



HOW TO GET LICENSED

Short-Term Rentals in Madison



Community Workshop

Sponsored by City of Madison and
Greater Madison Convention & Visitors Bureau

Diane Morgenthaler

Executive Vice President

Greater Madison Convention & Visitors Bureau

WELCOME

Donna Magdalena

FORMER: Short Term Rental and Lodging Specialist

Public Health Madison and Dane County

PRESENT: Zoning Inspector

City of Madison

PRESENTATION

MADISON

GOING > BEYOND > VISIT™

GREATER MADISON CONVENTION & VISITORS BUREAU

What are Short-Term Rentals (STRs)?

Short-Term Rental
< 30 Days

“Long-Term” Rental
30 Days or more

STR Terminology

- Short-Term Rental (STR) = Common, generic name
- Airbnb, VRBO, HomeAway = Trade names
- Tourist Rooming House (TRH) = Wisconsin legal name

Pros and Cons

- ✓ Additional income for host
- ✓ More supply & diversity of visitor accommodation
- ✓ Personal city docent/guide
- ✓ Supports local businesses
- ✓ Supports tourism
- ✗ Reduces rental housing stock
- ✗ Loss of affordable housing
- ✗ Nuisance and safety
- ✗ Noise, trash and parking
- ✗ Not accountable to neighbors
- ✗ Neighborhood feels like a hotel district
- ✗ Loss of neighborhood character



Boston

[106 TYLER STREET](#) in
Boston's Chinatown:

- 12 unit Airbnb building
- Previously housed 12 immigrant families with limited English

Boston



- Entrepreneur Larry Post:
 - [Banned from securities for forgery](#)
 - [Buys/converts brownstones into STRs](#)
 - [18 Airbnb conversions now; owns 80](#)
- Chinatown, 3 blocks of Tufts:
7 multi-unit buildings > STRs
- 1500 - 4000 rental units > STRs
- Host "Kara": 181 Airbnb units



Boston

This host has 2069 reviews for other properties.

[View other reviews](#)

Hosted by Anthony

Boston, Massachusetts, United States · Joined in August 2016

2127 Reviews

Entrepreneur by day, international traveler in my spare time. Favorite places I've been are Greece, India, Italy, London, Paris, Monaco, Hong Kong, Seoul, Bali, Taiwan, Mexico, Dubai. So many other places I want to visit! Enjoy dining out, trying new things, and exploring different cultures. Living the busy startup life. Would love to host you!

[Contact host](#)

Languages: **English**



This host has 2069 reviews for other properties.

View other reviews

Hosted by Anthony

Boston, Massachusetts, United States · Joined in August 2016

2127 Reviews



Boston

- Anthony isn't real
- Complaining neighbors found Anthony
- New York-based STR management company
 - Acts as host for 1000s of listings globally
- Stock image photo



Webpages for Canadian church, Florida payday loan company, Washington state dental practice, and a California bail bondsman.

<https://commonwealthmagazine.org/economy/airbnb-gold-rush/>

New York City

McGill University Study: January 2018

The High Cost of Short-Term Rentals in New York City

Executive Summary

This report provides a comprehensive analysis of Airbnb activity in New York City and the surrounding region in the last three years (September 2014 - August 2017). Relying on new methodologies to analyze big data, we set out to answer four questions:

1. Where is Airbnb activity located in New York, and how is it changing?
2. Who makes money from Airbnb in New York?
3. How much housing has Airbnb removed from the market in New York?
4. Is Airbnb driving gentrification in New York?

