

JOINT STATE GOVERNMENT COMMISSION

General Assembly of the Commonwealth of Pennsylvania

The Short-Term Rental Industry in Pennsylvania

A Staff Study

March 2025



*Serving the General Assembly of the
Commonwealth of Pennsylvania Since 1937*

REPORT

House Resolution 425 (2024)
The Short-term Rental Industry in Pennsylvania

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The report is also available at <http://jsg.legis.state.pa.us>

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The Joint State Government Commission was created in 1937 as the primary and central non-partisan, bicameral research and policy development agency for the General Assembly of Pennsylvania.¹

A fourteen-member Executive Committee comprised of the leadership of both the House of Representatives and the Senate oversees the Commission. The seven Executive Committee members from the House of Representatives are the Speaker, the Majority and Minority Leaders, the Majority and Minority Whips, and the Majority and Minority Caucus Chairs. The seven Executive Committee members from the Senate are the President Pro Tempore, the Majority and Minority Leaders, the Majority and Minority Whips, and the Majority and Minority Caucus Chairs. By statute, the Executive Committee selects a chairman of the Commission from among the members of the General Assembly. Historically, the Executive Committee has also selected a Vice-Chair or Treasurer, or both, for the Commission.

The studies conducted by the Commission are authorized by statute or by a simple or joint resolution. In general, the Commission has the power to conduct investigations, study issues, and gather information as directed by the General Assembly. The Commission provides in-depth research on a variety of topics, crafts recommendations to improve public policy and statutory law, and works closely with legislators and their staff.

A Commission study may involve the appointment of a legislative task force, composed of a specified number of legislators from the House of Representatives or the Senate, or both, as set forth in the enabling statute or resolution. In addition to following the progress of a particular study, the principal role of a task force is to determine whether to authorize the publication of any report resulting from the study and the introduction of any proposed legislation contained in the report. However, task force authorization does not necessarily reflect endorsement of all the findings and recommendations contained in a report.

Some studies involve an appointed advisory committee of professionals or interested parties from across the Commonwealth with expertise in a particular topic; others are managed exclusively by Commission staff with the informal involvement of representatives of those entities that can provide insight and information regarding the particular topic. When a study involves an advisory committee, the Commission seeks consensus among the members.² Although an advisory committee member may represent a particular department, agency, association, or group, such representation does not necessarily reflect the endorsement of the department, agency, association, or group of all the findings and recommendations contained in a study report.

¹ Act of July 1, 1937 (P.L.2460, No.459); 46 P.S. §§ 65–69.

² Consensus does not necessarily reflect unanimity among the advisory committee members on each individual policy or legislative recommendation. At a minimum, it reflects the views of a substantial majority of the advisory committee, gained after lengthy review and discussion.

Over the years, nearly one thousand individuals from across the Commonwealth have served as members of the Commission's numerous advisory committees or have assisted the Commission with its studies. Members of advisory committees bring a wide range of knowledge and experience to deliberations involving a particular study. Individuals from countless backgrounds have contributed to the work of the Commission, such as attorneys, judges, professors and other educators, state and local officials, physicians and other health care professionals, business and community leaders, service providers, administrators and other professionals, law enforcement personnel, and concerned citizens. In addition, members of advisory committees donate their time to serve the public good; they are not compensated for their service as members. Consequently, the Commonwealth receives the financial benefit of such volunteerism, along with their shared expertise in developing statutory language and public policy recommendations to improve the law in Pennsylvania.

The Commission periodically reports its findings and recommendations, along with any proposed legislation, to the General Assembly. Certain studies have specific timelines for the publication of a report, as in the case of a discrete or timely topic; other studies, given their complex or considerable nature, are ongoing and involve the publication of periodic reports. Completion of a study, or a particular aspect of an ongoing study, generally results in the publication of a report setting forth background material, policy recommendations, and proposed legislation. However, the release of a report by the Commission does not necessarily reflect the endorsement by the members of the Executive Committee, or the Chair or Vice-Chair of the Commission, of all the findings, recommendations, or conclusions contained in the report. A report containing proposed legislation may also contain official comments, which may be used to construe or apply its provisions.³

Since its inception, the Commission has published over 450 reports on a sweeping range of topics, including administrative law and procedure; agriculture; athletics and sports; banks and banking; commerce and trade; the commercial code; crimes and offenses; decedents, estates, and fiduciaries; detectives and private police; domestic relations; education; elections; eminent domain; environmental resources; escheats; fish; forests, waters, and state parks; game; health and safety; historical sites and museums; insolvency and assignments; insurance; the judiciary and judicial procedure; labor; law and justice; the legislature; liquor; mechanics' liens; mental health; military affairs; mines and mining; municipalities; prisons and parole; procurement; state-licensed professions and occupations; public utilities; public welfare; real and personal property; state government; taxation and fiscal affairs; transportation; vehicles; and workers' compensation.

Following the completion of a report, subsequent action on the part of the Commission may be required, and, as necessary, the Commission will draft legislation and statutory amendments, update research, track legislation through the legislative process, attend hearings, and answer questions from legislators, legislative staff, interest groups, and constituents.

³ 1 Pa.C.S. § 1939.



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To the Members of the General Assembly of Pennsylvania:

We are pleased to release the report, *The Short-Term Rental Industry in Pennsylvania*, pursuant to House Resolution 425 of 2024. The report is a comprehensive review of the commonwealth's growing industry of individuals and businesses renting private residences to lodgers for up to 30 days at a time. The industry's well-known operators include online marketplaces such as Airbnb and VRBO. The report provides information about state statutes, county and municipal ordinances, outlines trends in regulation, provides data on state and local tax revenues, and discusses where in Pennsylvania the industry has seen the strongest growth.

Commission staff suggests for the General Assembly's consideration adoption of a new chapter of Title 48 of the Pennsylvania Consolidated Statutes, Lodging and House Code, to be titled "Transient Lodging." The report includes recommended provisions and definitions for the new chapter.

The report may be found at our website, <https://jsg.legis.state.pa.us>.

Respectfully submitted,

Glenn J. Pasewicz
Executive Director

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INTRODUCTION

Short-term rentals have become a competitive alternative to more traditional travel housing such as hotels, motels, inns and bed and breakfast inns, boarding houses and tourist homes. Much of this growth has occurred over the past 30 years, since the launch of the first online platform in 1995, Vacation Rentals By Owner (VRBO). Various other organizations followed, with the launch of Airbnb (originally named Airbed and Breakfast) in 2008, and yet others followed thereafter. While these entities are well-known, private homeowners also engage in the short-term rental market without the use of a broker or other third-party vendors. This market has expanded significantly in Pennsylvania over the last 10 years. Yet even with the rising popularity of short-term rentals, many aspects of the industry in Pennsylvania are fragmented. Things as basic as to the definition of a short-term rental varies from municipality to municipality, and governing regulations are a patchwork of primarily county and municipal zoning ordinances and regulations. Different laws and ordinances for different purposes also define short-term rentals. Noting requests for guidance and direction by municipalities and other governing entities, the General Assembly passed House Resolution 425, Printer's No. 3293 to direct the Joint State Government Commission, with assistance from the Local Government Commission, to conduct a study on short-term rentals. The directives of the resolution requested:

- (1) a full review of the short-term rental market in this Commonwealth;
- (2) an examination of ordinances and other policy-related initiatives that have been adopted by municipalities regarding short-term rentals operating in this Commonwealth;
- (3) a review of the relevant State laws and regulations currently governing short-term rentals operating in this Commonwealth;
- (4) an examination of the risks and benefits of short-term rentals on the public and this Commonwealth's economy;
- (5) an analysis of the accessibility and availability of public information and data related to short-term rentals operating in this Commonwealth;
- (6) an assessment of the impact, if any, of this Commonwealth's short-term rental industry on this Commonwealth's traditional lodging community and broader tourism promotion efforts;
- (7) an assessment of the impact, if any, of this Commonwealth's short-term rental industry on this Commonwealth's naturally occurring affordable housing stock; and
- (8) any other useful information pertaining to short-term rentals operating in this Commonwealth that enables the General Assembly to evaluate and determine how to ensure the safety and lawful use of short-term rentals.

The Commission contacted a number of stakeholders in the industry to offer any insight, data, or recommendations for the Commission's consideration. While not every entity collected comprehensive information on short-term rentals, staff would like to thank the following organizations for their invaluable assistance in the Commission's research:

- Center for Rural Pennsylvania
- Community Associations Institute
- County Commissioners Association of Pennsylvania
- Happy Valley Adventure Bureau
- Municipal League
- Pennsylvania Association of Bed and Breakfast Inns
- Pennsylvania Housing Finance Agency
- Pennsylvania Lodging and Restaurant Association
- Pennsylvania Realtors
- Pennsylvania State Association of Township Commissioners
- Pennsylvania State Association of Township Supervisors
- Poconos Association of Vacation Rental Owners
- Travel Technology Association

Additionally, staff were able to review the testimony of the witness panel presenting at the House Democratic Policy Committee hearing on the short-term rental industry held on July 29, 2024, held in Pittsburgh. Staff offer apologies to anyone who was in contact but not listed above.

FINDINGS AND RECOMMENDATIONS

While the right of landowners to use their property as they see fit is constitutionally recognized, it is also recognized that uses vary, and private uses are extended greater protection than commercial uses. However, the line between private and commercial is not always clear. Additionally, if the use of the property only impacts on the property itself, it is afforded more protection than an activity that extends beyond the boundaries of the property and affects neighboring properties and the local community at large. Short-term rentals fall in between private and commercial enterprises and may or may not affect the larger community depending on what the landowner permits to occur.

A distinction that should be recognized when considering any regulation of short-term rentals is the level of commercialization involved in a particular short-term rental. Is the owner a grandma renting out her spare bedroom in a college town on weekends for the “big game”? Is the owner an individual with income to support ownership of a half-dozen vacation homes in different locations, and rent them out when he is not in residence? Is the owner an investment vehicle that owns dozens of units of various types and sizes? In the first incident, the college town grandma could easily be determined to be a casual host. In the second, facts and circumstances would probably need to come into play – are the rentals the principal income source for the owner or is it more of a hobby business? In the third, the company would fall under the category of commercial host. Regulations that are appropriate for larger commercial enterprises may be overkill for the small casual host and so any guidelines established should take into account these types of differences.

