

I am writing you in regard to SB109. I will attend the Subcommittee meeting today on February 11, 2020.

I own a single short-term rental townhome in Summit County and do not agree with the re-classification of property for the purpose of taxation.

The definition of a commercial property according to Investopedia is a building that houses a business, land intended to generate a profit, or a large residential property. Our 1600 square foot townhome rented less than 45 day a year does not meet this definition.

We have had this property for 20 years

Summit County Daily, February 5, 2020 posted an article promoting small term rentals in many ways.

“Tourism spending in Summit County this year exceeds \$1 Billion and this money is spent on residential quality of life being paid by tourist” and a single vacation rental like ourselves. Please do not pass Senator Gardner’s SB109 out of committee.

Property taxes, HOA, utility, cleaning, internet fees have all increase sustainably. We do our own bookings, repair, painting, supply of linens, paper products, and carpet cleaning in an attempt to keep expenses down.

Even with all our work, we are still a negative return with limited marketing days related to seasonal booking. There are only a small number of ski days in Summit County, around 90, and summer rentals are hard to come by.

A commercial business has 360 days to acquire income. Short term rental, long terms rental, residents, tourists, other business owners, all

provide a commercial business with an income. Small term rentals do not have this access.

We would like to use our rental unit when it is not booked, but the tax regulations do not allow us to use the unit for personal use more than 12 days a year.

This new bill will require us to use the unit more than 30 days in order to maintain our current tax deduction status.

These are definitely conflicting requirements for a small vacation rental owner. How does one satisfy both requirements?

Summit Daily article stated: "Sales tax make up 70% of our budget and so we live and die by sales taxes, and that means we lie and die by tourists," Silverthorne town Manager Ryan Hyland.

"Town council has been very clear that they want to make sure that we support a thriving economy by encouraging overnight stays rather than day trips." Frisco spokes woman Venessa Agree.

Changing the tax status of short terms rental can potentially raise our property tax by more than 3 times the current rate. This will negatively affect the number of short-term units remaining on your tax base with owners like myself who no longer can afford to rent our small townhouse compared to like large hotels, commercial business, grocery stores, cinemas, large rental complexes units, and large pieces of property.

Changing our status to commercial property also changes how property tax and income deductions are addressed.

Again, please do not pass Senator Gardner's SB109 out of committee.

Thank you for your consideration. Janet Kinder

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