

# Public Policy Guide



**VRMA** 

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# The Vacation Rental Management Association (VRMA) advances and advocates for the vacation and holiday rental property management and hospitality industries.

As the leading and largest global community for short-term vacation and holiday rental professionals, VRMA provides education, information, connection, and advocacy so they can grow and strengthen their businesses to create enjoyable, memorable guest experiences and successfully manage the properties in their care. VRMA also promotes the value of the short-term vacation rental experience to the public and serves as the collective voice that drives industry growth and professionalism.

**\$166  
BILLION**  
GLOBAL INDUSTRY

*AirDNA, Feb 2023 - Jan 2024*

For travelers seeking ideal accommodations during their vacation and time away from home, short-term vacation rentals, or STVRs, have become a trusted source for their stay. They are safe, clean, include amenities not often provided elsewhere, and provide a local taste of the destination. As such, the solution for finding the perfect stay is booking a STVR.



In addition to these benefits, STVRs directly and indirectly contribute to local economies through job creation, tax revenue, and boost tourism in the area. It is important to keep these facts in mind when evaluating legislation and regulations that affect STVRs because they impact more than just businesses.

The STVR industry has grown to more than \$160 billion globally and an estimated \$41 billion in the U.S. At the same time, the industry is facing unprecedented regulatory challenges at every level of government, and rules are inconsistent and often unenforceable. It is crucial that elected officials create reasonable regulations that protect communities without putting STVRs out of business or, worse, driving them underground, thus evading local regulations and taxes. It is also apparent that a "one size fits all" regulatory framework is not possible. Clear and concise rules, combined with their fair application, will create the greatest compliance among operators.

The VRMA is in a unique position to help regulators navigate these disparate needs.

VRMA members include professional STVR property management and supplier companies representing more than 25,000 professionals located throughout the United States and abroad.

## VRMA members are:



### JOB CREATORS

STVRs are managed by professional teams, including home inspectors, housekeepers, marketing and technology specialists, and more, creating jobs in their local economies. STVR professionals also support an array of trades and businesses, including home builders, renovators, HVAC technicians, real estate agents, attorneys, restaurants, and area attractions. For example, a recent economic impact study conducted by Oxford Economics **found that the STVR industry supported 323,000 jobs in Florida in 12-month period ending September 2022.**



### REVENUE GENERATORS

STVRs provide occupancy taxes to help balance local budgets and secure funding for vital community services. An Oxford Economics study of Florida found that STVRs generated \$4.8 billion in local and state tax revenue.



**\$29.7B**

Total Direct  
Visitor Spending



**\$56.6B**

Total Economic  
Impact



**323,085**

Total Jobs  
Supported



**\$4.8B**

State & Local  
Taxes Generated



### LOCALLY OWNED AND OPERATED

STVR professionals are invested in assuring the quality of life in their communities. This also means having a commitment to the places where they work and live. They **possess local knowledge, including an understanding of local ordinances**, and what the community values.



### RELIABLE AND CONSISTENT

Professionally-managed STVRs have implemented processes and solutions tested over time that provide guests with a reliable and consistent experience.

# A Note on the Term “Short Term Vacation Rental” (or STVR)

VRMA’s membership includes a diverse mix of business models, locations, and property types. At the same time, state and local governments across the country use a variety of terms in their jurisdictions. The term short-term vacation rental, or STVR, reflects that most of our members’ stays are under 30 days, and our members predominantly operate in vacation destination areas.

## Property Rights

### ABILITY TO RENT

VRMA respects the authority communities have to reasonably control the development of property. At the same time, VRMA believes that communities must balance this authority to regulate with the rights of a property owner to buy, sell, rent, and enjoy the use of their properties. The Constitution’s Fifth and Fourteenth Amendments, along with the dormant Commerce Clause, outline rights for private property ownership, and implicitly prohibits states from passing laws that discriminate against interstate commerce.

Communities also have a statutory obligation to defend property rights through the protection of usability and value. To this end, communities must be cautious of downzoning property, depressing real estate values, and diminishing the economic use of the property.