The details of any municipality’s short-term rental regulations are extremely local. Local zoning officials and elected officials have a better understanding of the nuances of each area within their jurisdictions and are more sensitive to the needs of their communities. “Short-term rental” is a broad term and tends to be defined in terms of what it is not. The first recommendation of this report is to provide a clear definition of the individual types of property use that fall under the umbrella term of “short-term rental.” The second recommendation of this report is that the Commonwealth provide minimum guidelines for local municipalities to use in adopting zoning ordinances dealing with what is better termed “transient lodging.”

Accordingly, this report recommends adopting of a new chapter of Title 48 of the Pennsylvania Consolidated Statutes, Lodging and House Code, to be titled “Transient Lodging” and containing provisions and definitions as set forth below.

A subcategory of short-term rentals could be defined to address the activities of a casual host. “Homestay” could be defined as short-term rentals that are more of a house-sharing arrangement, where the property is the primary residence of the owner who is present on the property during the rental period. This type of arrangement seems suited to the most minimal regulation, such as receiving a permit upon proof of an annual inspection and minimal liability

insurance. This seems appropriate in the sense that if the property is the only home of the host, and they are in residence with the guests, they are assuming the same risks as their guests in staying in the house. A variation in this could be to limit this category to a primary residence and one additional property. Philadelphia's categorization of "limited lodging" could be a model for these small, casual type of rentals, or something akin to Airbnb's one host, one home policy. State College's requirement of the property being occupied by the owner for at least eight months out of the year could also be a variation on any primary residence requirement.

A second category could be created for those owners who operate what amounts to a small commercial enterprise, wherein the owner is limited to how many rental properties may be owned (less than 10). These could be called "vacation rentals." These properties would be subject to licensing and or permit requirements, annual inspections, insurance, the appointment of a person in charge, safety regulations, and nuisance safeguards. Monroe County's model ordinance addresses many of the issues one would expect a vacation rental ordinance to cover.

Short-term rental property portfolios that are, in essence, a commercial operation would be subject to the most restrictive provisions. These "corporate" short-term rental rules would apply to any owner (individual or entity) that owns 10 or more short-term rental properties. In addition to the rules governing vacation rentals, these properties would also be subject to the community's hotel regulations. Construction or renovation of these properties would be subject to the same safety regulations required of hotels. This approach would be comparable to Philadelphia's treatment of "visitor accommodation."

Where short-term rentals are allowed would be at the discretion of the local zoning authority and subject to the local community's desires regarding neighborhood development and tourism promotion. Short-term rentals could be banned from residential zones. Authorization of short-term rentals in residential zones could include caps on the number or percentage of short-term rental properties with a particular zoning district, and caps on the number of nights a property could be rented in any given year.

Every type of short-term rental should be required to be entered into a municipal short-term rental registry. This would help the municipality to keep track of where these properties are located and provide a cross-check to verify if owners are collecting and remitting hotel taxes. Millcreek Township in Erie County has a detailed record keeping requirement that should be applicable to all homestays and short-term rentals wherever authorized. Records of all rentals would be maintained for two years, and include the renter's name, address, telephone number, email address, check-in and check-out dates, and the names of all occupants and guests during the rental period. This record of who was where and when could be important for purposes like exposure tracing in a public health incident or emergency, or aid disaster rescue and recovery efforts.

These provisions would be minimum guidelines for municipalities looking to create new or amend existing ordinances. A phase-in period for homestays and short-term rentals in existence prior to the new or amended ordinance would be provided to allow owners to bring properties into compliance with the new regulations, with homestays and standard short-term rentals given six months, and corporate short-term rentals given a year.

With respect to new common interest ownership communities (cooperatives, condominiums, and planned communities), comparable guidelines should be included in the community declaration and covenants. Existing planned communities could amend their declarations, but this is not a simple process. In general, what a willing buyer and a willing seller agree upon as part of living in a planned community may include restrictions that subsequent owners may not appreciate. In these instances, owners will likely be held to existing restrictions, if the existence of the restrictions is fully disclosed at the time of the purchase. A mechanism should be created within the Commonwealth's common ownership interest community laws to ensure that copies of the declarations and restrictive covenants are provided to purchasers prior to closing.

RELEVANT STATE LAWS AND REGULATIONS

Short-term rentals are subject to a variety of state laws and regulations but are generally not specifically identified as “short-term rentals.” The term shows up most often in newer municipal ordinances.

The Landlord and Tenant Act of 1951

Landlord-tenant relationships arise when a real property owner enters into a lease agreement with another person. “Real property means messuages, lands, tenements, real estate, buildings, parts thereof or any estate or interest therein and shall include any personalty on real property which is demised with the real property.”⁴ A tenant is defined as “a person who occupies the land or premises of another in subordination to the other’s title and with the other’s express or implied consent, including, but not limited to, oral or written leases or acceptance of rent by an owner or their agent.”⁵ The only real distinction the Landlord-Tenant Act makes regarding length of lease is to require leases that are longer than three years to be in writing. Tenancies can be for a fixed period or can be periodic, running from month-to-month or year-to-year with automatic renewals.⁶

Lodging and Housing Code

In 2016, Title 48 of the Pennsylvania Consolidated Statutes was amended for the first time to consolidate the Innkeepers Rights Act and certain provisions of the Landlord-Tenant Act, the Fire and Panic Act, and Infant Crib Safety Act into one transient lodging code. This act was intended to be a continuation of the prior acts. While nominally addressing hotels, the provisions cover “lodging establishments” of any kind, and the definition is expansive enough to cover the short-term rental of a private residence to a transient guest:

“Lodging establishment.” Except for a time-share arrangement, any of the following:

- (1) A hotel, motel, inn, resort, guest house or bed and breakfast establishment, regardless of size.

⁴ Section 102 of the Act of April 6, 1951 (P.L.69, No.20), known as The Landlord and Tenant Act of 1951 (LT Act).

⁵ Section 102 of the LT Act, as added by the act of July 17, 2024, (P.L. 944, No. 88).

⁶ Sections 201 and 202 of the LT Act. See also, “Consumer Guide to Tenant and Landlord Rights,” Pennsylvania Office of the Attorney General, June 2022. <https://www.attorneygeneral.gov/wp-content/uploads/2022/06/OAG-Consumer-Guide-Tenant-Landlord-Rights-v.13-web-version.pdf>

- (2) A building, other than one listed under paragraph (1), which is held out by any means, including advertising, license, registration with an innkeepers' group, convention listing association, travel publication or similar association or with a government agency, as being available to provide overnight lodging or use of facility space for consideration to persons seeking temporary accommodation.
- (3) A place which advertises to the public at large or a segment of the public that it will provide beds, sanitary facilities or other space for a temporary period to members of the public at large.
- (4) A place recognized as a hostelry, except for portions of the facility which are devoted to persons who have established permanent residence.⁷

Temporary lodging under these provisions applies to an "occupancy or the right to occupancy of a lodging establishment for less than 30 days or on a day-to-day basis if for more than 30 days."⁸ Protections for both "hotelkeepers" and guests are provided. Primarily the provisions provide for recordkeeping, maintaining order, and ensuring guest safety.

Planned Communities

While there are statewide condominium, cooperative, planned community statutes in Pennsylvania, they do not address short-term rentals. Each distinct common ownership interest community will have its own rules governing the ability of property owners to lease their units. Restrictions or permission, if they exist, will be found in the covenants of the common ownership interest community, its declarations, or in the unit owners' association bylaws.

Taxes

Hotel Occupancy Taxes

People renting their private property for third party rentals are subject to the Commonwealth's hotel occupancy tax and potentially a municipal hotel occupancy tax (at the local level, these taxes may also be called a transient occupancy tax or room tax). The state hotel occupancy tax is imposed under the Tax Reform Code of 1971 and applies to all "hotels." Under the statute, a hotel is defined as a building or buildings in which the public may, for consideration, obtain sleeping accommodations."⁹ Hotel is further defined in the Department of Revenue regulations:

⁷ 48 Pa.C.S. § 1311(g).

⁸ Ibid.

⁹ § 209(1.4) Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Code of 1971.

Hotel—A building in which the public may, for a consideration, obtain sleeping accommodations, **including establishments such as inns, motels, tourist homes, tourist houses or courts, lodging houses, rooming houses, summer camps, apartment hotels, resort lodges and cabins and other building or group of buildings in which sleeping accommodations are available to the public for periods of time less than 30 days.**

- (i) An establishment which has accommodations available to the general public as sleeping quarters for periods less than 30 days, is a hotel within the meaning of this definition, even though the establishment may have other accommodations which are used for purposes other than sleeping quarters, and even though the establishment may have other sleeping quarters which are available only for periods of 30 days or more.
- (ii) An establishment such as a public summer camp which has any permanent buildings available to the public for use as sleeping quarters, may be a hotel, even though some of its accommodations may be temporary structures, such as tents.
- (iii) A private organization or institution which, in the ordinary course of its activities, provides sleeping accommodations to persons directly associated with it, is not a hotel. Where, however, an organization or institution, offers or makes available sleeping accommodations for the general public for periods less than 30 days, the organization or institution is considered to be operating a hotel with respect to all occupancies (emphasis added).¹⁰

The state hotel occupancy tax is set at six percent, with an additional one percent local sales and use tax imposed in Allegheny County, two percent in Philadelphia, and which is also collected by the Department of Revenue and remitted to those counties.¹¹ Booking agents are required to collect and remit these taxes on behalf of their clients. If a private individual does not use a booking agent exclusively, or at all, then that individual is responsible for collecting and remitting these taxes to the Department of Revenue and must register for a sales, use, and hotel occupancy tax license with the Commonwealth.¹²

Local hotel taxes vary from county to county, based upon the county classification. These taxes are imposed in addition to the state tax remitted to the Department of Revenue. Local hotel taxes are collected by the local tax collection authority. Pennsylvania's counties are classified by

¹⁰ 61 Pa.Code § 38.3.

