

ONLINE HOME SHARING

Are You in Compliance with Local and State Requirements?

The travel industry has seen significant 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.

If you currently list your property on an online hosting platform or are thinking about it, please read on.

Is my home now a business?

Yes. When you collect dollars from a third-party for a short-term stay, you are now operating a business within your home. You are required to comply to the same local and state regulations as a hotel, motel or bed and breakfast.

Zoning

- Be sure that your property is zoned to operate a short-term (less than 30 days) lodging business.
- You may need to present a request to your zoning hearing board if your locality is not zoned for short-term rentals.
- Refer to your local government's website to find contact information for your local township or municipal zoning officer to confirm proper zoning.
- If you live in a community with an Home Owners Association (HOA), check with regulations of the HOA to be sure home sharing is permitted.

Occupancy Permit

- Pennsylvania has a statewide building code, the Uniform Construction Code (UCC) that is administered and enforced locally (90%) and at the state level.
- Short-term rentals must adhere to the UCC that may require the installation of sprinklers, emergency exits, fire escapes or alarm systems.
- Your code official will review your application to determine if complaint with the UCC.
- An occupancy permit will be issued and must be posted where it is visible by guests.

Hotel Occupancy Tax

- The state hotel occupancy tax (6%) applies to room rental charges for periods of less than 30 days by the same person.
- The tax applies to rentals of rooms, apartments and houses arranged through online or third-party brokers such as HomeAway, VRBO and Airbnb.
- You must register with the PA Department of Revenue for a Sales, Use, and Hotel Occupancy Tax License (except Airbnb – which performs this service.)
- Payment is remitted either monthly or quarterly depending upon total sales.
- This license must be posted where it is visible by guests.

ONLINE HOME SHARING

Are You in Compliance with Local and State Requirements? (continued)

County/City Room Tax

- Almost all counties in PA collect room tax to help fund tourism promotion.
- The tax applies to rentals of rooms, apartments and houses arranged through online or third-party brokers such as HomeAway, VRBO and Airbnb.
- You must register your property with your county and city treasurer's office.
- Payment is remitted on a monthly or quarterly basis.
- This license must be posted where it is visible by guests.

Insurance

- Will your current homeowners carrier continue to cover you if your property is listed on online home sharing sites?
- Not all insurance companies will write policies to cover short-term rentals.
- You must contact your insurance agent to ensure that you have the proper coverage.
- Protect your personal liability and personal property.

Parking

- Check your zoning for parking regulations.
- At minimum, you should have one space per room in addition to your personal parking needs.
- All walkways should be lighted for safety especially if guests will use street parking.

To protect the safety of guests, the security and peace of residential areas, and ensure fair competition, the following entities are working together to ensure that all short-term rental hosts are in compliance with local and state requirements.

- PA Treasurers Association
- PA Restaurant & Lodging Association
- PA Association of Bed & Breakfast Inns
- Pennsylvania Downtown Center

Published and distributed by the Pennsylvania Downtown Center and the PA Association of Bed & Breakfast Inns (PABBI).



For more information, visit www.painns.com/short-term-rentals