KEY FINDINGS:

- **Two Thirds of Revenue from Likely Illegal Listings:** Entire-home/apartment listings account for 75% (\$490 million) of total Airbnb revenue and represent 51% of total listings. 87% of entire-home reservations are illegal under New York State law, which means that 66% of revenue (\$435 million) and 45% of all New York Airbnb reservations last year were illegal.
- **13,500 Units of Lost Housing:** Airbnb has removed between 7,000 and 13,500 units of housing from New York City's long-term rental market, including 12,200 frequently rented entire-home listings that were available for rent 120 days or more and 5,600 entire-home listings available for rent 240 days or more.
- **\$380 More in Rent:** By reducing housing supply, Airbnb has increased the median long-term rent in New York City by 1.4% over the last three years, resulting in a \$380 rent increase for the median New York tenant looking for an apartment this year. In some Manhattan neighborhoods the increase is more than \$700.
- **4,700 Ghost Hotels:** There are 4,700 private-room listings that are in fact "ghost hotels." These ghost hotels have removed 1,400 units of housing from the long-term rental market, and are a new tactic for commercial Airbnb operators to avoid regulatory scrutiny.
- **28% of Revenue:** Commercial operators that control multiple entire-home/apartment listings or large portfolios of private rooms are only 12% of hosts but they earn more than 28% of revenue in New York City.
- **Top 10% of Hosts:** The top 10% of hosts earned a staggering 48% of all revenue last year, while the bottom 80% of hosts earned just 32%.
- **200% and \$100K More:** The median host of a frequently rented entire-home/apartment

David Wachsmuth
David Chaney
Danielle Kerrigan
Andrea Shillolo
Robin Basalaev-Binder

January 30, 2018



A report from the
Urban Politics and Governance
School of Urban Planning
McGill University

- \$380 more in rent
- 4700 ghost hotels = 1,400 housing units lost
- 12% commercial operators earning 28% revenue
- Top 10% hosts earned 48% revenue
- 13,500 housing units lost (= 400 in Madison)
- Racial gentrification tool

Regulation: Reduces Negatives

- ✓ Primary residence only
- ✓ No out-of-state absent hosts
- ✓ Same unit as residence
- ✓ STR 30 nights/year max if host not present
- ✓ STR unlimited nights/year when host is present
- ✓ Limit of four guest rooms
- ✓ Resident host invested in & accountable to neighborhood & neighbor relations
- ✓ Safe rental experience
- ✓ Creates level playing field

License Needed

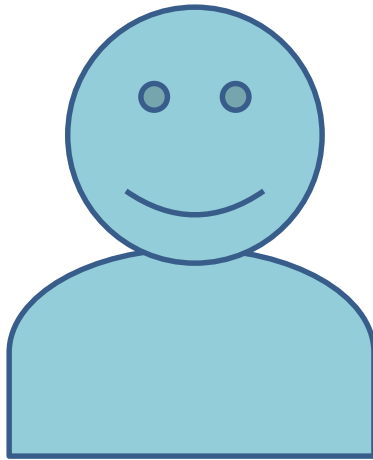
Public Health Madison & Dane County (PHMDC)

- ✓ **Tourist Rooming House (TRH) license** through Public Health Madison and Dane County (PHMDC)
- ✓ Must be licensed to operate short-term rentals
- ✓ First year pre-inspection: scheduled ahead, lasts 1 hour
- ✓ Inspection checklist on website
- ✓ Yearly renewal fee and annual inspection lasts 30-60 min.
- ✓ Tenants must have permission from landlord in lease
- ✓ Renting out rooms is a business: with income & expenses
- ✓ Welcome to Madison's business community!

By having set guidelines, this insures that the space is legal and safe.

Licensing establishes a baseline and ensures safety for the host and guest.

As someone who also uses Airbnb for travel, I want to know there is some standard of safety.



TIFFANY

New Host Comments

Inspection Checklist

Available at: www.PublicHealthMDC.com/str

- ✓ Smoke and CO₂ detectors
- ✓ Dishes and utensils must be sanitized between guests
- ✓ Each guest room has its own designated full bathroom that can be shared with hosts:
 - Or two separate, designated men's and women's full bathrooms for all guests to share
 - Hosts can use all bathrooms, regardless of gender
 - If all guestrooms are rented to one group, only one full bathroom is needed
- ✓ If bathroom regulations not possible in your home, consider a Bed & Breakfast license (PublicHealthMDC.com/bnb)

Inspection Checklist

Available at: www.PublicHealthMDC.com/str

- ✓ No food offered except shelf-stable pre-packaged items or fresh, whole fruits & vegetables
- ✓ Individual locks on guest sleeping room doors are required:
 - Not required if entire home is rented to one reservation party or home has only one guest room
 - Locks must be unkeyed on the inside and keyed on the outside
- ✓ Slip-resistant flooring in showers and bathtubs or mats available
- ✓ Guest registry: includes guest dates, names, contact info, whether host is on or off site -- digital registry allowable

I was very frustrated and apprehensive ... upset the city wanted to charge me a fee to inspect my house.