¹¹ § 210 of the Tax Reform Code of 1971. See also, City of Philadelphia, "Sales, Use, and Hotel Occupancy Tax," accessed December 31, 2024. <https://www.phila.gov/services/payments-assistance-taxes/taxes/business-taxes/business-taxes-by-type/sales-use-hotel-occupancy-tax/> and Airbnb Help Center, accessed December 31, 2024. <https://www.Airbnb.com/help/article/2325>

¹² § 210 of the Tax Reform Code of 1971. See also, Commonwealth of Pennsylvania, Department of Revenue, "Home-sharing/Third-party Broker Rentals," accessed December 31, 2024. <https://www.pa.gov/agencies/revenue/resources/tax-types-and-information/sales-use-and-hotel-occupancy-tax/home-sharing.html>

population. Philadelphia and Allegheny Counties have the largest hotel taxes. Philadelphia, the only County of the First Class, collects the six percent state hotel occupancy tax plus the two percent state sales and use tax. In addition, Philadelphia County collects the following taxes:

Table 1
Philadelphia County Hotel Taxes
2025

Rate	Statutory Authority
6.0%	Pennsylvania Convention Center Authority Act 64 Pa.C.S. § 6025
1.0	§10, tourism and marketing tax under the Community and Economic Improvement Act, act of December 21, 1998 (P.L.1307, No. 174)
1.5	§ 11, hospitality and promotion tax under the Community and Economic Improvement Act

Source: County Commissioners Association of Pennsylvania (CCAP), “County Hotel Tax Rates and Contact Information (as of 3/2/20),” <https://www.pacounties.org/getmedia/607608ac-4f1d-44e9-93c3-5fc2f1f747d0/Hotel-Tax-Rates-and-Contacts.pdf>, supplemented by JSGC staff updates from individual county websites.

An individual staying in a short-term rental in Philadelphia pays a total of 16.5 percent in hotel taxes: the total 8.5 percent that is imposed by the county plus the 8.0 percent state hotel occupancy/sales and use tax.

Allegheny County, as the only Second Class County, is generally authorized to impose a five percent hotel tax.¹³ This tax has been temporarily raised by two percent to a total of seven percent, which is scheduled to expire no later than August 31, 2027, and revert to the original five percent. The additional tax is, in part, assigned to the Southwestern Pennsylvania Convention Center.¹⁴ A person staying in a short-term rental in Allegheny County pays a total of 14 percent in hotel taxes: the seven percent imposed by the county plus the seven percent state hotel occupancy/sales and use tax.

The Second Class A counties of Bucks, Delaware, and Montgomery are authorized to impose a tax up to five percent. Bucks County imposes a five percent tax, Delaware a three percent tax, and Montgomery a four percent tax.

Third Class counties are authorized to impose a county hotel at a maximum five percent tax, depending on the population of the individual county. The following table provides a list of third class county hotel taxes.

¹³ 16 Pa.C.S. § 17509 and 53 Pa.C.S. § 8721(a)(1).

¹⁴ 16 Pa.C.S. § 17161.

Table 2
Hotel Taxes in Third Class Counties
2025

Third Class County Description	Tax Rate	Statutory Citation	Affected Counties
with 2 nd Class A City	7.0%	16 Pa.C.S. § 17501	Lackawanna
with population between 237K-240K	5.0	16 Pa.C.S. § 17502	Dauphin
with population 290K-295K or 245K-250K	4.0	16 Pa.C.S. § 17505	Lehigh, Northampton
with a convention center	7.0	16 Pa.C.S. § 17352	Erie
Other	5.0	16 Pa.C.S. § 17507	Berks, Chester, Cumberland, Luzerne, Westmoreland, York

Source: County Commissioners Association of Pennsylvania (CCAP), “County Hotel Tax Rates and Contact Information (as of 3/2/20),” <https://www.pacounties.org/getmedia/607608ac-4f1d-44e9-93c3-5fc2f1f747d0/Hotel-Tax-Rates-and-Contacts.pdf>, supplemented by JSGC staff updates from individual county websites.

Total hotel taxes, state and local, in the remaining counties range from a high of 13 percent to a low of six percent.

Fourth through eighth class counties are of diminishing size, with fourth class counties at a maximum population of less than 210,000. Under the County Code, the county hotel room rental tax for those counties is capped at five percent¹⁵

¹⁵ 16 Pa.C.S. § 17507.

Table 3
County Hotel Taxes in Pennsylvania
Fourth through Eighth Class Counties
2025

County Classification	Tax Rate	Affected Counties
4 th	5.0%	Beaver, Butler, Cambria, Centre, Fayette, Franklin, Schuylkill, Washington
5 th	5.0	Adams, Blair, Lawrence, Lebanon, Lycoming, Mercer
6 th	5.0	Armstrong, Clarion, Clinton, Crawford, Elk, Huntingdon, Indiana, Jefferson, McKean, Mifflin, Somerset, Tioga, Venango, Warren
7 th	5.0	Juniata, Union, Wyoming
8 th	5.0	Cameron, Forest, Montour, Potter
6 th	4.0	Columbia
4 th	3.0	Monroe
5 th	3.0	Northumberland
6 th	3.0	Bradford, Carbon, Clearfield, Greene, Pike, Susquehanna, Wayne
7 th	3.0	Snyder
8 th	3.0	Sullivan
6 th	2.0	Bedford
6 th	No Tax	Perry
8 th	No Tax	Fulton

Source: County Commissioners Association of Pennsylvania (CCAP), “County Hotel Tax Rates and Contact Information (as of 3/2/20),” <https://www.pacounties.org/getmedia/607608ac-4f1d-44e9-93c3-5fc2f1f747d0/Hotel-Tax-Rates-and-Contacts.pdf>, supplemented by JSGC staff updates from individual county websites.

Under the state hotel tax statutory provisions, hotel operators have always been required to collect and remit the hotel occupancy tax. By an amendment in 2018 added to the Tax Reform Act of 1971, “booking agent” were also mandated to collect and remit the tax. A booking agent was defined as “a person or entity which facilitates or collects payment for hotel accommodations on behalf of or for an operator.” An “operator” was further defined as “any person operating a hotel or acting as a booking agent.” The provisions further state that the term booking agent “shall

not include a person who merely publishes advertisements for accommodations.”¹⁶ Prior to the passage of the 2019 amendment, Airbnb entered into an agreement in 2016 with the Pennsylvania Department of Revenue to do voluntary collect and remit the tax on behalf of their hosts. According to Airbnb, since 2016 the company remitted approximately \$139 million in tax revenue to the state, including \$30.3M in 2023 alone.¹⁷

Some home-sharing websites and third-party brokers that do not fall under the definition of booking agent voluntarily collect and remit the Pennsylvania hotel occupancy tax on behalf of hosts.

Personal Income Taxes

Federal tax laws treat vacation homes and rental properties differently, for a variety of different tax issues. These issues are generally beyond the scope of this report, but examples include deductibility of mortgage interest, recognition of losses, basis in the property, depreciation, active versus passive investments and recognition of gain or loss on the sale of the property. The treatment of short-term rental property income and expenses depends on the total number of days per year the property is rented out.

Used as a home but rented less than 15 days. If you use a dwelling unit as a home and you rent it less than 15 days during the year, its primary function isn’t considered to be rental and it shouldn’t be reported on Schedule E (Form 1040). You aren’t required to report the rental income and rental expenses from this activity. Any expenses related to the home, such as mortgage interest, property taxes, and any qualified casualty loss, will be reported as normally allowed on Schedule A (Form 1040).

Used as a home and rented 15 days or more. If you use a dwelling unit as a home and rent it 15 days or more during the year, include all your rental income in your income. Because you used the dwelling unit for personal purposes, you must divide your expenses between the rental use and the personal use, as described earlier in this chapter under Dividing Expenses. The expenses for personal use aren’t deductible as rental expenses.¹⁸

For Pennsylvania personal income taxes, short-term rental income is taxed as net income from the operation of a business, profession, or farm. This means that expenses incurred by the property owner can be offset against the gross rents received by guests. The personal income tax rate in Pennsylvania for 2024 and 2025 is 3.07 percent and does allow carryover of unused profits. Properties with rental periods of less than 30 days are considered short-term rentals. The property must be offered on a commercial basis to others in a marketplace, with the intent to realize a profit, and the leasing is characterized by regularity and continuity of services. “Typically, vacation home

¹⁶ § 209(a)(1.2) and (a)(4) of the Tax Reform Code of 1971.

¹⁷ Email from Kelly Fay, Public Policy Team, Airbnb comments, November 1, 2024. Copy on file in JSGC offices.

¹⁸ U.S. Department of the Treasury, Internal Revenue Service, Publication 527, “Residential Rental Property (Including Rental of Vacation Homes), for use in preparing 2024 returns, p. 28. <https://www.irs.gov/pub/irs-pdf/p527.pdf>

rentals and/or rentals of a taxpayer’s home, either directly or using online vacation rental or home rental websites, are short-term rentals.”¹⁹

Property Tax Implications

In 1968, Pennsylvania held a constitutional convention and adopted a newly revised Commonwealth Constitution. Article VIII, Taxation and Finance enumerated authorized tax exemptions and special tax provisions. Homestead exemptions from real property taxes are authorized.

§ 2. Exemptions and special provisions.

...

(b) The General Assembly may, by law:

...

(vi) Authorize local taxing authorities to exclude from taxation an amount based on the assessed value of homestead property. The exclusions authorized by this clause shall not exceed 100% of the assessed value of each homestead property within a local taxing jurisdiction. A local taxing authority may not increase the millage rate of its tax on real property to pay for these exclusions.

...²⁰

While property tax rebates for lower-income senior citizens were enacted as early as 1971,²¹ a homestead exemption was not statutorily authorized until 1998.²² Essentially, a homestead or farmstead is a dwelling, and the land it is located on land is primarily used as the domicile of a natural person who is the owner. The exemption can be no more than half the median assessed value of homestead property in the political subdivision. The exemption works to exclude part of the value of the property from real estate taxes. Political subdivisions for this purpose include both local government entities as well as school districts. The homestead exemption is also included in the Taxpayer Relief Act of 2006.²³

¹⁹ Commonwealth of Pennsylvania, Department of Revenue, “Net Income (Loss) from Rents, Royalties, Copyrights and Patents,” accessed January 13, 2025. <https://www.pa.gov/agencies/revenue/forms-and-publications/pa-personal-income-tax-guide/net-income-loss-from-rents,-royalties,-copyrights-and-patents.html>

²⁰ The Constitution of Pennsylvania, Article VIII, Section 2, <https://ldpc6.legis.state.pa.us/cfdocs/legis/LI/consCheck.cfm?txtType=HTM&ttl=00&div=0&chpt=8&sctn=2&subctn=0>

²¹ The act of March 11, 1971 (P.L.104, No. 3), known as the Senior Citizen Property Tax Assistance Act, repealed and replaced by the act of June 27, 2006 (Sp. Sess. 1, Z.P.L. 1873, No. 1), known as the Taxpayer Relief Act, at Ch. 13, (relating to known as the Senior Citizen Property Tax and Rent Rebate Assistance).

