

Legal Connections



POWERED BY THE COLUMBUS BAR ASSOCIATION

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"The rights of property owners and renters can be complex to understand. Consult with a trusted legal professional to ensure that you protect yourself and your property."

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SHORT-TERM RENTALS: WHAT COULD GO WRONG?

Three, two, one... game over!

It's Saturday night, and your beloved Buckeyes just put the finishing touches on a big victory in the 'Shoe. It was your first time sitting in the lower deck, which you had no problem springing for, as you've collected some extra cash by renting out the other side of your duplex for the night. You're on your way home, ready to settle in for the night and bask in the glory of your big victory. As you pull up, you notice some commotion on your street: some people, gathering in front of your house. And as you get closer, it reveals itself: the warm glow of your loveseat, ablaze, in your front yard. Have fun basking in that!

And you thought this was easy money.



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Short-term rentals have become all the rage for renters and property owners alike. Online platforms such as Airbnb and VRBO offer a compelling alternative to travelers who, for any number of reasons, are looking for something other than a traditional hotel experience. Property owners in desirable locations now have the means to open their

properties to the online world and the flexibility to profit from their investments in a variety of new ways.

And there's no reason why YOU, as a property owner, can't take advantage of the opportunity - should you so choose. However, in order to avoid and/or minimize the cost of the couch-turned-bonfire scenario and other potential legal pitfalls, you should ask yourself, or your trusted legal advisor, a few questions:

Where do you live and what does your local zoning code say about short-term rentals?

Do you live in a planned community or condominium building where deed restrictions or other rules and regulations govern what you can and can't do with your property?

What does your insurance policy say regarding renters? Is damage caused by renters covered? What if a guest gets hurt on your property?

Do your loan documents prohibit you from renting your property?

Are you familiar with the terms of service for your selected rental platform?

Have you carefully considered and provided your guests with "house rules" regarding the use of your property? What if your guests break the rules? What can you do and what rights do they have?

Have you talked to other short-term property owners about their experiences? For example, what is the process for keeping a security deposit?

These are just a few questions related



Source: National Association of Realtors, 2018

to the legal considerations of a short-term rental. If you fail to carefully contemplate all of this and more, and plan accordingly, all of that extra Airbnb money... or your couch... could end up in flames. ■

Don't miss our 2019 Real Property Institute on Feb. 7 - 8, featuring BrewDog! Register now: cbalaw.org

WHAT SMALL BUSINESSES NEED TO KNOW ABOUT BLOCKCHAIN

"Blockchain" is an increasingly trendy buzzword in discussions about the future of business and technology. But what exactly does it mean, and how is it relevant to the business environment in Ohio?

Blockchain is a type of distributed ledger technology. Utilizing consensus algorithms and cryptography, blockchains enable users to trade, send or record information in a self-validating, secure environment. These systems operate on distributed networks of computers and are managed entirely by computer science and mathematics.



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So what does this mean? Take any important information database in the public or commercial world: activity on a credit report, patient medical records, or even votes in an election. In many scenarios, people rely upon the accuracy and security of the information.

In a world where digital security breaches at Fortune 500

companies and government agencies are increasingly common, blockchains offer a new paradigm for addressing these concerns. Blockchains also offer the potential for a marketplace of "peer-to-peer" transactions, enabling people to

contract, trade, rent and gig directly with each other, without having to go through a company or public authority.

Ohio's government has led the way in its embrace of this innovative technology. In November 2018, the Office of the Treasurer of Ohio announced a plan to begin accepting bitcoin and other cryptocurrencies as a method of payment for certain forms of business tax through a special portal called "OhioCrypto.com."

Cryptocurrencies, or new forms of digital money, are a type of application that is possible with blockchain technology. With this announcement,

Ohio is attempting to position itself as a leading destination for blockchain businesses.

While blockchain technology is still the subject of confusion and speculation among many, these advances by Ohio businesses and the state government demonstrate the momentum that is underway. You don't necessarily need to understand all the technological details to understand that blockchain will likely have a major impact on the future of commerce.

Read the full article on cbalaw.org/news ■



OHIO'S MEDICAL MARIJUANA BUSINESS

An Overview from the Legal Perspective

This program will explore the tangle of legal issues surrounding medical marijuana in Ohio: Licensing, banking complications, measuring impairment, state vs. federal laws, tax issues, predicting the future of the industry, and much more.

February 27,
1:30pm @ the CBA

Register for this class at www.cbalaw.org or call (614) 221-4112.