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**Testimony of Josiah Neeley
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Texas Senate Committee on Business and Commerce
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Chairman Hancock, members, thank you for allowing me to testify today. My name is Josiah Neeley. I am the Southwest Region director for the R Street Institute and I am here to testify in favor of S.B. 451.

R Street is a nonprofit, free-market research organization that has done extensive work on the sharing economy. We have put out a “Roomscore” report that looks at short-term rental regulation in 59 of the nation’s largest cities and tourist destinations.

Regulation of short-term rentals in Texas varies considerably by location. Some localities do quite well; Galveston, for example, receives the highest ranking in the nation on our metrics. But other cities perform poorly, and some, like Fort Worth, effectively do not allow short-term rentals at all.

We view this as a fundamental violation of property rights. Homeowners should have the right to rent out their homes for a few days, subject to reasonable regulation. Any issues involving noise, parking or other effects on the peace and enjoyment of properties neighboring a short-term rental can and should be dealt with via general ordinances that apply to all properties.

One final point: prior testimony has raised the specter that short-term rentals may be exacerbating housing shortages in some localities. Given the small percentage of total housing stock that is used for short-term-rental purposes, this is unlikely. Indeed, allowing short-term rentals may enhance affordability, as the supplemental income from the rentals may help homeowners afford to stay in the home. To the extent that cities want to address affordability, they should look to decrease restrictions on developing new housing stock to let supply grow to meet demand.

I would be happy to answer any questions.