



Professional Association of Innkeepers International (PAII) Position Statement on Short-Term Rental Legality, Fairness and Safety

The leadership of the Professional Association of Innkeepers International (PAII), the trade association for owners and operators of bed and breakfasts and inns, believes in a vibrant travel and lodging marketplace, and recognizes the emergence of in the short-term rental market over the past few years. The PAII leadership is concerned about matters of fairness and safety which need to be addressed by many businesses and individuals involved in the short-term rental market.

Following the Law

Local laws and regulations that address the existence and allowance of short-term rentals in residential properties (i.e. apartments, houses, condos, etc.) vary greatly from city to city in North America and beyond. Above all, PAII believes property owners, managers and tenants involved in the leasing or subleasing of their property to the traveling public should abide by all local laws and agreed-upon covenants and restrictions with regard to short-term tenancy. If the laws are overly restrictive with regard to short-term rental permissions, rather than circumventing law, property owners, managers or tenants should seek to change the law. PAII encourages governmental authorities to allow reasonable alternative use of residential properties for the purpose of offering lodging to the traveling public.

Marketing Intermediaries

Websites which market short-term lodging opportunities should take reasonable measures to encourage compliance with local laws and regulations related to renting rooms, apartments or houses. At minimum, these websites should make those seeking to rent rooms on their sites aware of their obligation to abide by local laws. We advise all short-term rental intermediaries give property owners or managers the ability to publicly acknowledge they are in compliance with local laws on their property listings, have been inspected by proper authorities, and carry liability insurance. Travelers should have confidence they will be staying in legal establishments, and marketing companies can help travelers choose such properties.

Taxation Fairness

Nearly every hotel and B&B is required to collect sales taxes or occupancy taxes (or both). These taxes often support numerous efforts to recruit additional commerce and well-being in the province, state or city (i.e. transportation infrastructure, tourism marketing, etc.). Short-term rental owners benefit financially from the influx of both leisure and business travelers, and therefore should contribute in the same or similar manner as other lodging businesses. Because of the size and scope of these properties, we believe taxation on short-term rentals should be similar to the taxation on B&Bs and small inns in their markets. Related to this, if online intermediaries are collecting room revenue from travelers on behalf of the property owners or managers, they should collect and dispense the proper taxes.

Safety

When inviting the traveling public to stay in homes, apartments and rooms, greater safety standards and requirements should be in place and followed by short-term rental owners and managers. We encourage local authorities to put fire, health and safety standards in place for short-term rentals that are commensurate with the economic feasibility and potential volume of room rentals, such as annual fire inspections, working fire suppression equipment, egress management, food safety, etc. We are concerned about awareness and adherence to safety and security when people, who are not formally in the lodging business or haven't been properly educated and trained on safety and security matters, invite the traveling public to stay in their rooms, condos and homes. The onus is on the property owner or manager to follow all the proper inspections and reporting to authorities. In addition, property owners should secure ample liability insurance to protect themselves and their guests.

*Adopted by the PAII Board of Directors
February 5, 2013*