I do, however, want this to be a safe situation for folks traveling to our amazing city.

I am now glad to put on my Airbnb that I am city of Madison certified.

I hope everyone takes one step back to really understand the long term of this.



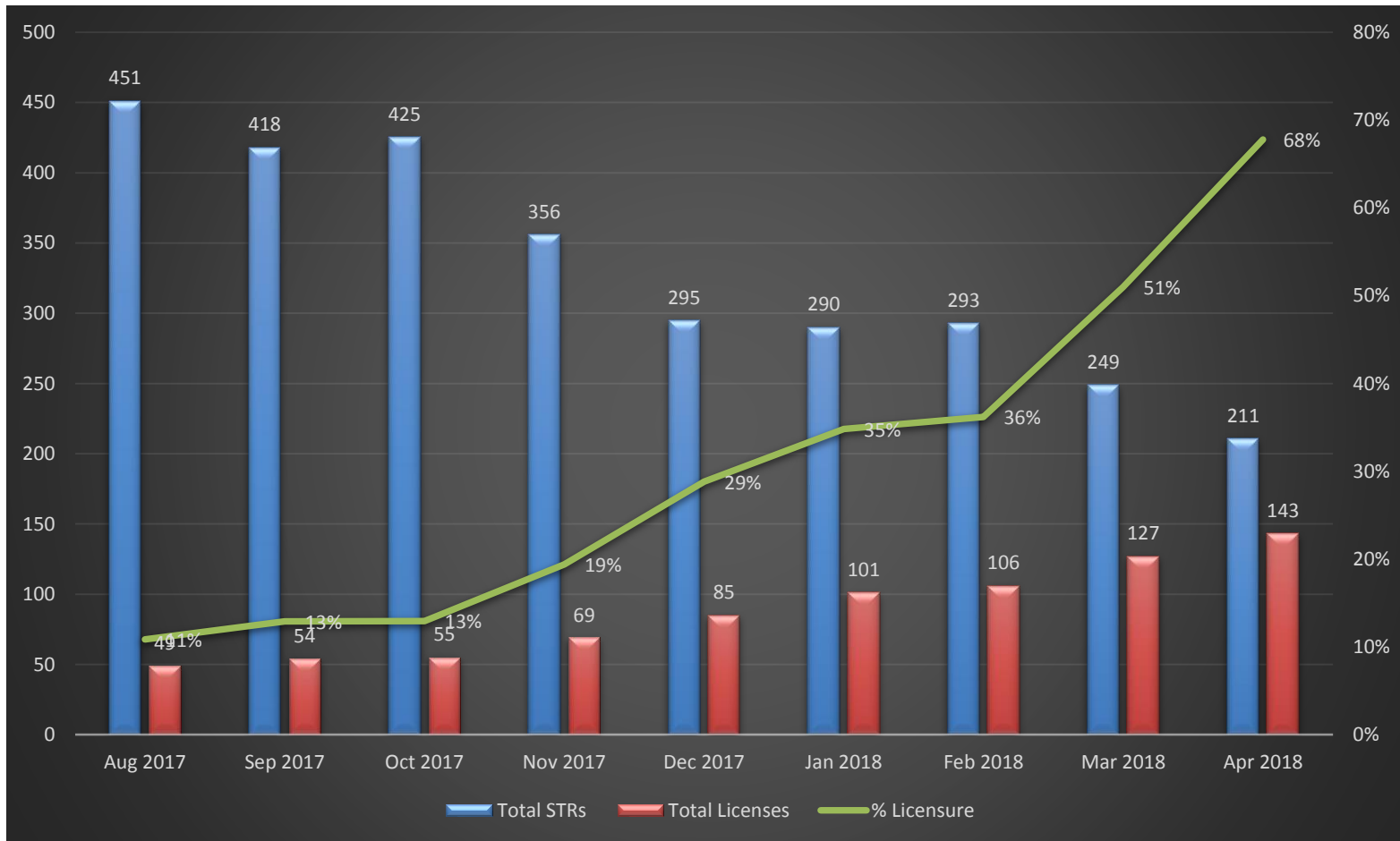
DARIO

New Host Comments

Not Allowed

- ⊘ Investment property or unit where host does not live
- ⊘ Swimming pools: not for guest use
- ⊘ Hot tubs: not for guest use
 - ✓ Fill & drain Jacuzzi or jet tubs are allowable