²² 53 Pa.C.S. § 8581 et seq., known as the Homestead Property Exclusion Program Act, as added by the act of July 1, 1998 (P.L. 301, No. 50).

²³ Taxpayer Relief Act, Chap. 3, Subch. E (relating to homestead exclusion).

The homestead exemption is relevant in the realm of short-term rentals, as engaging in short term rentals can result in a decrease in an individual homeowner's exemption. Regulations under the exemption indicate that periods of time when the homeowner is not in residence and the property is rented to a guest/client will result in a pro-rated exemption.²⁴

Insurance Implications

Pennsylvania does not require homeowners to carry insurance on their property. Practically, banks and other lenders will not issue a mortgage unless the property is insured to at least the extent of the value of the mortgage. Homeowners' insurance policies can provide coverage for a variety of reasons:

- **Dwelling:** Coverage pays for damage to a house and structures attached to the house, such as attached garages. This includes damages to fixtures such as plumbing, electrical wiring, heating, and permanently installed cooling systems.
- **Other Structures:** Coverage pays for damage to structures not attached to the dwelling. These include detached garages, sheds, fences, guest houses, etc.
- **Personal Property:** Coverage reimburses the policy owner for damage to or theft of personal property. This covers things like furniture, appliances, electronics, lawn equipment, clothing, etc. It also protects the personal belongings of the policy owner even when they aren't on the insured property.
- **Loss of Use:** Coverage pays for additional living expenses if the policy owner can't live in the home (because of a covered loss) while it's being repaired.
- **Personal Liability:** Coverage protects the policy owner, the owner's relatives in the household, and residents in the household under the age of 21 if the policy owner is sued and found legally responsible for injury or damage to their property. This coverage also extends to students under the age of 24 enrolled full-time at school or college (with certain exceptions).
- **Medical Payments to Others:** Coverage provides coverage for medical bills for people hurt on the policy owner's property or hurt by the policy owner's pets.²⁵

²⁴ 61 Pa.Code §§ 401.42, 401.53, and 401.58.

²⁵ Commonwealth of Pennsylvania, Insurance Department, "Learn About Insurance: Homeowners Insurance," accessed January 15, 2025. <https://www.pa.gov/agencies/insurance/consumer-help-center/learn-about-insurance/homeowners.html#accordion-9fa8fe4e01-item-88dc7b4522>

As discussed in the previous sections on tax implications, short-term rentals are categorized as a commercial endeavor, and a basic homeowner's policy may not provide coverage for these activities or may specifically exclude home-based businesses. Homeowner's insurance policies usually exclude or limit coverage for:

- Floods
- Earthquake or earth movement
- Maintenance
- Foundation issues
- Intentional loss
- Pest or animal damage
- Home-based businesses
- High-value items
- Mold or fungus
- Theft, vandalism and frozen pipes in vacant houses
- Wear and tear
- Pollution and corrosion
- Power failure
- Mechanical breakdown²⁶

Short-term rental insurance can be added as a rider to an existing homeowner's policy, or a separate, stand-alone policy can be purchased. Typically, these policies include guest liability, which covers injuries to guests and damage to your property, and theft and burglary. These policies may or may not cover intentional damage, loss of income, guests' property, and wear and tear. Further, theft coverage may be limited, and some high-value personal property may be excluded. Both Airbnb and Vrbo provide free liability coverage for their hosts.²⁷

²⁶“Homeowners insurance exclusions,” insurance.com, May 30, 2024. <https://www.insurance.com/home-and-renters-insurance/home-insurance-basics/homeowners-insurance-exclusions>

²⁷ Jason Metz, “Short-Term Rental Insurance,” *Forbes*, November 30, 2023. <https://www.forbes.com/advisor/homeowners-insurance/home-sharing-insurance/>

MUNICIPAL ORDINANCES AND POLICY-RELATED INITIATIVES

Property rights are foundational to the American form of government and are recognized in both the United States and Commonwealth Constitutions. The 4th and 5th amendments to the U.S. Constitution both speak to governmental interference with the rights of a property owner, whether via illegal search and seizure or unlawful taking of property. Pennsylvania's constitution directly states that property rights are inherent for all people.

Article I. Declaration of Rights

That the general, great and essential principles of liberty and free government may be recognized and unalterably established, WE DECLARE THAT—

§ 1. Inherent rights of mankind.

All men are born equally free and independent, and, **have certain inherent and indefeasible** rights among which are those of enjoying and defending life and liberty, of **acquiring, possessing and protecting property** and reputation, and of pursuing their own happiness.²⁸

The 10th amendment to the U.S. Constitution limits the powers granted to the federal government under it: “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” These reserved powers are frequently referred to as “police powers” and are used to provide for public health, safety, and welfare legislation.

While Pennsylvania respects the concept that one's home is one's castle and cannot be summarily altered or affected by government action, these protections are not absolute. Under Pennsylvania's commonwealth form of government, police powers are frequently delegated to local governments. The power to regulate short-term rentals resides at the local government level, and regulations are implemented through zoning ordinances.

²⁸ Pennsylvania Constitution, Article I, Section 1. Emphasis added.
[https://ldpc6.legis.state.pa.us/cfdocs/legis/LI/consCheck.cfm?txtType=HTM&ttl=00&div=0&chpt=1&subscn=0](https://ldpc6.legis.state.pa.us/cfdocs/legis/LI/consCheck.cfm?txtType=HTM&ttl=00&div=0&chpt=1§n=1&subscn=0)

Pennsylvania Municipalities Planning Code

The Pennsylvania Municipalities Planning Code applies to “any city of the second class A or third class, borough, incorporated town, township of the first or second class, county of the second class through eighth class, home rule municipality, or any similar general purpose unit of government which shall hereafter be created by the General Assembly.”²⁹

The purpose of the Code is:

It is the intent, purpose and scope of this act to protect and promote safety, health and morals; to accomplish coordinated development; to provide for the general welfare by guiding and protecting amenity, convenience, future governmental, economic, practical, and social and cultural facilities, development and growth, as well as the improvement of governmental processes and functions; to guide uses of land and structures, type and location of streets, public grounds and other facilities; to promote the conservation of energy through the use of planning practices and to promote the effective utilization of renewable energy sources; to promote the preservation of this Commonwealth’s natural and historic resources and prime agricultural land; to encourage municipalities to adopt municipal or joint municipal comprehensive plans generally consistent with the county comprehensive plan; to promote small business development and foster a business-friendly environment in this Commonwealth; to ensure that municipalities adopt zoning ordinances which are generally consistent with the municipality’s comprehensive plan; to encourage the preservation of prime agricultural land and natural and historic resources through easements, transfer of development rights and rezoning; to ensure that municipalities enact zoning ordinances that facilitate the present and future economic viability of existing agricultural operations in this Commonwealth and do not prevent or impede the owner or operator’s need to change or expand their operations in the future in order to remain viable; to encourage the revitalization of established urban centers; and to permit municipalities to minimize such problems as may presently exist or which may be foreseen and wherever the provisions of this act promote, encourage, require or authorize governing bodies to protect, preserve or conserve open land, consisting of natural resources, forests and woodlands, any actions taken to protect, preserve or conserve such land shall not be for the purposes of precluding access for forestry.³⁰

Municipal ordinances regulate land use, health and safety, occupancy, and fire protection, among others. While there are some county-wide ordinances affecting some aspects of homeownership, many of these rules are enacted at the local municipal level (city, borough, town, or township) and vary within counties and from county to county.

²⁹ Act of July 31, 1968 (P.L. 805, No. 247), reenacted and amended December 21, 1988 (P.L.1329, No.170); known as the Pennsylvania Municipalities Planning Code, 53 P.S. § 10101 et seq.; § 10107, definitions.

³⁰ Ibid.

For municipalities to accomplish their community development objectives and comprehensive plans, municipalities are empowered to enact zoning ordinances governing the use of land, watercourses and bodies of water within their jurisdiction.³¹ The county may adopt a zoning ordinance that would be applicable to those that do not adopt a zoning ordinance. If a municipality later adopts a zoning ordinance after the county has done so, the municipal zoning ordinance becomes primary and the county ordinance is treated as repealed as to that municipality.³²

Zoning Ordinances

Zoning ordinances should “give consideration to the character of the municipality, the needs of the citizens and the suitability and special nature of particular parts of the municipality.”³³ With exceptions relating to coal mining, oil and gas drilling, nutrient management, and agricultural area security, municipalities “may permit, prohibit, regulate, restrict and determine” uses of land, watercourses and other bodies of water. Special exceptions, variances, and conditional uses may be approved.³⁴ Zoning ordinances must cover the entire area of the municipality, with no part left unzoned. Different classes of situations, uses and structures may be created and are required to be uniform within each district, with certain provisos. Nonconforming uses and structures may also be provided for within each classification. Among the classes of zoning districts, permitted uses may be mutually exclusive, in whole, or in part.³⁵ Zoning ordinances shall be designed:

To provide for the use of land within the municipality for residential housing of various dwelling types encompassing all basic forms of housing, including single-family and two-family dwellings, and a reasonable range of multifamily dwellings in various arrangements, mobile homes and mobile home parks, provided, however, that no zoning ordinance shall be deemed invalid for the failure to provide for any other specific dwelling type.³⁶

Within each Pennsylvania municipality that regulates short-term rentals, the ordinance governing the use may categorize the rentals as a conditional use, a permitted use, or a nonconforming use. They may also be allowed in residential or commercial zones. There is no standard structure for the zoning of short-term rentals.

