



**DETROIT CITY COUNCIL – DISTRICT 5
OFFICE OF COUNCIL PRESIDENT
MARY SHEFFIELD**



April 16, 2024

Sen. John Fitzgerald
Chair, Local Government and Municipal Finance Committee
House Office Building
Room 519
Lansing, MI 489033

RE: Detroit City Council President Mary Sheffield Letter in Support of House Bill 5438,

Dear Representative Fitzgerald,

I am writing today to express my full support for House Bill 5438, the Short-Term Rental Regulation Act. As Detroit makes preparations to host the 2024 NFL Draft, it is apparent the City is quickly becoming an internationally recognized destination for tourism, conventions, and large-scale events. With a dearth of hotel rooms in Detroit, short-term rentals are an important economic driver for both the local hospitality industry and property owners alike.

House Bill 5438, known as the Short-Term Rental Regulation Act, aims to regulate short-term rentals and hosting platforms by establishing a statewide database, implementing a 6% excise tax on occupancy charges, and ensuring that properties comply with local regulations. HB 5438 respects local government authority while addressing concerns about neighborhood impact and housing availability.

House Bill 5438 is pivotal for Detroit's management of short-term rentals, providing a structured approach to ensure safety and compliance with local regulations. By introducing a 6% excise tax on occupancy charges, the bill creates a dedicated revenue stream to support the city's public costs related to tourism. Retaining local authority over regulation allows Detroit to strike a balance between promoting tourism and preserving neighborhood character and housing availability. Ultimately, the passage of HB 5438 is essential for fostering sustainable growth and economic vitality while safeguarding the interests of Detroit residents.

In closing, I wholly support the passage of House Bill 5438, which provides much needed oversight of short-term rentals while still allowing local municipalities to determine how and if they want to regulate this industry. Thank you for your time and consideration in addressing this matter.

Sincerely,

Detroit City Council President Mary Sheffield