- VRMA supports and encourages communities to recognize the rights of property owners to rent their primary and secondary properties.
- VRMA believes legislation that places limitations on the frequency or duration of stay should be done as a last resort and only in cases where it is backed by data and that deems such restrictions necessary.
- VRMA strongly believes that communities must provide equal protection to all residential properties.

### LIMITATIONS ON FREQUENCY, DURATION OF STAY, OR OCCUPANCY

STVR managers strive to protect the properties they manage by restricting overcrowding to ensure the safety of their guests and the integrity of the structure.

VRMA opposes excessive limitations on the number of occupants that may stay in a STVR property. There should be a uniform application of occupation limits to similar residential structures. These limitations should be equal to long-term rentals and owner-occupied structures based on the number and size of rooms.

- VRMA supports regulations that place limitations on the number of occupants per unit that are uniform to current rules for other existing residential structures.
- VRMA opposes the placement of unenforceable time restrictions on property guests that are not uniform with other residential property uses and hotels, motels, and bed-and-breakfasts.
- VRMA endorses reasonable standards for occupancy based on recognized uniform building and zoning codes.
- VRMA supports transparency in occupancy requirements and marketing.

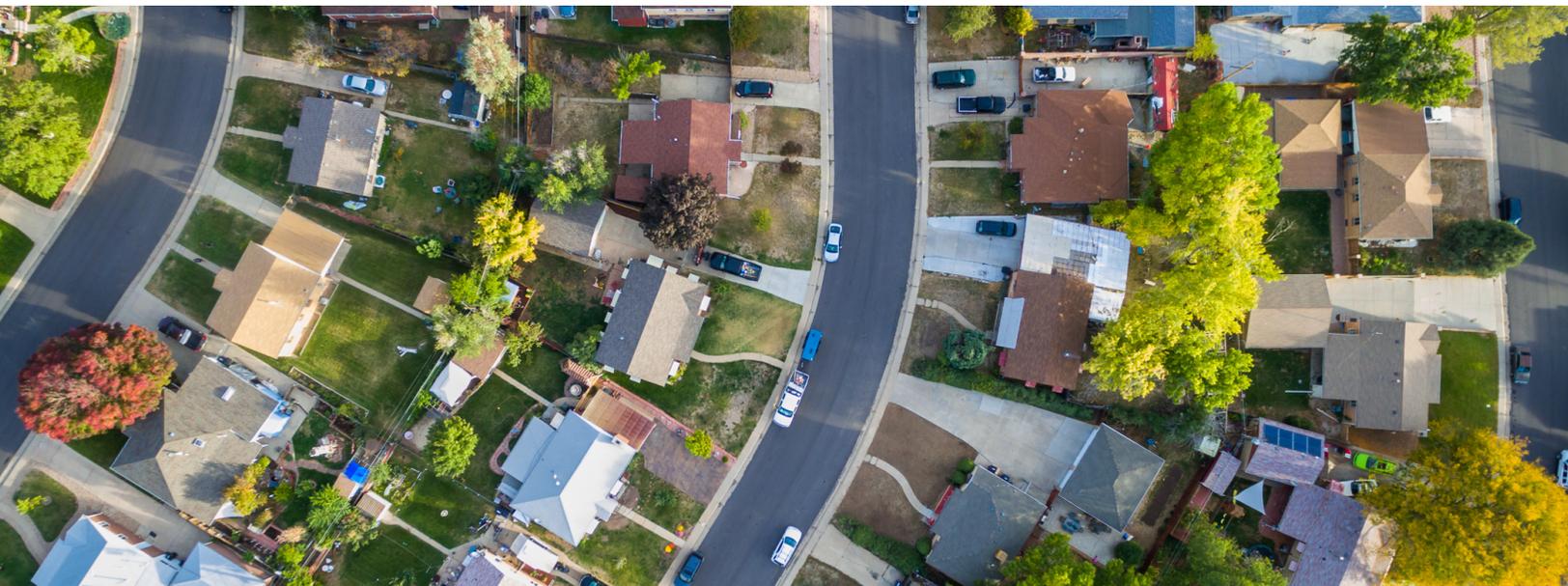
# Land Use and Zoning

## RESIDENTIAL VS. COMMERCIAL

STVR managers respect the duty and obligation for communities to manage land use and development within their boundaries through zoning and other regulatory mechanisms. VRMA maintains that STVR properties are residential in use and should be regulated uniformly with other residential structures within the community.