In 2023, a project begun at Cornell University and funded by the National Science Foundation, the U.S. Department of Housing and Urban Development, and 11 other non-profit foundations and institutions was announced. The project is attempting to create a National Zoning Atlas. “The purpose of the atlas is to offer insight into zoning’s effects and democratize land use decision-making through comprehensive, digitized, and user-friendly zoning information. . . . When

³¹ Ibid., § 601, 53 P.S. § 10601.

³² Ibid., § 602, 53 P.S. § 10602.

³³ Ibid., § 603(a); 53 P.S. § 10603(a).

³⁴ Ibid., § 603(b); 53 P.S. § 10603(b).

³⁵ Ibid., § 605, 53 P.S. § 10605.

³⁶ Ibid., § 604(4); 53 P.S. § 10604.

complete, each state atlas will encode into a single geographic information system (GIS) database the regulations of each zoning district in that state.”³⁷ The project is in progress or completed in over 20 states.³⁸ In Pennsylvania, the project has only looked at Dauphin County and includes 10 out of 39 municipalities in the atlas thus far. Overall, slightly over 20 percent of Pennsylvania’s 2561 cities, boroughs, towns, and townships have been examined. In time, this could become a useful tool to understand short-term rentals within the Commonwealth.

Issues that can be addressed in zoning ordinances affecting short-term rentals can include issuance of permits, obtaining a county business license, listing on the municipal rental property registration, parking, signage, maximum number of guests, length of stay, number of stays per year, taxes, liability insurance, and site size. Codes inspections may be required, and compliance with electrical, sewer, and water capacity requirements verified. Concerns may also be addressed regarding impacts on traffic flows and road maintenance. Some ordinances distinguish short-term rentals based on whether an entire dwelling is available for rent, or an individual room or suite, and the availability of kitchen access or restaurant services. Some ordinances regulate vacation homes that are specifically defined.

Litigation

“Short-term rental” is an extremely broad term and could be interpreted to include any rental of a dwelling place on a temporary basis. However, for purposes of short-term rental regulation and zoning, different types of short-term rentals are distinguished in municipal zoning ordinances. Hotels, motels, bed and breakfast inns, boarding and rooming houses, tourist homes, and transient dwellings can all be found identified and specifically defined in various Pennsylvania municipal zoning ordinances. Principally, hotels, motels, and bed and breakfast establishments have long been regulated by local government. Some are considered commercial establishments, while others are permitted or conditional uses of residential establishments. Making this distinction has been a major factor in litigation regarding short-term rental regulation in Pennsylvania.

A series of lawsuits within the Pocono Mountains region of Pennsylvania have provided some guidance on how and when municipalities can regulate short-term rentals. Additionally, some of these lawsuits address the ability of homeowners’ associations to regulate their members’ rental activities.

The decision of the Pennsylvania Supreme Court in *Slice of Life*, issued in 2019, established the baseline case guiding subsequent short-term rental litigation in Pennsylvania. Around 2013, a property in Hamilton Township, Monroe County was purchased as an investment by a non-resident of Pennsylvania used it exclusively for short-term rentals. Short-term rentals of two nights to one week were advertised for large groups (12-17 individuals). The relevant township zoning ordinance identified the area where the property was located as Zoning District

³⁷ National Zoning Atlas, accessed January 21, 2025. <https://www.zoningatlas.org/atlas>

³⁸ U.S. Department of Housing and Urban Development, Office of Policy Development and Research, “Creating the National Zoning Atlas,” July 11, 2023. <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-071123.html>

A, which had several permitted uses, including Use Class 1 – Single Family Residential. The ordinance allowed single-family detached dwellings, which were defined as living quarters for one or more families, but did not include hotels, motels, rooming houses, or other tourist homes. Further, the ordinance defined a family as one or more persons, occupying a dwelling unit, related by blood, marriage or adoption, living together as a single housekeeping unit and using cooking facilities and certain rooms in common. The ordinance did not define a “single housekeeping unit.” In reversing a string of Commonwealth Court decisions that found short-term rentals permissible in residentially zoned areas, the Pennsylvania Supreme Court found that local ordinances prohibiting exclusively transient uses such as short-term rentals are legal. This analysis was based principally on a prior Pennsylvania Supreme Court holding in 2004, which found that purely transient use of a property as part of a commercial short-term vacation rental business was not a permitted use in a residential zoning district.³⁹ They further held that permitted uses that are not expressly included in an ordinance are excluded, and that an ordinance defining single family dwellings in terms of a single housekeeping unit preclude purely transient use.⁴⁰

In 2024, Commonwealth Court had two opportunities to interpret the *Slice of Life* opinion. In Pocono Township, Monroe County, a challenge was made to 2019 ordinance covering “Transient Dwelling Use of Single-Family Dwellings.” The landowners had purchased the property in question in 2016 to use as a second residence and for short-term rentals (landowners’ primary residence is in New York). In 2017, Pocono Township passed an ordinance regulating short-term rentals and the landowners applied for a license to rent their property. Subsequently, Pocono Township repealed the 2017 ordinance and enacted the transient dwelling ordinance in 2019. The new ordinance established a licensing process for short-term rentals. The ordinance prohibited short-term rentals in the R-1 District but permitted them in the Commercial and Recreation Districts.

The property owners asked the court to declare that the short-term rental ordinance was impermissibly exclusionary. Reading *Slice of Life*, the court found that for a single-family dwelling to be used as a short-term rental, the zoning ordinance must explicitly permit it. Further, it found that purely transient short-term rentals of single-family dwellings may only be permitted outside of residential districts, which was the case in the new ordinance, and declared the new ordinance permissible from an exclusionary basis. However, the landowners also argued that the use of the property as a short-term rental was a lawful nonconforming use. Under property law, a lawful nonconforming use is a use that predates the enactment of a prohibitory zoning restriction. Given the legal permissibility of the rental at the time the owners engaged in short-term rental activities, the subsequent ordinance could not retroactively prohibit that use.⁴¹ In December 2024, Commonwealth Court further discussed and applied the *Slice of Life* ruling, in a decision that a short-term rental property that engaged in short-term (minimum stay of one to three nights) rentals

³⁹ *Slice of Life, LLC and Val Kleyman v. Hamilton Township Zoning Hearing Board and Hamilton Township*, 207 A.3d 886 (Pa. 2019), citing *Albert v. Zoning Hearing Board of North Abington Township*, 854 A.2d 401 (Pa. 2004).

⁴⁰ *Slice of Life*. For additional analysis of the cases underlying and preceding *Slice of Life*, see Marshal Granor, Es. And Brett M. Woodburn, Esq., “Short Term Rentals,” Materials presented to the Erie Bar Association, 2019. Document on file at JSGC.

⁴¹ *Johnson v. Pocono Township Zoning Hearing Board and Pocono Township*, 310 A.3d 836 (Pa. Commw. Ct. 2024).

for groups of up to 30 people, was an exclusive transient commercial endeavor not permitted under a Thornhurst Township, Lackawanna County zoning ordinance.⁴²

While these cases seem to settle the notion that exclusive use of a single-family dwelling for short-term rentals must be expressly included in a zoning ordinance, they do not address the situation in which an individual family owns and resides in the dwelling part of the time and enters short-term rentals part of the year.

With regard property that is part of a planned community, a different interpretation of short-term rental regulations has been established by Commonwealth Court. In two 2024 cases, the court found that restrictive covenants in such communities generally cannot be used to ban short-term rentals and declared *Slice of Life* inapplicable in these circumstances.

A community in Wayne County objected to a homeowner's use of his property as a vacation home for his family and for short-term rentals. The community's restrictive covenants provide that and building "shall not at any time be used for commercial purposes, but the use of the same shall be limited to strictly private residential purposes only." Long-standing law in Pennsylvania holds that restrictive covenants are to be strictly construed against persons seeking to enforce them, and that nothing short of a plain disregard of the covenant's express terms can create a violation. In this case, the court looked at the language of the covenant and found that the plain language of the covenant did not limit the property to the owner's residential use, did not prohibit rental of the property, and made no distinction between short-term and long-term rentals. The court found that the restriction to use for private residential purposes only applied to both the owner and the renters, if they were using it as a residence, as opposed to a business.⁴³

In a similar case, also from Wayne County, the declaration of the planned community explicitly authorized rentals. Subsequently adopted bylaws purported to amend the bylaws to regulate rentals by limiting short-term rentals. In analyzing this case, the Commonwealth Court distinguished between restrictive covenants addressing building restrictions and those that address use restrictions. In this case, the court found that the declaration of covenants addressed the size, dimensions, and other physical aspects of a single-family dwelling, defined as a building constructed that can accommodate a family of one or more persons or three unrelated adults. No part of the covenants expressly addressed the manner of occupation or use of the property. Further, the court found the bylaws in conflict with the declaration, and as such, conflicting bylaws are invalid.⁴⁴

⁴² *Thornhurst Township v. Thornhurst Township Zoning Hearing Board and Pocono4rent*, 1071 C.D. 2021 (Pa. Cmmw. Ct., December 10, 2024).

⁴³ *Ruffed Grouse Ridge Owner's Association v. Charles Hura*, 968 C.D. 2023 (Pa. Cmmw. Ct. May 31, 2024)

⁴⁴ *Chan et al. v The Association of Property Owners of The Hideout, Inc.*, 70 & 71 C.D. 2023 (Pa. Commw. Ct. August 20, 2024).

Examples of Municipal Ordinances

Not surprisingly, the communities that are the most active in regulating the short-term rental market are those in traditional tourism markets.

Philadelphia

Philadelphia enacted its short-term rental ordinance effective January 1, 2023. Property owners must apply for licenses and permits to engage in STRs. A commercial activity license is required, as is a zoning permit. There are two types of zoning permits and rental licenses. If the property has a primary resident, the owner must obtain a limited lodging operator license and a zoning permit for limited lodging use. If the property does not have a primary resident, a rental license with a hotel designation is required and a zoning permit for visitor accommodation use.

Because of the requirement of a primary resident for a property to be designated a limited lodging property, this type of license applies to the more casual hosts, not operating a commercial enterprise. A maximum of three people can occupy the property, including the owner and renters. Hotel tax must be collected, and annual records must be kept of rental dates and number of renters.

