**Short Term Rentals:** If you are interested in this topic but missed our previous information in the Winter 2021-22 newsletter, know that all our past newsletters can be referenced online, available right here on our website. Both the state and local government’s approach to STR’s regulation it is a subject in flux. We want to emphasize that the new and modern wave of rentals in our area is fairly new phenomenon and that dealing with the new and modern problems that accompany that wave is, indeed, a work in progress.

*Now, here’s the update:* the State of Michigan House of Representatives passed House Bill 4722 on October 27, 2021. Before HB 4722 can become law, it still must be passed by the Michigan Senate and then signed into law by the governor. If it ultimately passes, it would significantly limit how local government may regulate short-term rentals. It would amend the Michigan Zoning Enabling Act to establish the rental of a dwelling—including, but not limited to, short-term rentals—to be a residential use of property that is permitted in all residential zoning districts, and not to be considered a commercial use nor subject to any permit requirements different from those applicable to other dwellings in the same zone. The bill would not prohibit zoning ordinance provisions that regulate noise, advertising, traffic, or other nuisances related to the rental of a dwelling, but only if such regulations are applied consistently to owner-occupied residences as well.

The substitute bill adopted by the House adds several additional provisions to the version reported out of the Commerce and Tourism Committee. Under the substitute bill, local governments may limit the number of short-term rentals under a common owner to two or more. However, the bill loosely defines “common ownership” as “ownership in whole or in part by the same individual, individuals, or legal entity.” Consequently, it seems that an individual could potentially circumvent a limit on the number of short-term rental units under common ownership by forming business entities to own additional units. Although the substitute bill would allow local governments to limit the total number of units that may be used as a short-term rental in their jurisdiction, the bill requires that any such limit not be less than 30% of the total number of residential units in the municipality. This means that at least 30% of the residential units in each municipality could be potentially used as short-term rentals.

It is unclear whether the bill will remain intact or adopt some substitute provisions as it goes through the legislative process, whether it will be passed and signed into law.