- ⊘ STR dwellings on wheels (RVs)
- ⊘ Yurts or camping in yard
- ⊘ Non-residential outbuildings
- ⊘ Accessory Dwelling Unit (ADU) if host resides in main building
- ⊘ Tenants without landlord permission in lease

City of Madison: STRs



NOVEMBER 2017: INCREASED COMPLIANCE EFFORTS INITIATED

Short-Term Rental Listings and Licenses

City of Madison: STRs

October 2017

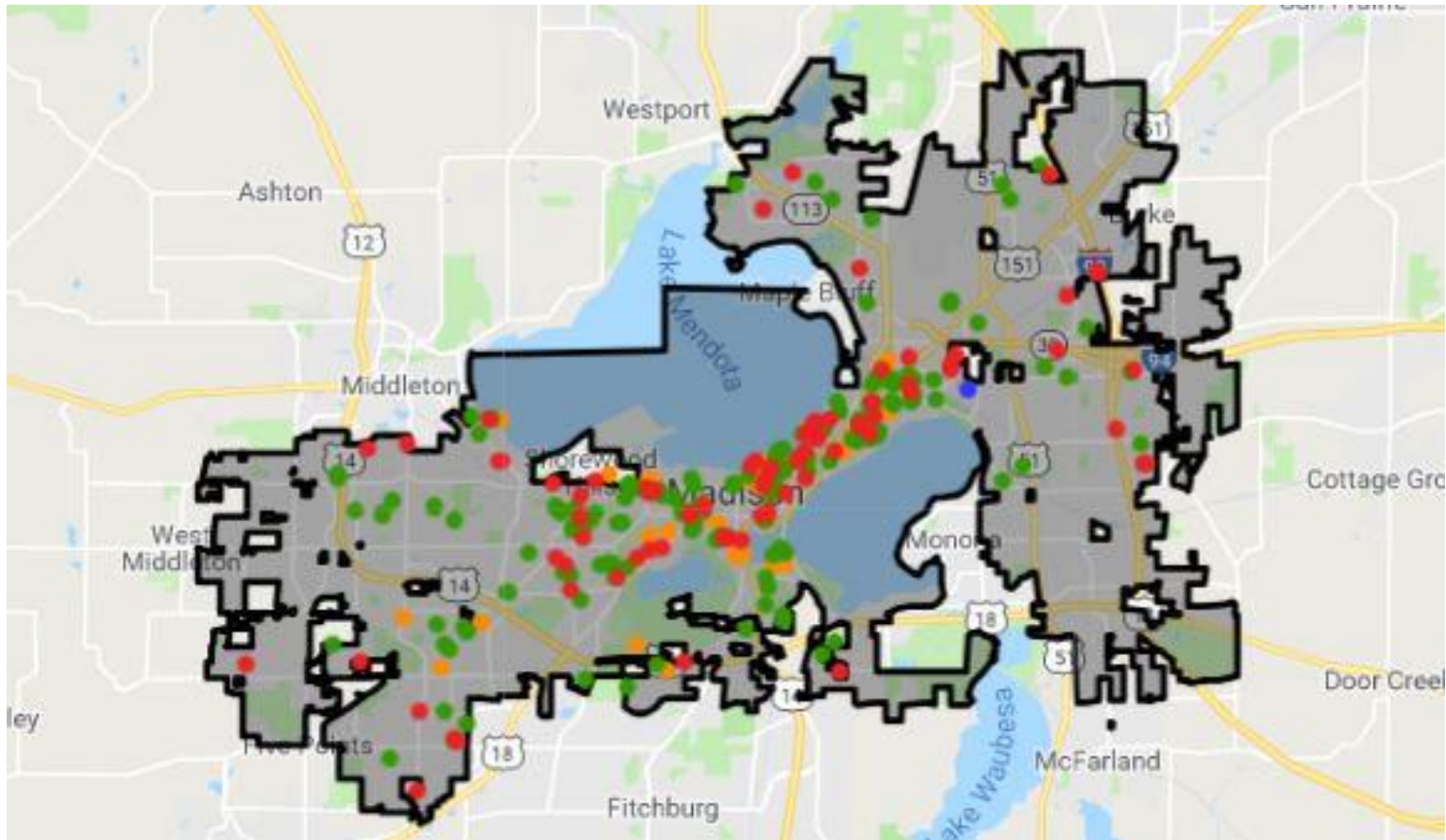
- 425 short-term units
- 49 licenses
- **13%** licensure

