



AIHP - Online Hosting Platform(s) Position

The Association of Independent Hospitality Professionals (AIHP) focuses on best practices to enhance the success and sustainability of independent hospitality professionals and allied partners through education, advocacy and networking. We offer professional development to help guide our members through an ever-changing environment.

One major recent change in our industry is the growth of online hosting platforms, most notably Airbnb, VRBO/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. 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.

AIHP believes our members should regard these hosting platforms as another sales channels from which to acquire new guests and earn their loyalty with superior service and hospitality. By listing on these sites, our members have the advantage of distinguishing themselves as “professional”, “experienced”, and “inspected” to discerning travelers. AIHP’s expectation is that by listing their properties with hosting platforms like AirBnb and VRBO/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.

However, AIHP also believes there are some business aspects to these online hosting platforms that present a concern and require ongoing advocacy. The concern is two-part.

- 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.

With this in mind, AIHP will be working with national, state and local lodging associations, *and* the online hosting platforms like Airbnb and VRBO/HomeAway to increase oversight and, when appropriate, encourage legislative action from state and local lawmakers. The most recent example was the bill passed in March by the Virginia State Legislature. **AIHP supports legislation like the Virginia bill which when enacted, will result in greater accountability and enforceable tax regulation so Virginia lodging properties, including innkeepers, are protected.**

AIHP 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 AIHP going forward:

Taxes:

- AIHP supports local, state and national legislators willing to propose and pass legislative action that tightens loopholes and protects both lodging properties, their hosts/owners and guests.
- We also support ongoing initiatives by AirBnb, VRBO/HomeAway and other hosting platforms to work with cities, towns and municipalities across the country to collect and remit sales and lodging/occupancy taxes on behalf of their hosts who do not do so themselves. We will continue to push to accelerate these initiatives. Examples of where this private/public cooperation has been established include the states of Alabama, Florida, Illinois, North Carolina, Rhode Island and Washington.
- Where such collaboration is either not possible or productive, AIHP will do what it reasonably can to urge state and local governing bodies to enact legislation that allows for direct or 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.
- AIHP 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, guests, neighbors and the larger community, AIHP believes it is essential that all lodging properties meet the requisite health and safety inspections and offer proof of liability insurance, as examples, among other conditions.

Next Steps:

- AIHP will continue to engage with online hosting platform companies, offering our expertise to help these providers become a better business resource for our members.
- 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. We will be at the forefront pushing to ensure online platforms do their part, and hosts and regulators achieve common goals.
- AIHP encourages legislators and online hosting platforms to develop a “litmus test” in order to bring all short-term lodging operators up to this minimum standard of compliance.

In summary, AIHP and its Board of Directors are committed to working with all parties - legislators, property owners and online hosting platform companies like Airbnb and VRBO/HomeAway - to help shape a shared goal of responsible regulation, and to enact enforceable legislation at the local, state, and national 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 AIHP to work with all the stakeholders to ensure the professional innkeeping industry continues to grow and thrive in this new environment.