VRMA stands by the need to maintain the residential zoning of a second home property to ensure that the adaptive reuse of the property is maintained. VRMA will work with communities, nonprofits, and other relevant bodies to provide feedback on land use and zoning that impact STVR properties. Code and policy changes must provide meaningful benefits and reflect industry best practices.

- VRMA believes that all uses of rental properties are residential use, and the application of rules on STVRs should be uniform, simple, justified, proportionate, and enforceable.
- VRMA opposes classifying STVR properties as commercial use by comparing them to hotels.
- VRMA opposes health and safety regulations that specifically target STVR properties and create a burden of compliance beyond regulations in place for similarly zoned properties.
- VRMA opposes parking regulations that specifically target STVR properties and encourages communities to maintain the same parking regulations that are in place for other similar zoned properties.



## Economic Impact

VRMA is a strong supporter of the local travel and tourism industry due to the positive economic impact that STVRs have on the community. In addition, the STVR industry is comprised many small and family-owned businesses that are deeply invested in their communities; for example, they support community initiatives, local charitable organizations, and other civic and cultural causes. Most importantly, the industry supports numerous jobs across diverse sectors of the economy and is a strong driver of local business development.

- VRMA encourages communities to support the thousands of small businesses that operate and maintain STVRs and acknowledge their economic impact.
- VRMA recognizes the positive impacts that STVR has on local communities through taxes, increased economic activity, and promoting the local travel and tourism industry.
- VRMA's National Housing Study, in partnership with Oxford Economics, identified that STVRs play only a minimal role nationwide on housing and rent costs. At the same time, economic impact studies show the massive boom STVRs have on local and state economies, providing well-paying jobs and increased tax revenue that governments can use to address the root causes of housing affordability.



# Tax Policy

## LODGING TAXES

STVR properties are valuable assets to their communities and contribute considerable property and lodging taxes. These properties generate significant sales tax and lodging revenue due to the longer lengths of stays and higher expenditures within local economies.

STVR managers are committed to collecting and remitting taxes to states and localities where those taxes are required, and support the communities in which they reside, working cooperatively with local governments to ensure that all STVR properties comply with permitting and licensing structures.

- VRMA believes that, where required, STVR property owners are legally responsible for the collection and remittance of clear and concise transient occupancy or lodging taxes, whether they use a professional property manager or not.
- VRMA supports and encourages property managers, online travel agencies (OTA), and other online platforms to assist in occupancy or lodging tax compliance. VRMA also encourages governments to carefully consider the adoption of voluntary collection agreements on local property managers and connected parties.
- VRMA supports localities accepting online remittance of lodging taxes.
- VRMA encourages taxation parity among all hospitality sectors. Additional taxes should not be placed on STVRs that ultimately place the burden on the guest. All members of the hospitality sector should be held accountable for the remittance of all required taxes.

## STATE AND LOCAL TAXES

STVRs are supportive of many industries that benefit varied aspects of the economy. The industry supports a balanced approach to taxation that encourages the growth of the secondary homeownership and home rental markets.

VRMA supports the protection of the travel and tourism industry by limiting federal, state, and local efforts to place tax burdens on visitors to close funding gaps. Taxation policies that do not support the travel and tourism industry will hurt different sectors of the economy and many professions.

- VRMA supports state and federal laws that preserve secondary home tax deductions.
- VRMA opposes additional targeted taxation on the travel and tourism industry that discourages consumer spending on leisure and vacation stays, and negatively impacts state and local economic activity.
- VRMA discerns that STVR properties are residential and the property taxes applied to those properties should reflect that designation.
- VRMA supports transparency in allocation and usage of taxes.

## Additional Policies

VRMA engages policymakers on many other issues that impact the STVR industry. More information about these issues can be found on the VRMA Advocate website ([vrmaadvocate.org](http://vrmaadvocate.org)) with additional resources to support our members' advocacy needs. These issues include:

- Compliance and Enforcement
- Consumer Protection and Competitiveness
- Professionalism
- Hospitality and Alternative Accommodations
- Health and Safety Standards
- Good Neighbor Policies

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