April 2018

- Licensure rate continues to rapidly climb weekly
- 211 short-term rental units
- 143 licenses
- **68%** licensure

Majority of hosts are compliant
COMPLIANCE IS THE NEW NORM

City of Madison: STRs



April 2018: 211 STRs / 143 licensed STRs
Majority of hosts are compliant

How to Get Licensed

Public Health Madison & Dane County (PHMDC)

1

Get Ready

Go to www.publichealthmdc.com/str for a PHMDC inspection checklist, zoning and other information

2

Apply for a License

Submit a PHMDC TRH license application with proper payment. See the [License Fee Schedule](#) and complete the [License Application](#).

3

Schedule an Inspection

Contact PHMDC to schedule a pre-inspection of your property.

*These are the three simple steps to obtain a license if you host solely through Airbnb in the City of Madison. If you advertise on VRBO, HomeAway, or other platforms, you must first obtain a [Seller's Permit](#) at from the Wis. Dept. of Revenue and complete a [Room Tax Certificate](#) at the City of Madison Treasurer's office before applying.

www.PublicHealthMDC.com/STR

Public Health Madison & Dane County > Short-Term Rentals (STR)



Licensing & Permits

Places to Stay

Bed & Breakfasts

Hotels

Short-Term Rentals (Tourist Rooming Houses)

Retail Food Establishment Licensing

Tattoo & Body Piercing

Water, Well & Septic

Contact Us

Environmental Health
2900 S. Park St. Suite 2010
Madison, WI 53713

Phone: (608) 242-6515

Email: health@publichealthmdc.com

Español: (608) 243-0380

Short-Term Rentals

Rental of a whole or partial residence to visitors for less than a month is commonly known as a Short-Term Rental (STR). Its legal term in Wisconsin is a Tourist Rooming House (TRH). Due to the growing popularity of house sharing and vacation rental websites which match visitors with residential host locations, many Wisconsin residents are offering short-term rentals in their homes.

Wisconsin allows the rental of one to four sleeping accommodations, which can be rooms of a home or an entire home or cabin.

All Dane County Tourist Rooming Houses must be licensed through Public Health Madison & Dane County (PHMDC) and inspected annually to verify the operation meets all requirements of Wisconsin law related to general public health.



How to Get Licensed

1

Zoning and Taxes

Zoning: Find out if there are zoning conditions that must be met.

- City of Madison: Read the Zoning FAQ for Tourist Room Houses PDF (S).
- Dane County (outside the City of Madison): Contact your municipal or township clerk. Townships and municipalities have varying policies.

Sellers Permit: Obtain a Wisconsin Seller's Permit (S).

Room Tax: Register with your local clerk if your municipality collects room taxes.

- City of Madison: Fill out the Room Tax Registration form PDF (S). Learn when Room Tax Exemptions PDF (S) apply to guests.
- Dane County (outside the City of Madison): Contact your municipal or township clerk to find out whether your municipality collects room tax and obtain a Room Tax Certificate if required.

2

Apply for a license

Submit a PHMDC lodging license application with proper payment. See the License Fee Schedule PDF (S) and complete the License Application PDF (S).

