

— LEGISLATIVE —  
**TESTIMONY**

*May 18, 2021*

JARRETT SKORUP

# **Striking a Balance to Preserve Property Rights and Prevent Public Nuisances**

**Michigan House Committee  
on Commerce and Tourism &  
Michigan Senate Regulatory  
Reform Committee**

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The following is testimony submitted for presentation to the Michigan House Committee on Commerce and Tourism and the Michigan Senate Regulatory Reform Committee by the Mackinac Center's Jarrett Skorup on May 18, 2021. This testimony and others can be read online at [mackinac.org/testimony](https://mackinac.org/testimony).

# Striking a Balance to Preserve Property Rights and Prevent Public Nuisances

EE Has anyone here ever had a bad neighbor? Maybe someone who has people over all the time and constantly throws parties? Their friends park in your grass? Their teenagers fly down the street while your kids are trying to learn to ride a bike?

I've heard those complaints all my life. I hear them now about short-term renters. But I've heard them about regular homeowners and long-term renters as well. It's been a consistent complaint for decades in this country about renters causing problems and changing the neighborhood and cities trying to zone them out of existence.

But, eventually, states decided to not allow that to happen. Long-term renters are an important part of the housing market and our economy. Banning them causes all kinds of issues.

I've thought about this when considering my testimony here on short-term rentals. For as long as the "cottage up north" has existed, property owners have rented out their property to others and websites like Homeaway, VRBO and Airbnb have made this process easier than ever. But local governments in some Michigan communities are starting to overregulate and even ban short-term rentals like these. The complaints are similar to ones we've all heard about long-term renters and regular homeowners.

Unfortunately, rather than focusing on the problematic renters, local governments have gone after the entire industry of short-term rentals. The Mackinac Center has heard from many of those who have been shut down.

Like Linda in Dowagiac who has been able to keep her cottage in the family for 100 years through short-term rentals. Or Julie who has lived in New Buffalo her whole life and survives, with no pension or 401K, by renting her home, which is now in jeopardy. Or Mike in St. Clair Shores who spent thousands to renovate a home, bettering the neighborhood, before being shut down. To their knowledge, no neighbors ever complained about their guests – but they are out of business and out of luck because of their cities overbearing regulations.

To me, there is no true solution to the problem of being annoyed with the lifestyle of your neighbors. But there are ways to mitigate it. House Bill 4722 and Senate Bill 446 strike a good balance for property rights from both perspectives.

This bill prevents local governments from banning short-term rentals, but explicitly allows other local regulations to curb these annoyances, as long as they are applied on a consistent basis. This provides property owners the freedom to rent their property, but locals governments can still enforce ordinances related to noise, traffic, parking, advertising, littering and more.

One of the most important individual rights is the ability to own and control your private property. The right to use your property as you see fit can be bothersome to others and governments can create regulations to help mitigate issues that might arise between neighbors. But those regulations should be fair and limited. This navigates those issues and protects property owners' rights while maintaining the ability for local governments to regulate when necessary.



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