



## **Knoxville Neighborhood Advisory**

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### **State Legislation Could Impact Neighborhood Quality of Life**

Heads up, Neighborhoods!

Imagine the impact on your quality of life and your neighborhood if the house or condo unit next door was occupied not by the owner....and not by long-term renters....but by a revolving door of short-term renters who stay for a night or two, then leaving again, only to be replaced by new short-term renters?

Well, pay attention, everybody. This is exactly what is headed our way if a bill now advancing in the State Legislature is passed into law.

We have reported on this before. But now the bill has passed through a sub-committee and is headed to a full committee vote next week. If you are concerned about this bill, now is the time to contact your legislators.

#### **Status of Legislation**

Tennessee State Representative Cameron Sexton, R-Crossville, has introduced legislation that would prevent the City of Knoxville and other municipalities from using their zoning powers to regulate short-term rentals.

As noted in [this Knoxville News Sentinel article](#), the City of Knoxville takes the position that the regulation of short term rentals is best left to local government, which can be more responsive to citizen concerns.

In effect, Rep. Sexton's [House Bill 1020](#) would allow short-term rentals such as those brokered by Airbnb and similar online services in any residential neighborhood without regard to ownership or residency. This bill is scheduled to be heard on Wednesday, March 22, in the House [Business and Utilities Committee](#).

The Senate version of Sexton's bill is [Senate Bill 1086](#), introduced by Sen. John Stephens, R-Huntington. It is scheduled to be heard even earlier next week --- on Tuesday, March 21, in the Senate's [Commerce and Labor Committee](#).

You can click on the committee links above to locate the members of each committee, should you wish to contact them and express your opinion about the legislation. But if you wish to have an impact one way or the other, now through Tuesday, March 21, is the time to act.

Additionally, [Senate Bill 0372](#), introduced in the Senate by State Senator Doug Overbey, R-District 2, also proposes to regulate short term rentals, but with more preservation of local authority. However, the City opposes this bill as well. This bill will also be heard next Tuesday in the Senate Commerce and Labor Committee. The

House version, HB0497, introduced by Rep. Gerald McCormick, R- Chattanooga, is set for consideration on March 21 --- in the House [Business and Utilities Subcommittee](#).

## **Background**

These bills were introduced long after the City of Knoxville began holding public meetings and exploring options for regulating short-term rentals. After reviewing public comments and digging into the lessons learned in other cities, the City Administration has concluded that short term rentals:

- Are occurring in increasing numbers across the City, are illegal in many districts under current zoning codes, and are avoiding the motel-hotel tax that established businesses have to pay.
- Could shrink the supply of affordable housing, the lack of which is already a growing problem in Knoxville.
- Could negatively impact the character and sense of community in residential neighborhoods if proper protections are not included.
- Represent an emerging economy, make Knoxville a more welcoming place to visitors, and should be regulated wisely rather than prohibited altogether.
- May provide an important source of income for retirees and other homeowners who need to supplement their incomes.

The City is preparing a proposed change in its local zoning laws that --- unlike the bills pending in the Legislature --- would balance these competing concerns. This proposed ordinance will be heard first at the Metropolitan Planning Commission (MPC) and then at City Council, which has final legislative authority on the zoning amendment.

Before the proposed ordinance is introduced to MPC, a public meeting on the issue is planned for early April 2017. Watch this newsletter and the City's website for details on date and location.