



Position on Short-Term Rentals Policy

The Board of Directors of the PABBI, the state association for owners and operators of bed and breakfasts and inns, is an organization formed to elevate and grow the bed and breakfast industry in Pennsylvania by providing support, guidance and education to innkeepers; building strong relationships with key industry leaders; and lobbying for state laws that fairly deal with the needs of innkeepers and guests.

One major recent change in our industry is the growth of online hosting platforms, most notably Airbnb, HomeAway and others. In just a few short years these sites have emerged as an influential and ingrained part of the short-term lodging industry, generating remarkable levels of website traffic and lodging transactions. A growing number of professional innkeepers are taking advantage of these platforms, listing themselves as “hosts” and finding success in reaching this new segment of travelers.

PABBI believes our members should regard these hosting platforms as valuable sales channels. By listing on these sites, our members have the advantage of distinguishing themselves as “professional,” “experienced,” and “inspected” to discerning travelers. PABBI’s expectation is that by listing their properties with hosting platforms like Airbnb and HomeAway, its members and others in the professional innkeeping industry will find new guest markets that help grow their businesses and meet their financial goals.

PABBI also believes there are some business aspects to these online hosting platforms that present a concern and require ongoing advocacy. The concern has two parts. First, the online hosting platforms must do a better job assisting local municipalities in collecting sales and lodging taxes, or collecting those taxes themselves. Second, “hosts” or “owners” offering their home or vacation rental properties for short-term rentals must be held to the same standards of regulatory enforcement as professional innkeepers.

PABBI believes it is critical for lawmakers to take steps to require the same business practices for properties listed on hosting platforms as currently practiced by professional innkeepers and lodging owners – meeting certain operational requirements, registering with state and local governments, requiring enforcement of tax collection, obtaining liability insurance and passing health and building inspections.

There are two key focus areas of advocacy for PABBI going forward:

Taxes: PABBI supports local and state government officials and legislators willing to propose and pass legislative action that tightens loopholes and protects both lodging properties and guests. We also support legislation that would provide transparent accountability for third-party collection and payment of applicable taxes.

Licensing, Insurance and Inspections: Local governing bodies must be provided with location and owner information about short-term rental businesses in order to enforce written laws and ordinances related to their operation. PABBI believes any host operators, either through ignorance or intent, who fail to register their businesses with the appropriate state and local authorities should be made to do so. For the safety and protection of operators, lodgers, neighbors and the larger community, PABBI believes it is essential that all lodging properties meet the requisite health and safety inspections and offer proof of liability insurance, as examples.

PABBI will work to educate state associations, units of local governments and other entities on how we can level the playing field. We will advocate for proactive action with cities, towns and municipalities. While online hosting platforms may instruct their (its) hosts to review and comply with local laws before listing, some hosts overlook this critical step, and subsequent enforcement is often lacking. PABBI encourages legislators to develop tools and resources to educate Pennsylvania residents on the minimum standard of compliance.

In summary, PABBI and its Board of Directors are committed to working with all parties - legislators, municipal officers, property owners, and online hosting platform companies like Airbnb and Homeaway - to help shape a shared goal of responsible regulation, and to enact enforceable legislation at the local and state level that protects the interests and safety of lodging facilities and their guests. There is clear evidence that online hosting platforms are filling a growing need, expressed and supported by the widespread interest of the traveling public to stay in short-term rental properties. It is the intent of PABBI to work with all stakeholders to ensure the professional innkeeping industry continues to grow and thrive in this new environment.

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