**Talking Points for Meetings with Legislators**

**PABBI’s Legislative Priorities for 2023**

**PRIORITY #1 – Ensuring Safety and Fairness as it relates to Short-Term Rentals**

Short-term rentals, especially Airbnb, have revolutionized the lodging market. Some of these online home-sharing companies offer more listings than the top five major hotel brands have, combined. As technology continues to evolve and change, it’s important the commonwealth keep up with accountability, registration, and oversight of the short-term rental sector of the lodging industry.

Fair Competition

Bed and Breakfasts (B&Bs) in the state are not opposed to the competition that comes from online home-sharing sites, but want a level playing field. B&Bs are required to:

* Obtain an occupancy permit to operate which requires compliance with the Uniform Construction Code (UCC).
* Adhere to local zoning ordinances that require on-going inspections of boilers and fire extinguishers, and adequate parking and lighting.
* Inspected to meet safety standards.
* Remit hotel occupancy tax and local county/city room tax.
* Carry commercial insurance.

Those listing on an online home-sharing site, should be required to adhere to the same standards as B&Bs.

Formation of STR Sub-Committee

Since 2016, PABBI has been a strong advocate of leveling the playing field with short-term rentals (STR). Over the past several legislative sessions, a Bill was introduced into the House Tourism & Recreational Committee regarding online home-sharing tax fairness. These bills required online home sharing platforms to register with the Department of Revenue and regularly submit a list of PA properties to ensure tax compliance. It would further allow the department to share that information with county treasurers to ensure local compliance and enforcement. In almost all of the previous legislative sessions the Bill either was not voted out of committee or never made it to the House floor for a vote.

With the start of a new legislative session in 2023, the broader travel and tourism industry determined that a new approach to leveling the playing field with short-term rentals is needed. PABBI’s Executive Director was selected to chair the STR Sub-Committee formed by the PA Restaurant & Lodging Association’s (PRLA) Tourism & Lodging Committee.

This STR Sub-Committee will research the current STR marketplace, what other states and cities across the country are doing to manage STRs, and make recommendations on next steps for Pennsylvania. The Sub-Committee will convene a group of stakeholders consisting of other organizations and associations whose members are impacted by STRs to help in developing next steps. To date, a number of municipalities across PA have implemented ordinances to restrict and/or manage STRs within their jurisdictions.

Introduction of a new Bill

Based on the work of the STR Sub-Committee and the influence of the Stakeholders group, the broader tourism industry hopes to suggest new policy for the General Assembly to consider in 2023. Legislators should work to ensure that their local governments have the tools they need to keep guests safe and also collect taxes.

**PRIORITY #2 – Protect and Increase Statewide Tourism Funding**

For Pennsylvania to maximize its potential competing with other states to attract tourists, it must fund tourism efforts at $39 million that does not include legislative earmarks.

For too long, tourism funding has remained stagnant in Pennsylvania at about $4 million. Research suggests that PA’s tourism promotion efforts are significantly underfunded, especially when compared to surrounding and similar-sized states.

Travel and tourism accounts for nearly $5 billion in state and local taxes and supports nearly 525,000 jobs (6.6 percent of the Commonwealth’s workforce).

PA’s state and local governments would have to tax each PA household an extra $950 per year to replace the taxes generated by travel and tourism.

Pennsylvania continues to trail competitive states as well as the nation in terms of leisure and hospitality employment growth. Of our competitive states, only Delaware’s tourism budget ranks lower than Pennsylvania.

**PRIORITY #3 – Statewide Legislation Enabling the creation of Tourism Improvement Districts**

A tourism improvement district (TID) is a stable source of funding for efforts to increase tourism to a particular region. Funds raised through a self-assessment on lodging stays are used to market and develop initiatives that benefit businesses in the district.

Senator Devlin Robinson has circulated a co-sponsorship memo with the intentions to file legislation allowing for tourism improvement districts in Pennsylvania in May 2023.

Throughout the country, many cities and counties are creating tourism improvement districts to invest more funds into tourism at the regional level. Current law does not allow for a streamlined, clear process to be used to form a TID.

The bill would be enabling legislation allowing individual counties to determine whether they move forward with creating a TID.

The bill would allow an assessment on a lodging business with a county, and decisions related to those funds would be at the discretion of a TID board made up of members of the assessed community.