rentals are a significant driver of the Cape Cod, Martha's Vineyard, and Nantucket economies. The use of short-term rentals drives jobs directly and indirectly associated with the rentals and economic activity associated directly with the rental of the unit itself and the underlying tourism and service economy.

Position

To protect the economy of Cape Cod, Martha's Vineyard, and Nantucket and the property rights of homeowners, CCIAOR opposes bans on short-term rentals in cities and towns. CCIAOR would support short-term rental registration and inspection bylaws that are deemed by the Association to foster compliance with existing town bylaws and to hold accountable bad actors, but not ones that are determined by the Association to be targeted at the industry as a whole as a way to limit the property rights of homeowners and are detrimental to that town or city's economy.

Zoning

CCIAOR believes short-term rental regulations should not be in the zoning bylaw as that could affect property rights and are better regulated through regulations that affect all homeowners and the permitting of short-term rentals. Most issues can be handled through nuisance laws or other avenues, rather than through restricting zoning, which infringes on the property rights of homeowners.

Community Impact Fees

CCIAOR opposes cities and towns enacting Community Impact Fees on short-term rentals. Community Impact Fees create an unlevel playing field between similar properties and penalize investment in the Cape Cod economy. In addition, it is too difficult and would be burdensome to enforce the community impact fee – especially with the little revenue associated with implementing the fees. In addition, there is no provision in state law to exempt out housing units that are not – either by town bylaw or state environmental regulations – able to be



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occupied on a year-round basis. Since the purpose of the community impact fee is to offset the stress on housing prices that short-term rental units place on the market, the lack of an ability to exempt these units creates difficulty in fairly implementing a community impact fee.

Local Short-Term Rental Revenue

CCIAOR believes revenue derived from local room occupancy tax (on both hotel rooms and short-term rentals) should be used to fund long-term, chronically underfunded initiatives that are related to the tourism economy of Cape Cod, Martha's Vineyard, and Nantucket. CCIAOR supports every town adopting a Community Investment Stabilization Fund where it directs at least 50% of the local option rooms excise tax to be used for housing, wastewater, broadband, transportation, and competitive marketing of Cape Cod, or a subset of a combination thereof.

Signs

CCIAOR believes allowing vacation rental signage promotes the safety of a town. It allows visitors to find what at times can be confusing and hard to find locations and allows for the proper marketing of a property. However, CCIAOR does support restrictions around short-term rental signage as long the Association does not deem the restrictions to be overly restrictive and an impediment to commerce.