



THE TAOS NEWS

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Town mulls rules for mostly off-the-books vacation rentals

By J.R. Logan

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There's an apartment in the heart of downtown Taos that goes for about \$100 a night on Airbnb — a website that makes it easy for hosts to rent regular rooms and houses to travelers.

Each month for the last six months, this apartment was rented out about 20 nights to visitors. That's \$2,000 in income on a living space that used to be rented to long-term tenants for \$750 a month.

This kind of short-term vacation rental is becoming enormously popular in Taos and in tourist destinations around the world. It's a way for hosts to make some extra cash, and it gives visitors a lodging option that sometimes feels more homey than a hotel room.

That growing popularity is why the town of Taos is now considering a new ordinance that would lay out some rules for how these rentals are managed, as well as capture tax revenue that is, at the moment, off the books.

The apartment downtown mentioned above, for instance, would have owed about \$100 in lodgers tax last month. Lodgers tax is a 5 percent tax tacked onto hotel room and bed and breakfast bills. Revenue goes to promoting Taos through things like advertising and events.

Airbnb currently lists about 200 rooms, casitas and other rentals in the immediate Taos area. The average rate is about \$170 a night. Based on those numbers, if even half of the Airbnb rentals were occupied on a single night, the town could potentially collected \$875 in lodgers tax. Over the course of a year, that could add up to hundreds of thousands of dollars in additional lodgers tax revenue.

And Airbnb isn't the only game in town. An analysis by town staff found other websites listed more than 200 vacation rentals inside the town limits.

A detailed report prepared by town staff goes beyond taxes. It notes that in other places, the proliferation of vacation rentals has changed the character of entire neighborhoods. Noise and parking problems caused by visitors coming and going has led some communities to enact regulations to control how these kinds of businesses operate.

The town report also articulated a dilemma caused by shortterm rentals in resort communities like Taos.

It pointed out that vacation rentals offer additional rooms to visitors during busy times of the year. They're also a boon for property owners who make extra cash renting places that would otherwise be vacant or rented long-term at a lower rate.

The downside, according to the report, is that the increasing popularity of vacation rentals takes a bite out of an already limited rental market, and can even drive up long-term rental prices "tremendously" in a place that's already expensive. In some cases, hosts might rent or buy

additional properties to be used as vacation rentals, meaning the housing stock for residents becomes even thinner.

Under the proposed ordinance, the town would require anyone with a vacation rental on the market to obtain a business permit, as well as a specialized short-term rental permit. The ordinance would also set new rules, such as limiting the number of overnight guests to two people per bedroom.

In addition, town officials say they're trying to find a way to ensure lodgers tax is paid by vacation rental owners. One option, which would limit the additional burden on town staff, would be to have lodgers tax included in the fees paid by guests when they book online.

Allison Schumer, a spokesperson for Airbnb, told *The Taos News* in an email the company already collects taxes on behalf of hosts and remits them to local government in several cities and states across the world. Schumer said in some cases, the process is "incredibly complicated," but she said the company is working on ways to make it easier.

"Our community wants to pay our fair share and we want to help," Schumer wrote. She did not specifically respond to questions about whether company was working on a deal with Taos.

Hosts are already asked to fill out a federal tax form and report their income from rentals for federal tax purposes.

The town council was poised to pass the ordinance last week but delayed a vote. It is expected to revisit the ordinance at an upcoming meeting.