Safety requirements include installation of smoke alarms and carbon monoxide alarms. No signs may be posted and the appearance of the property cannot be altered so that it no longer resembles a private residence. Notice must be given to renters regarding trash collection and disposal rules.⁴⁵

Pittsburgh and Allegheny County

In December 2024, the City of Pittsburgh enacted its residential housing rental permit program. This program was inspired, in part, by a tragedy at a rental property on the city's North Side at Easter 2022.⁴⁶ Owners are required to obtain a permit to engage in short-term rentals. Properties must be listed on the city's rental registry with the Department of Permits, Licenses, and Inspections. The program is particularly geared toward short-term rentals, and is not applicable to hotels, motels, nursing homes and other properties that are subject to the Allegheny Health Department Housing and Community Environment Program (discussed further below). The ordinance specifically applicable to "Domiciles used by Owners as short-term homestays and experiences are to be considered Rental Units subject to the provisions of the Permit Program and these rules."⁴⁷ The program is applicable to rentals of dwelling units, defined as a building or portion thereof designed for occupancy for residential purposes and having cooking facilities and

⁴⁵ City of Philadelphia, "Rent your property (short-term)", last updated January 5, 2014.

<https://www.phila.gov/services/permits-violations-licenses/rent-or-sell-property/rent-your-property-short-term/>

⁴⁶ For further discussion of the incident, see *infra*. p. 44.

⁴⁷ City of Pittsburgh, Department of Permits, Licenses & Inspections, "Rules and Regulations for the Pittsburgh City Code, Title VII, Article X, Rental of Residential Housing, Chapter 781, Residential Housing Rental Permit Program, December 19, 2024. Rule 2 E & S. https://www.pittsburghpa.gov/files/assets/city/v/1/pli/documents/residential-housing-rental-permit-program-rules-regulations_12192024.pdf. See also, <https://www.pittsburghpa.gov/Business-Development/Permits-Licenses-and-Inspections/Licenses/Trade-Licenses/Rental-Registration>

sanitary facilities. Inspection and safety requirements include fire safety checks, structural integrity assessments, and evaluations of electrical and plumbing systems.⁴⁸

There are 130 municipalities in Allegheny County. Outside of Pittsburgh, the county does not have a specific short-term rental policy. The County Department of Housing and Community Enforcement Program addresses short-term rentals in hotels, motels, rooming houses, and boarding homes. These properties are subject to inspection and registration. They do not apply to rental of a whole single-family residence.

A rooming house is a facility that houses four or more unrelated people in one or more rooms. The units inside a rooming house (either a room or group of rooms) have spaces for living and sleeping, but do not usually have areas for cooking or eating. Some of these facilities also require that individuals staying in different rooming units share a common bathroom. The most common example of a rooming house is a hotel or motel.

A boarding home is defined as a rooming house that also prepares and/or serves food to their residents. Nursing homes, PCBHs, and shelters are some examples of boarding homes.⁴⁹

Some individual municipalities in Allegheny County outside of the City of Pittsburgh have enacted specific short-term rental ordinances. JSGC staff has identified the following municipalities as having specific short-term rental ordinances: The Boroughs of Edgeworth, Emsworth, Homestead, Millvale, Sewickley; the Townships of Hampton, Indiana, Leet, Ross, Shaler, and South Park; and the home rule municipalities of Bethel Park and Monroeville (home rule boroughs).⁵⁰

The Poconos

Specific regions of the Commonwealth have seen more robust regulation of short-term rentals. The Poconos region in particular has been actively addressing short-term rental concerns. Monroe County drafted a short-term rental model ordinance in July 2019 that has been adopted in a number of municipalities. Short-term rentals are defined as 30 days or less. A permit is required, for which information regarding ownership, compliance with tax permits, and proof of sewage capacity and maintenance if not on a central system. Additionally, occupancy, capacity, parking, noise and disorderly conduct standards are spelled out in the ordinance. Subletting is prohibited. Owners and their representatives must provide contact information, and notices of ordinance requirements are also required to be posted conspicuously on site. Licenses are valid for one year,

⁴⁸ City of Pittsburgh, Rental of Residential Housing. See also, Zoe Harper, “Airbnb & Short Term Rental Laws and Regulations in Pittsburgh – 2025,” Steadily Insurance Company, April 10, 2024.

<https://www.steadily.com/blog/airbnb-short-term-rental-laws-regulations-pittsburgh>

⁴⁹ Allegheny County, Rooming Inspections and Permits, accessed February 18, 2025.

<https://www.alleghenycounty.us/Services/Health-Department/Housing-and-Community-Environment/Rooming-Inspections-and-Permits>

⁵⁰ “Allegheny County, Pennsylvania, Short-Term Rental Regulation: A Guide for Aribnb Hosts,” Rabbu BNB Calculator (Rabbu is a platform for short-term rental investments), accessed February 10, 2025.

<https://www.bnbcac.com/blog/short-term-rental-regulation/Allegheny-County-Pennsylvania-Guide>

and owners must allow codes enforcement officers access to inspect to verify compliance with the ordinance.⁵¹ Monroe County has 16 townships and four boroughs. Of those 20 municipalities, Hamilton Township, does not authorize short-term rentals in residential areas and requires STRs in commercial areas to obtain a variance as a hotel/motel. Another, Price Township, is silent on short-term rental regulations. The remaining 18, however, allow STRs in a variety of ways. Some have a specific STR ordinance, others allow them as a permitted use, conditional use, or variance in some zoning districts. Some prohibit them from residential districts; others permit them. It is very much a local decision on how to regulate these properties.⁵² Pocono Township adopted its ordinance to regulate “transient dwelling use of single-family dwellings,” which attempts to clarify the limitation of STRs to entire single-family residences, with similar licensing, inspection, and restrictions as the county’s model ordinance.⁵³

Vacation home rentals are a popular housing market in the Poconos and marketing for short-term rentals is robust. For example, a realtor’s website in the Poconos region has created a website “scorecard.” A list of municipalities, i.e. boroughs and townships, in Carbon, Lackawanna, Lehigh, Luzerne, Monroe, Northampton, Pike, Schuylkill, and Wayne Counties is posted with color coded red, yellow, and green lights marked by each community, with red indicating that STRs are not permitted, and code enforcement is active. Green indicates that short-term rental of single-family homes is approved with clear rules and regulations. Yellow means the area either: has significant restrictions, is not regulated yet, or may be allowed informally in some zoning areas. The scorecard identified 74 municipalities in its scorecard.⁵⁴ The website has a similar scorecard for communities and developments and provides a list of communities and developments that are STR friendly.

Lancaster City and County

The City of Lancaster passed an ordinance in 2022 that addressed short-term rentals, divided into two categories. A standard short-term rental is a fully furnished dwelling unit (home or apartment). STRs are considered commercial endeavors and are not permitted in most residential zones. A homestay is a separate type of STR, defined as a “a single-family dwelling unit wherein a maximum of two bedrooms are rented by written contract on a short-term basis and where the dwelling unit is concurrently occupied by a property owner.” For both types of STRs, a zoning compliance certificate or a variance must be obtained. The property must be registered

⁵¹ Monroe County, Pennsylvania, Model Ordinances, July 2019. https://www.monroecountypa.gov/getmedia/cb98bd0a-b729-4810-b89e-c3fbddb7f3f/20220513_ShortTermRentalModelOrdinance.pdf

⁵² Pocono Mountain Association of REALTORS, “Short-Term Rental Information, Municipal Information,” visited February 18, 2025. <https://poconorealtors.com/short-term-rental-information/short-term-rental-municipal-information/> and “STR Municipal Scorecard: Rules on Short-term Rentals in Boroughs and Townships in Poconos,” *PoconoVacationHomeSales.com*, last updated September 2024. <https://poconovacationhomesales.com/blog/2022/03/01/str-scorecard-municipal-rules-on-short-term-rentals-in-the-poconos>

⁵³ The Transient Dwelling Use of Single-Family Dwellings Ordinance of Pocono Township, Monroe County Pennsylvania, Chap. 302. <https://ecode360.com/34836737?highlight=transient&searchId=20642102073173835>

⁵⁴ “STR Municipal Scorecard: Rules on Short-term Rentals in Boroughs and Townships in Poconos,” *PoconoVacationHomeSales.com*, last updated September 2024. <https://poconovacationhomesales.com/blog/2022/03/01/str-scorecard-municipal-rules-on-short-term-rentals-in-the-poconos>

as a rental property and the owner must obtain a transient dwelling license.⁵⁵ An ordinance in 2023 further amended this provision to allow new short-term rentals in buildings with one or two apartments above a commercial space.⁵⁶

Lancaster County consists of the City of Lancaster and 59 boroughs and townships. While the following is not a complete list, JSGC staff were able to identify specific short-term rental ordinances in the following municipalities:

- Townships: Caernarvon, Earl, East Donegal, East Petersburg, Ephrata, Lancaster, Paradise, Pequea, Rapho,
- Boroughs: Elizabethtown, Lititz, Manheim, Millersville, Quarryville⁵⁷

Additionally, it has been reported that the Boroughs of Christiana and Columbia and the Township of West Earl are actively considering short-term rental ordinances.⁵⁸

The municipalities that have been identified as having an ordinance or actively considering one are considering allowing short-term rentals in some areas and regulating their activities. However, there are also instances of outright bans on short-term rentals in Lancaster County. For example, The Borough of Strasburg has specifically banned short-term rentals in its zoning ordinance in all zoning districts.

