

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 216

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO SHORT-TERM OR VACATION RENTAL MARKETPLACES; AMENDING TITLE 63,  
2 IDAHO CODE, BY THE ADDITION OF A NEW CHAPTER 18, TITLE 63, IDAHO CODE, TO  
3 PROVIDE A SHORT TITLE, TO PROVIDE LEGISLATIVE INTENT, TO DEFINE TERMS,  
4 TO PROVIDE FOR LIMITING TAX DUTIES OF SHORT-TERM RENTAL MARKETPLACES  
5 AND THE COLLECTION OF TAX; AMENDING CHAPTER 65, TITLE 67, IDAHO CODE,  
6 BY THE ADDITION OF A NEW SECTION 67-6539, IDAHO CODE, TO PROVIDE LIMIT-  
7 TATIONS ON REGULATION OF SHORT-TERM RENTALS AND VACATION RENTALS; AND  
8 PROVIDING AN EFFECTIVE DATE.  
9

10 Be It Enacted by the Legislature of the State of Idaho:

11 SECTION 1. That Title 63, Idaho Code, be, and the same is hereby amended  
12 by the addition thereto of a NEW CHAPTER, to be known and designated as Chap-  
13 ter 18, Title 63, Idaho Code, and to read as follows:

14 CHAPTER 18

15 SHORT-TERM OR VACATION RENTAL MARKETPLACES

16 63-1801. SHORT TITLE. This act may be cited as the "Short-term Rental  
17 and Vacation Rental Act."

18 63-1802. LEGISLATIVE INTENT. This act is designed to promote access  
19 to short-term rentals and vacation rentals by limiting local governmental  
20 authority to prohibit these beneficial property uses, or to specifically  
21 target them for regulation, except in circumstances necessary to safeguard  
22 public health and welfare. This act is also designed to preserve personal  
23 property rights and promote property owner access to platforms for offering  
24 their properties as short-term rentals and vacation rentals, and enhancing  
25 local tax revenue by permitting platforms to assume tax collection and re-  
26 mittance responsibilities.

27 63-1803. DEFINITIONS. In this chapter:

28 (1) "Local government" means any governmental entity or agency, in-  
29 cluding counties, municipalities, and taxing districts, but not the state of  
30 Idaho and the agencies and departments of the state.

31 (2) "Lodging operator" means a person that rents a short-term rental or  
32 vacation rental to an occupant using a short-term rental marketplace.

33 (3) "Lodging transaction" means a charge to an occupant by a lodging op-  
34 erator for the occupancy of any short-term rental or vacation rental using a  
35 short-term rental marketplace.

36 (4) "Short-term rental" or "vacation rental" means any individually or  
37 collectively owned single-family house or dwelling unit or any unit or group  
38 of units in a condominium, cooperative or timeshare, or owner-occupied res-  
39 idential home that is offered for a fee and for thirty (30) days or less.

1 Short-term rental or vacation rental does not include a unit that is used for  
2 any retail, restaurant, banquet space, event center or another similar use.

3 (5) "Short-term rental marketplace" means a person that provides a  
4 platform through which a lodging operator, or the authorized agent of the  
5 lodging operator, offers a short-term rental or vacation rental to an occu-  
6 pant.

7 63-1804. LIMITING TAX DUTIES OF SHORT-TERM RENTAL MARKETPLACES --  
8 COLLECTION OF TAX. (1) A local government may not levy a sales, use, fran-  
9 chise, receipts, or other similar tax or fee on the business of operating a  
10 short-term rental marketplace.

11 (2) A short-term rental marketplace shall register with the state  
12 tax commission for collection, reporting, and payment of sales and use and  
13 travel and convention taxes levied by this state and any applicable local  
14 government taxes administered by the state tax commission on short-term  
15 rentals and vacation rentals due from a lodging operator on any lodging  
16 transaction facilitated by the short-term rental marketplace.

17 (3) A short-term rental marketplace shall collect, report, and pay  
18 taxes imposed on the lodging operator or occupant of a short-term rental or  
19 vacation rental by any local government.

20 (4) Any local government that has levied a tax pursuant to statutory au-  
21 thorization, may contract with the state tax commission for the collection  
22 and administration of such taxes in like manner and under definitions and  
23 rules of the state tax commission for the collection and administration of  
24 the state sales or use tax under chapter 36, title 63, Idaho Code. Alterna-  
25 tively, such local government shall have authority to administer and collect  
26 such tax. All revenues collected on behalf of the local governments by the  
27 state tax commission pursuant to this chapter shall be distributed as fol-  
28 lows: An amount of money shall be distributed to the state refund fund suffi-  
29 cient to pay current refund claims. All refunds authorized by the commission  
30 to be paid shall be paid through the state refund fund and those moneys are  
31 continuously appropriated. The state tax commission may retain an amount  
32 of money equal to such fee as may be agreed upon between the state tax com-  
33 mission and such local government for the actual cost of the collection and  
34 administration of the tax. The amount retained by the commission shall not  
35 exceed the amount authorized to be expended by appropriation by the legis-  
36 lature. Any unencumbered balance in excess of the actual cost at the end of  
37 each fiscal year shall be distributed as provided in this section. All re-  
38 maining moneys received pursuant to this chapter shall be placed in a fund  
39 designated by the state controller and remitted monthly to the local govern-  
40 ment levying such tax.

41 (5) A short-term rental marketplace that has not facilitated a lodging  
42 transaction in Idaho shall have forty-five (45) days to comply with this sec-  
43 tion upon completion of their first lodging transaction in Idaho.

44 SECTION 2. That Chapter 65, Title 67, Idaho Code, be, and the same is  
45 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
46 ignated as Section 67-6539, Idaho Code, and to read as follows:

47 67-6539. LIMITATIONS ON REGULATION OF SHORT-TERM RENTALS AND VACATION  
48 RENTALS. (1) Neither a county nor a city may enact or enforce any ordinance

1 that has the express or practical effect of prohibiting short-term rentals  
2 or vacation rentals throughout the jurisdiction of such county or city.  
3 Notwithstanding the foregoing prohibition, a county or city may implement  
4 such reasonable regulations as it deems necessary to safeguard the public  
5 health, safety and general welfare in order to protect the integrity of  
6 residential neighborhoods in which short-term rentals or vacation rentals  
7 operate. A short-term rental or vacation rental shall be classified as a  
8 residential land use for zoning purposes subject to all zoning requirements  
9 applicable thereto.

10 (2) Neither a county nor a city can regulate the operation of a short-  
11 term rental marketplace.

12 SECTION 3. This act shall be in full force and effect on and after Jan-  
13 uary 1, 2018.