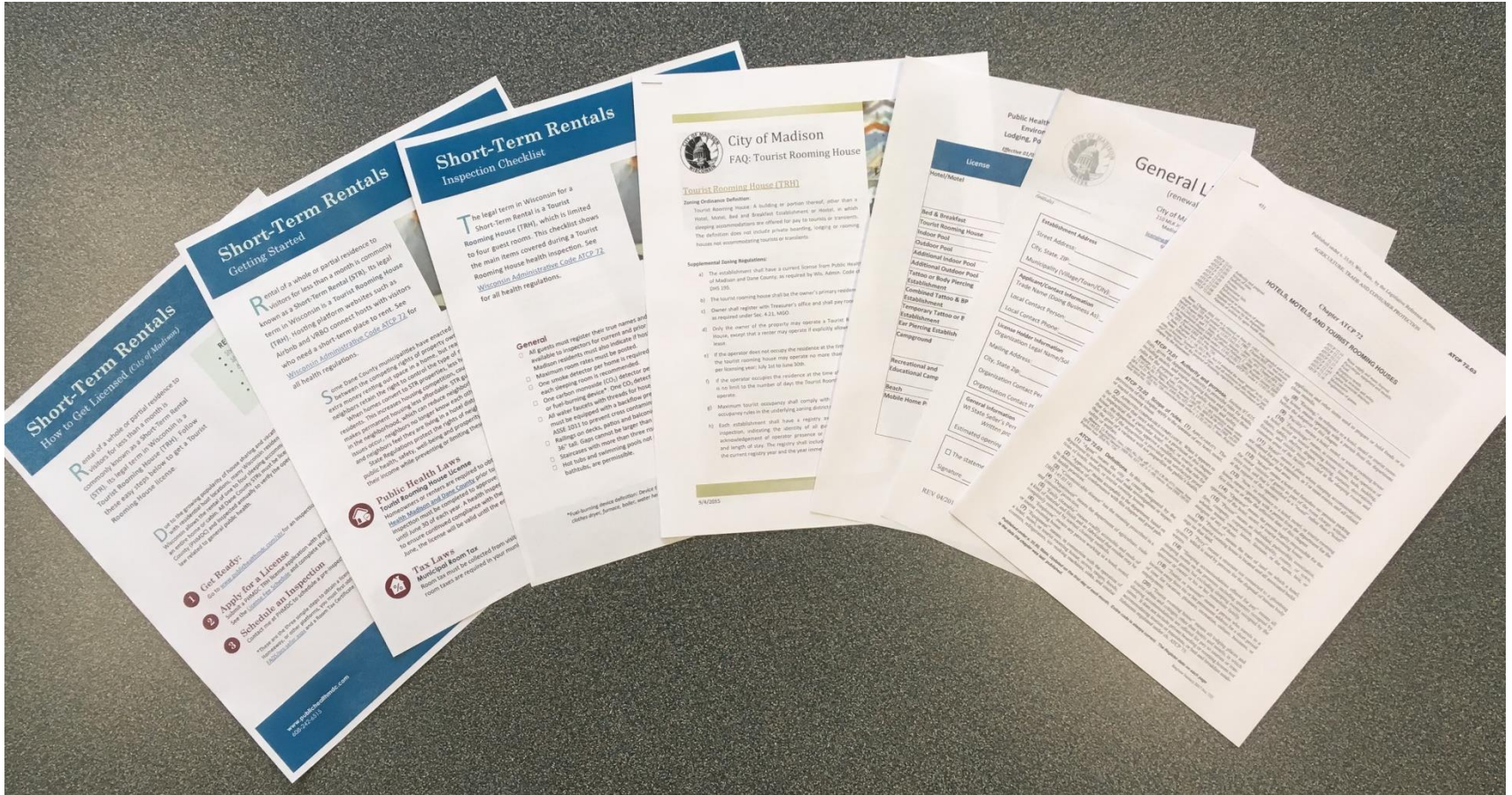
3

Schedule an inspection

Contact us at (608) 242-6515 to schedule a pre-inspection of your property. License approval must be completed prior to renting out sleeping accommodations.

