News-Review

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# My Take: Untold story of short-term rentals

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Why are some legislators supporting bills to take a bite out of local control of short-term rentals (STR)? It's puzzling, because most local governments in Michigan are against these bills. When you boil it down, it's simply about getting campaign contributions and satisbusiness interests.

For starters, over 70 percent of all Michigan legislators received campaign contributions from the real estate lobby since 2011, and realtors benefit handsomely from the sale and management of STRs. Next, local businesses profit from vacation renters who visit local shops.

In June 2020, the Michigan Supreme Court ruled a zoning ordinance labeling an STR as a commercial use could prohibit said use from residential neighborhoods if the ordinance was properly constructed. Where townships once were reluctant to manage where an STR could be established for fear of lawsuits, they now have a legal precedent clearing the way for sensible regulations, hence separating residential and commercial uses.

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There is no escaping it: The decision released the legal constraints townships were bound to but it alarmed those who would lose their cash cow. The only way around this new precedent is for lawmakers to change how the law is written. And to that end, the resulting language of recent bills that attempted this power grab is confusing, to say the least. For example, the legal definition of a commercial use is as follows: “The carriage of persons or property for any fare, fee, rate, charge or other consideration, or directly or indirectly in connection with any business, or other undertaking intended for profit.”

Yet Michigan lawmakers, in a clumsy attempt to circumvent the ruling, stated in the bills that STRs cannot be considered a commercial use. I find it absurd that simply writing a clause in a bill that is not supported by any legal underpinning or case law in Michigan would even be

allowed to leave the House's chamber — let alone pass by a majority. It begs the question: What hoops will a legislative body go through to support loyal campaign contributors?

To explain the dichotomy of this debacle, some history is necessary.

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In 1948, Michigan legislators adopted the Township Zoning Act, which was amended in 2006 to become the Michigan Zoning Enabling Act. In 2008, the Planning Enabling Act was adopted, which provides authority to townships to form and appoint community members to a planning commission, a separate entity that analyzes requests for zoning changes to ensure they adhere to legal requirements. Once the analysis is completed, the commission sends its report to the township board for final approval. The idea behind appointing rather than electing is to allow the commissions to do their work without concern for political implications.

Before a PC can function properly it must develop a master plan (MP) and a zoning ordinance to serve as legal guides for the initial development of a community and the potential for future changes.

The MP is a long-term document that specifies how the district should look within the next decades. Its construction and subsequent amendments are aided by input from the community, attorneys and in some cases professional planners. In a sense, it's a blueprint for community development.

The accompanying zoning ordinance is a set of rules and standards that complement the MP. It defines the guidelines as to how a requested zoning change is handled. If the zoning ordinance criteria for change are met, and the submitted proposal falls within the MP's outlook, then usually the proposal is approved by the PC.

What's important here is each local government defines its blueprint and set of rules based on the characteristics its community desires — and no two communities are alike.

Over the past 50 years, local governments and their respective PCs have put countless resources into meeting the requirements of these laws. Citizens moving into a particular district rely on the MP and zoning ordinance to ensure the neighborhood is acceptable to their living standards before spending a significant part of their finances on a home. There's also an

expectation that these established standards will protect their investments and quality of life. If not, they have the power to recall or vote out members of the board who they no longer trust.

So, after all these years, along come some legislators who feel an obligation to pay the piper (real estate lobby) for its support. They wrap themselves in a property rights flag, make claims that the local economy trumps all other concerns, then schedule a meeting in the House keeping its members well after 3 a.m. to coerce them to vote yes on the STR bill before they can go home. Fortunately, for now, both bills (HB 4722 and SB 446) that would usurp local control of STR management are stalled in the Senate.

The bottom-line: STRs are impairing residential neighborhoods. They're disrupting housing supplies, frustrating family-oriented communities, and in Michigan for every short-term vacation rental that displaces a home that potentially could house school age children, the local school district loses the per-pupil amount of revenue the state pays for their education. Currently, that amount is $8,700 per child. As a result, the losing school systems may then need to ask the remaining citizens for additional mills (taxes) to offset the losses.

While property management firms and realtors tout property rights and the economy as reasons we should open the floodgates to STRs, they conveniently leave out the part about the collateral damage being done to residential neighborhoods, communities and schools.

We need to ensure our representatives understand that a one-size-fits-all law concerning STRs is not only short-sighted, but irresponsible. Local governments know best how to plan and implement land uses in their districts, not Lansing politicians. STRs are a commercial use by every legal definition, and claiming otherwise is preposterous.

*— Roger Soldano is a resident of Charlevoix.*