SHORT-TERM RENTAL - The use of a structure that would be considered a dwelling and a dwelling unit but is leased for less than thirty (30) continuous days or does not meet the definition of residential occupancy or is not occupied by a family. Short-term rentals are expressly and specifically prohibited by this Ordinance in all Zones. A dwelling unit with an approved bed and breakfast shall not be considered a short-term rental.⁵⁹

⁵⁵ City of Lancaster, “Short Term Rentals and Homestays,” accessed February 10, 2025. <https://www.cityoflancasterpa.gov/short-term-rentals/>

⁵⁶ Rebecca Logan, “Lancaster City Council allows more properties to be rented short-term on sites like Airbnb,” *LancasterOnline*, May 23, 2023. [lancasteronline.com/news/local/lancaster-city-council-allows-more-properties-to-be-rented-short-term-on-sites-like-airbnb/article_1063f56e-f9cb-11ed-a558-dfac9c62d7ed.html](https://www.lancasteronline.com/news/local/lancaster-city-council-allows-more-properties-to-be-rented-short-term-on-sites-like-airbnb/article_1063f56e-f9cb-11ed-a558-dfac9c62d7ed.html)

⁵⁷ “Lancaster County, Pennsylvania Short-Term Rental Regulation: A Guide For Airbnb Hosts,” Rabbu BNB Calculator accessed February 10, 2025. <https://www.bnbcac.com/blog/short-term-rental-regulation/lancaster-county-pennsylvania-guide>; and “Here are the rules proposed, in place for short-term rentals in different Lancaster County municipalities,” *LancasterOnline* May 15, 2023. https://lancasteronline.com/news/local/here-are-the-rules-proposed-in-place-for-short-term-rentals-in-different-lancaster-county/collection_08dcb84a-f042-11ed-82f3-63e037ad48d2.html

⁵⁸ *Ibid.*

⁵⁹ “Official Zoning Ordinance of the Borough of Strasburg,” language added by Ordinance 2019-1. <https://ecode360.com/attachment/ST2465/Zoning%20Ordinance.pdf>

Similarly, the Borough of New Holland has banned short-term rentals in all but one district, the C-2 Commercial District, which is designated for tracts along major thoroughfares, and include fast-food restaurants, shops, hotels and motels and “Tourist, rooming, boarding, bed and breakfast establishments, for not more than eight (8) persons.”⁶⁰

State College, Centre County

The Borough of State College, home to The Pennsylvania State University, adopted a short-term rental ordinance in 2022 with amendments in 2023. All owners offering short-term rentals are required to obtain a license. The property must be occupied by an owner or long-term tenant for at least eight months each year as their principal place of residence. If the owner is not on-site during the short-term rental, the person in charge of the property must be located within 25 miles of each STR property and available 24 hours a day, seven days a week. The license must be renewed annually.⁶¹ State College’s relationship to the university cannot be understated. Sports, especially football, draw visitors virtually every weekend, particularly in the fall. In 2006 Rent Like A Champion was established as an on-line booking program for weekend rentals for football games at Penn State. The business subsequently expanded to more than 20 college towns around the country.⁶² The company provides \$1 million in liability coverage and \$20,000 for personal property damage for hosts. General information for both hosts and guests are also available on the company’s website.⁶³

Erie City and County

Development over the past 30 years along the waterfront of Lake Erie has helped make the City of Erie a growing tourist destination. In 2023, the city adopted a short-term rental ordinance. Dwelling units are specifically defined to exclude hotels, motels, and rooming houses, but include short-term rentals. The city defined short term rentals as “Any dwelling unit or room(s) within a dwelling unit owned or managed by a person, firm or corporation which is rented on a transient basis (for a period of less than 30 consecutive days), during which the owner or manager may or may not be present on a full-time basis.”⁶⁴ Residential rental unit registration is required to be obtained annually and a rental license is also required. There is an annual inspection requirement and minimum insurance coverage is mandated.⁶⁵

Corry, Erie County’s second city, does not appear to have a STR zoning ordinance. In general, it has been reported that a few of the county’s 14 boroughs and 22 townships have STR zoning ordinances. Two townships, Millcreek and Summit, that are adjacent to Erie City have enacted STR zoning regulations. A third township, Harborcreek, is reported to not have an

⁶⁰ Borough of New Holland Zoning Ordinance, § 701, February 2019. <https://newhollandborough.org/wp-content/uploads/2019/03/Zoning-Ordinance-Final-1.pdf>

⁶¹ State College Borough, Short-Term Rental License. Accessed February 17, 2025.

<https://www.statecollegepa.us/762/Short-Term-Rental-License>

⁶² Rent Like A Champion, About, accessed January 27, 2025. <https://rentlikeachampion.com/about>

⁶³ Rent Like A Champion, Home, accessed January 27, 2025. <https://rentlikeachampion.helpscoutdocs.com/>

⁶⁴ City of Erie, Article 330 Landlord and Rental, §330.02.

⁶⁵ *Ibid*, § 330.03 et seq.

ordinance and relies on the holding of *Slice of Life* to justify its position that STRs are not allowed in the township.⁶⁶

Millcreek Township adopted an ordinance in 2022 that limited short-term rentals, defined as “limited lodging” to specific zoning districts, primarily those on or near the waterfront and not residential areas. The length of stay is limited to not less than two or more than 30 consecutive nights. Permits are required, a person in charge must be designated and have an office within 30 miles of the property. Detailed records of guest visits must be maintained.⁶⁷

Summit Township adopted an ordinance prohibiting new short-term rentals in residential areas and requiring existing short-term rental properties to be licensed with the township. Like many other ordinances this short-term rental ordinance includes provisions governing number of persons per rental, bedroom accommodation, and safety regulations. Somewhat uniquely, the ordinance imposed specific quiet hours as part of the regulation of short-term rentals, clearly an effort to quash rowdy parties.⁶⁸

Scranton

In 2022, the City of Scranton adopted “Residential Empowerment of Neighborhoods, Tenants, and Landlords Ordinance of 2022” or the “Rental Act.” The ordinance requires all owners to acquire an annual rental license and comply with inspection and other health and safety regulations for all residential rental units. The ordinance does not apply to a dwelling unit in which the landlord resides with one or more tenants, which could be interpreted to exclude homestays from regulation as a residential rental unit, while other short-term rentals would be subject to the ordinance.⁶⁹

The city’s zoning ordinances were further amended in 2023 to add provisions relating to short term rentals. Short-term rental is defined as:

The use of a Dwelling in which the owner rents any area of the Dwelling to one, or more, individuals for compensation or fee, including offer of exchange in kind, of any type (whether or not involving overnight accommodations or separate sleeping quarters) on a temporary basis. This definition applies to all types of residential dwellings including, but not limited to, One-Family, Two-Family and Multiple-Family Dwellings. Also referred to as an "Airbnb."

⁶⁶ Valerie Myers, “Some municipalities are regulating or considering rules for short-term rentals. Here’s what we know.” *Erie Times-News*, July 21, 2022. <https://www.goerie.com/story/news/local/2022/07/20/erie-pa-towns-airbnb-vrbo-zoning-millcreek-harborcreek-neighborhoods-renting/65372509007/>

⁶⁷ Millcreek Township, Limited Lodging Application, [https://www.millcreektownship.com/409/Limited-Lodging-Application>; Millcreek Ordinance 2022-7. https://www.millcreektownship.com/DocumentCenter/View/3011/Ord-2022-7--Limited-Lodging-Rentals](https://www.millcreektownship.com/409/Limited-Lodging-Application>)

⁶⁸ Summit Township, Erie County, Pennsylvania, Ordinance No. 2022-02. <https://summittownship.com/wp-content/uploads/2022/06/Ordinance-2022-02-Short-Term-Rentals.pdf>. See also, “Summit Township Passes Ordinance Prohibiting Short-Term Rentals,” *Erie News Now*, June 21, 2022. <https://www.erienewsnow.com/story/46729823/summit-township-passes-ordinance-prohibiting-new-shortterm-rentals>

⁶⁹ City of Scranton Ordinances, Chapter 373, Rental Property. <https://ecode360.com/41823090>

Dwelling unit means habitable rooms occupied or designed to be occupied by an individual or family as an independent and separate housekeeping establishment in which separate kitchen and sanitary facilities are provided for the use of such individual or family, with a private entrance from outside the building or from a common hallway or stairway inside the building.⁷⁰

These provisions relating to short-term rentals are fairly restrictive in that the property must be the permanent address of the owner, and the owner must occupy the dwelling for at least six months of the calendar year. Further, guest stays are limited to seven continuous days. All other noise, nuisance and property maintenance ordinances and any other ordinances that contain provisions relating to short-term rentals. Lastly, if a house guest is convicted of any disturbance of the peace on the premises, the owner will be prohibited from further use of the property as a short-term rental.⁷¹

Pennsylvania’s Third Class Cities

There are 56 cities in Pennsylvania. There is one city each in the categories of First Class (Philadelphia), Second Class (Pittsburgh), and Second Class A (Scranton). These three cities were discussed above, as well as the third class cities of Erie, Corry, and Lancaster. In the summer of 2024, Commission staff reviewed the ordinances of the remaining 50 cities to determine if they had a specific short-term rental ordinance. Most of the cities have some type of residential rental licensing or regulations, which can lead to some ambiguous interpretations as to the permissibility of short-term rentals in the city. Definitions of tourist homes, rooming houses, and boarding houses are sometimes included in ordinances and could be read to include short-term rentals like homestays, but the language is not that specific, and sometimes specifically excludes transient guests. Hotels, motels, and bed-and-breakfast inns are almost always defined and regulated. Some cities have started to adopt residential rental unit registrations and rental occupancy reports by landlords, but again, not specifically applicable to clearly defined short-term rentals. The list below identifies the status of each of the remaining 50 cities. Ten cities were identified as specifically regulating short-term rentals.

**Table 4
Existence of Short-Term Rental Ordinance,
By Pennsylvania Third Class City
August 2024**

City	County	STR Ordinance Y/N
Aliquippa	Beaver	Y
Allentown	Lehigh	N
Altoona	Blair	N

⁷⁰ City of Scranton Ordinances Chapter 445, Zoning Ordinance, § 445-8. <https://ecode360.com/45088089#45088089>

⁷¹ *Ibid.*, § 445-30.