*Airbnb pays room and sales taxes. If you are renting solely through Airbnb, a Seller's Permit is not needed (write "Airbnb only" in this field on the License Application form), and there is no fee for room tax registration (check the box saying "my business is not subject to the Madison

Step #1: Get Ready



www.PublicHealthMDC.com/STR > Resources

Step #2: Apply for a License

FRONT



General License
(renewal 06/30)

City of Madison Clerk
210 MLK Jr Blvd, Room 103
Madison, WI 53703
licenses@cityofmadison.com
608-266-4601

(Number) _____
(Scan) _____
(Log file number) _____
(Processing step) _____

(Date) _____

Establishment Address
Street Address: _____
City, State, ZIP: _____
Municipality (Village/Town/City): _____

Applicant/Contact Information
Trade Name (Doing Business As): _____
Local Contact Person: _____
Local Contact Phone: _____ Local Contact Email: _____


License Holder Information
Organization Legal Name/Sole Proprietor Name: _____
Mailing Address: _____
City, State Zip: _____
Organization Contact Person: _____
Organization Contact Phone: _____ Organization Contact Email: _____

General Information
WI State Seller's Permit Number: _____
Written proof of current seller's permit must accompany application at time of submission
Estimated opening date: _____

Attestation and Signature
 The statements made in this application are true and correct to the best of my knowledge
Signature _____ Date _____

REV 04/2016 continued on page two - OVER

BACK



**City of Madison
License Application**

Please mark the appropriate check box for your license.
Only one license type per application.

Amusement Devices
Number of devices:
 1 (Pool Table)
 2-3
 4-6
 7-10
 11-20
 21-30
 31-44
 45 +

Beach

Bed and Breakfast

Bicycle Dealer

Body Art Establishment
 Tattoo or Body Piercing
 Combined Tattoo and Body Piercing
 Ear Piercing

Campground
Number of Campsites:
 1 - 25
 26 - 100
 100 +

Hotel/Motel/Tourist Rooming House
Number of Rooms:
 1 - 4 (Tourist Rooming House)
 5 - 30
 31 - 99
 100 - 199
 200 +

Mobile Home Park
Number of Sites:
 1 - 20
 21 - 50
 51 - 100
 101 - 175
 175 +

Outdoor Wood Boiler

Recreational/Educational Camp
Number of Camps:
 1 - 5
 6 - 10
 11 +

Swimming Pool
Type of Pool:
 Indoor
 Outdoor
 Additional Indoor
 Additional Outdoor

Trapping

Submit license & payment to City Clerk

Step #2: License Costs

Item	Fee
Wisconsin Seller's Permit	\$20
City of Madison Room Tax Registration*	\$2
Public Health Madison & Dane County (PHMDC) Initial Licensing Fee (includes a one-time \$375 pre-inspection fee)	\$535
PHDMC Lodging License Annual Renewal Fee (not 1st year)	\$160
Additional local fees*	Varies

*Cost varies by local government. Check with your local clerk.

Submit application & payment to:

City Clerk

210 MLK Blvd., Room 103

Madison WI 53703

Phone: 608-266-4601

Email: licensing@cityofmadison.com

Checks payable to: **City Assessor**

Submit license & payment to City Clerk

Step #3: Schedule a Pre-inspection

Call or Email
for your Pre-inspection

PHMDC

Environmental Health Division

Email: health@publichealthmdc.com

Phone: 608-242-6515

Q & A

NOW & AFTER PRESENTATION

PHMDC, Treasurer's Office, Zoning, & GMCVB

- **Matt Tucker:** City of Madison Zoning Administrator
- **David Gawenda:** City of Madison Treasurer
- **Doug Voegeli:** PHMDC Director of Environmental Health
- **Beth Cleary:** PHMDC Environmental Health Services Supervisor
- **Donna Magdalena:** City of Madison Zoning Inspector / Former PHMDC Short Term Rental & Lodging Specialist
- **Diane Morgenthaler:** GMCVB Executive Vice President



THANK YOU

Presentation: 4/26/18

 **Public Health**
MADISON & DANE COUNTY

Healthy people. Healthy places.