



## Changes in Local Lodging legislation - 2018

Recent legislative reforms have created tighter rules for operators of Local Lodging establishments. Under the new regulations, Councils can have a say in setting occupancy quotas within their municipalities. Condominiums may launch complaints regarding “AL” based disturbances and misuse in their buildings.

Here are seven newly approved procedural changes that will impact all “AL” operators, from major investors to individual owners.

### 1. Tourist insurance and liability coverage

Local Lodging establishments will need to have tourist coverage on their multi-risk insurance to cover possible damages due to increased use of the common areas in the building. The new law goes further, holding the “AL” owner mutually accountable for any damage caused by guests to common areas. The absence of insurance coverage will be grounds for cancellation of the “AL” permit.

### 2. “Information Book” with rules in four languages

Also new in 2018, Local Lodgings accommodations are obliged to have an “Information Book”, available in Portuguese and English as well as in at least two other foreign languages, containing detailed rules about the collection and separation of municipal waste and the operation of household appliances. The Book should specify the care to be taken to avoid disturbances that might affect neighbours as well as furnish the telephone contact of the operator of the “AL” establishment. The “Information Book” should also contain other condominium regulations and practices relevant to housing and common areas.

### 3. “AL” signs

An “AL” identification plaque for Local Lodging becomes mandatory once again in all holiday letting accommodations. In the case of apartments, a small sign should be placed at the entrance. The exact specifications of these signs have as yet to be specified.



#### **4. Condominium charges may become more expensive**

In apartment buildings, condominiums will be able to approve condo fee supplements of up to 30% for owners engaged in Local Lodging for corresponding expenses resulting from the increased use of common areas. To this end, the condominium must pass regulations stipulating the criteria approved by at least two-thirds of owners.

#### **5. Complaints from neighbours may lead to closings**

When agreed by more than half of the owners, condominiums will be able to challenge Local Lodging operators, disapproving acts by guests that disturb the normal use of the building. This opposition shall be referred to the City Council, responsible for the final decision regarding licensing suspension.

#### **6. Reporting an “AL” activity closure within 10 day**

The holder of a Local Lodging registration must communicate to the Tax Authority the closure of “AL” activity within 10 days after the occurrence. Also, Owners must notify electronic reservation platforms, such as Airbnb or Booking, of the activity change.

#### **7. Individual Rooms are also Local Lodging accommodation**

Besides apartments and villas, individual rooms – up to a maximum of three per dwelling – are now considered within the concept of Local Lodging. For the “AL” designation to occur, the property owner must engage in holiday room letting in his own residence.

#### **Conclusion**

The approval of these changes has been a part of the whirlwind of controversy as inflamed local sentiments have often taken precedence over national interest. With the 2019 Budget looming on the horizon, it appears likely that we have not seen the end to the political seesaw battle surrounding Local Lodging legislation.