



Legislation Text

File #: 46226, **Version:** 1

Fiscal Note

The proposed resolution authorizes a contract between the City and Host Compliance LLC for assistance in identifying and monitoring properties within the City of Madison that are renting their properties through web sharing platforms. Funding for the contract was authorized in the 2017 Adopted Budget within the Room Tax Commission.

Title

Authorizing the Mayor and City Clerk to enter into a one-year contract with one (1) one-year renewal with Host Compliance LLC for the purpose of locating and identifying dwelling units or portions of dwelling units in the city being rented to tourists or guests on web platforms such as Airbnb, Vacation Rental By Owner ("VRBO"), HomeAway, and other similar web platforms at a cost of approximately \$24,900.00 per year.

Body

WHEREAS, an estimated 500-600 dwelling units or portions of dwelling units are available in the City of Madison for rent to tourists;

WHEREAS, the owners of these homes or spaces (commonly referred to as "hosts") usually list the rental on web sharing platforms such as Airbnb, VRBO, and other similar websites;

WHEREAS, hosts are required to pay room tax under Madison General Ordinance 4.21;

WHEREAS, hosts are required to comply with city zoning regulations related to tourist rooming houses contained in Madison General Ordinances Secs. 28.151 and 28.211;

WHEREAS, hosts are required to obtain certain health permits from Public Health Madison Dane County;

WHEREAS, only approximately 15-20 hosts are currently compliant with the city regulations listed above;

WHEREAS, if hosts do not voluntarily comply with the city's regulations, it is very difficult to locate and identify hosts for enforcement purposes because the web platforms do not provide information identifying the host or the rental location;

WHEREAS, Airbnb has agreed to enter into an agreement with the City to collect room tax directly from its hosts (see Legistar File 46211), but this agreement does not include room tax payments for bookings made on other web platforms and does not address compliance with the city's health and zoning regulations;

WHEREAS, Host Compliance LLC is a company created for the purpose of working with governments to identify hosts who are actively listing their dwelling unit or portion of a dwelling unit for rent;

WHEREAS, services provided by Host Compliance LLC include address identification, compliance monitoring, rental activity monitoring and tax collection support, and a rental hotline for neighbors to report non-emergency problems related to rentals;

WHEREAS, the City Room Tax Commission has authorized \$50,000 for room tax compliance activities in its 2017 spending plan, and have adopted a motion in support of Common Council action on a contract with Host Compliance funded from the room tax compliance appropriation.

NOW THEREFORE BE IT RESOLVED, that the Mayor and City Clerk are hereby authorized to enter into a one-year contract with one (1) one-year renewal with Host Compliance LLC for the purchase of services related to locating and identifying dwelling units or portions of dwelling units in the city being rented to tourists or guests on web platforms such as Airbnb, Vacation Rental By Owner ("VRBO"), HomeAway, and other similar web platforms at a cost of approximately \$24,900.00 per year.