Table 4
Existence of Short-Term Rental Ordinance,
By Pennsylvania Third Class City
August 2024

City	County	STR Ordinance Y/N
Arnold	Westmoreland	N
Beaver Falls	Beaver	N
Bethlehem	Lehigh/Northampton	Y
Bradford	McKean	N
Butler	Butler	N
Carbondale	Lackawanna	N
Chester	Delaware	N
Clairton	Allegheny	N
Coatesville	Chester	N
Connellsville	Fayette	N
DuBois	Clearfield	N
Duquesne	Allegheny	N
Easton	Northampton	Y
Farrell	Mercer	N
Franklin	Venango	Y
Greensburg	Westmoreland	Y
Harrisburg	Dauphin	N
Hazleton	Luzerne	Y
Hermitage	Mercer	N
Jeannette	Westmoreland	N
Johnstown	Cambria	Y
Lebanon	Lebanon	Y
Lock Haven	Clinton	N
Lower Burrell	Westmoreland	N

Table 4
Existence of Short-Term Rental Ordinance,
By Pennsylvania Third Class City
August 2024

City	County	STR Ordinance Y/N
McKeesport	Allegheny	N
Meadville	Crawford	Y
Monessen	Westmoreland	N
Monongahela	Washington	N
Nanticoke	Luzerne	N
New Castle	Lawrence	N
New Kensington	Westmoreland	N
Oil City	Venango	N
Parker	Armstrong	N
Pittston	Luzerne	N
Pottsville	Schuylkill	Y
Reading	Berks	N
Shamokin	Northumberland	N
Sharon	Mercer	Y
St. Marys	Elk	N
Sunbury	Northumberland	N
Titusville	Crawford	N
Uniontown	Fayette	N
Warren	Warren	N
Washington	Washington	N
Wilkes-Barre	Luzerne	N
Williamsport	Lycoming	N
York	York	N

Source: Compiled by JSGC staff from individual city websites and ordinances.

MARKET OVERVIEW

Accessibility of Public Information and Data

There is no central, definitive database of information on short-term rentals in Pennsylvania. State and local governments can identify property owners who are collecting and paying hotel taxes and have registered as short-term rentals in municipalities where registration is mandated. But all sources, public and private, are limited by compliance issues. Information is missing if a property owner is not in compliance with local ordinances or is registered to collect hotel taxes. Availability and accessibility of public information and data on short-term rentals collected by private databases vary by location, ownership characteristics, and marketing venues. The largest source of data and information on short-term rentals listed through home-sharing websites or third-party brokers is AirDNA.co. Its data is gathered from Airbnb and Vrbo. Some data are free, but more detailed information requires a subscription. For example, the United States is divided in 317 markets, six of which are in Pennsylvania: Lancaster, Philadelphia, Pittsburgh, Pocono Mountains, State College, and Pennsylvania Area (all the rest). GIS maps show the location of all active listings. Additionally, the following table shows the free information that can be examined. Anything more granular requires a subscription to access.

Table 5
Short-Term Rental Data by Market Area
Pennsylvania 2025

Data	Lancaster	Philadelphia	Pittsburgh	Pocono Mts.	State College	PA Area
Number of active listings	1,353	7,095	3,067	7,279	1,387	8,930
Revenue potential	\$42.1K	\$34.4K	\$32K	\$55.7K	\$52.4K	\$34.2K
Occupancy rate	56%	53%	53%	42%	43%	45%
Daily rate	\$215.90	\$174.90	\$174.70	\$399.90	\$445.50	\$222.20

Source: Information compiled by JSGC staff from AirDNA.co Market Overview, Pennsylvania area, Data as of February 3, 2025. <https://app.airdna.co/data/us/airdna-115?tab=performance&welcome=true&lat=41.132832&lng=-77.781724&zoom=8.37>

Booking agencies may have data available but it is limited to listings with that booking agency. As the market becomes more concentrated among fewer entities, more information may become available by the simple act of more listings consolidated in umbrella organizations. In 2006, VRBO was acquired by Homeaway, and both brands were acquired by Expedia Group in 2015. In 2020, Expedia further combined the two applications into one entity, labeled Vrbo.⁷² Expedia Group also owns Travelocity, Hotels.com, Orbitz, and other online travel companies.⁷³

Piecemeal bits of information can be found on the websites of various actors in the short-term rental market. These include realtors, property management companies, and voluntary associations of rental owners. For example, the Poconos Association of Vacation Rental Owners maintains information about the short-term rental market in their area. The real estate website PoconoVacationHomeSales.com has compiled a list of boroughs and townships in the Pocono region that analyzes and identifies where short-term rental ordinances exist, and whether the individual municipalities welcome, tolerate, or reject short-term rentals.⁷⁴ They have created a similar list of common ownership interest communities in the area and identified their respective owners' associations treatment of short-term rentals.⁷⁵ The Happy Valley Adventure Bureau similarly follows the market in State College. Tourism bureaus can also be resources on where to find short-term rentals in their immediate surroundings. The State Association of Realtors does not maintain specifically identified information on short-term rentals.⁷⁶

One of the difficulties in obtaining data on short-term rentals is they do not necessarily leave many footprints. A homeowner may advertise short-term rentals anywhere – Craigslist, eBay, newspaper want ads, the back pages of professional journals, or even word-of-mouth. While in some areas there are registration requirements and everywhere tax requirements, not every homeowner may be aware of all the legal requirements or may simply ignore them as *de minimus* nuisances. While the data available can be useful, there is no way of knowing how many short-term rentals are occurring “under the table” and therefore not accounted for in any form.

In 2024, the Center for Rural Pennsylvania (CRP) funded a research grant that looked at the inventory of short-term rentals in Pennsylvania, including locations, types of housing, rents charged and revenue. Data from 2008-2023 was mapped using GIS. The report contains detailed information regarding multiple aspects of the short-term rental market. This chapter will summarize some of the significant findings, but the Commission encourages readers to consult the complete report for specific, detailed information. Commission staff were afforded a pre-publication opportunity to review the report and offer our thanks to the Center for Rural Pennsylvania for their assistance in compiling this data. The link to the report is

⁷² Expedia Group, Press Release, “Expedia Group retires HomeAway U.S. brand to focus on Vrbo and streamline its vacation rental portfolio,” June 23, 2020. <https://www.expedia.com/newsroom/expedia-group-retires-homeaway-u-s-brand-to-focus-on-vrbo-and-streamline-its/?msockid=30c5ae7d19d863670235badf181f621b>

⁷³ Expedia Group, “Who We Are,” accessed February 4, 2025. <https://www.expediagroup.com/who-we-are/our-story/default.aspx>

⁷⁴ “STR Municipal Scorecard: Rules on Short-term Rentals in Boroughs and Townships in Poconos,” last updated May 2024. <https://movingtocarboncounty.com/2022/03/01/str-scorecard-municipal-rules-on-short-term-rentals-in-the-poconos/>

⁷⁵ “Short-term Rental Friendly Pocono Communities,” January 2025. <https://movingtocarboncounty.com/2023/07/03/short-term-rental-friendly-pocono-communities/>

⁷⁶ Email from Sherri Martin, Chief Advocacy Officer, PAREaltors, dated August 8, 2024 and on file in JSGC offices.

<https://www.rural.pa.gov/download.cfm?file=Resources/reports/assets/269/Inventory%20and%20Analysis%20of%20Short-Term%20Rentals%20in%20Pennsylvania%20Report.pdf>.⁷⁷

Number and Location of Short-Term Rentals

The CPR study found over 53,000 short-term rental active listings across all 67 counties in 2023, generating \$857.7 million. Short-term rentals were found in 1,960 municipalities. Pennsylvania has 2,560 municipalities (56 cities, 959 boroughs, and 1,546 townships). Over 76.5 percent of municipalities have at least one short-term rental in their midst. Distribution is not uniform from county to county or within counties with the exception of Philadelphia, which contains one city within one county. Much of the data used in the CRP study is from the website AirDNA.co. These numbers most likely understate the number of properties, as STRs tend to be self-identified. Persons who own multiple properties or use third-party brokers will undoubtedly be represented, by the small “mom-and-pop” operations may not be included – especially if the owners are unaware of local regulations and the obligation to collect and remit hotel taxes, and don’t consider themselves in a “market”.

Table 6
Short-Term Rentals by Pennsylvania County,
10 Largest Counties in Descending Order
2023

County	Number of Short-Term Rentals
Philadelphia	14,007
Monroe	6,885
Allegheny	5,189
Centre	2,246
Carbon	2,139
Lancaster	2,088
Dauphin	1,339
Wayne	1,079
Montgomery	1,071
Delaware	1,061

Source: Feeney Study, p. 16.

⁷⁷ Alison E. Feeney, Ph.D., “Inventory and Analysis of Short-Term Rentals in Pennsylvania,” Center for Rural Pennsylvania, January 22, 2025. (Feeney Study)
<https://www.rural.pa.gov/download.cfm?file=Resources/reports/assets/269/Inventory%20and%20Analysis%20of%20Short-Term%20Rentals%20in%20Pennsylvania%20Report.pdf>

Table 7
Short-Term Rentals by Pennsylvania County,
12 Smallest Counties in Ascending Order
2023

County	Number of Short-Term Rentals
Greene	27
Cameron	30
Fulton	49
Wyoming	65
Armstrong/Forest (tie)	69
Montour	71
Juniata	78
Lawrence	89
Perry/Snyder (tie)	96

Source: Fenney Study, p. 16.

As Table 8 indicates, short-term rentals are found in all counties and in a majority of municipalities within each county, with the exception of Greene County, where only 30 percent of municipalities were found to have short-term rental listings. In Cumberland, Delaware, Elk, Franklin, Lancaster, Lebanon, Monroe, Montgomery, Philadelphia, Pike, Potter, Sullivan and Union Counties (a total of 13), over 90 percent of the municipalities have short-term rental listings. This variety of counties represent many of the different attractions that prompt homeowners to offer short-term rentals. Rural and urban areas are represented, as well as recreational and tourism areas. It further reinforces the notion that the short-term rental industry can be found in all corners of the Commonwealth and not isolated to specific areas.

Table 8
Pennsylvania Municipalities with Active Short-Term Rental Listings
2023

County	Total Number of Municipalities	Number of Municipalities with Active Short-Term Rental Listings	Percentage of Municipalities with Active Short-Term Rental Listings
Adams	34	27	79.4%
Allegheny	130	110	84.6
Armstrong	45	25	55.6
Beaver	53	37	69.8
Bedford	38	27	71.1
Berks	72	55	76.4
Blair	24	20	83.3
Bradford	51	35	68.6
Bucks	53	49	92.5
Butler	57	31	54.4
Cambria	63	36	60.0
Cameron	7	7	100.0
Carbon	23	20	87.0
Centre	35	35	100.0
Chester	73	69	94.5
Clarion	34	20	58.8
Clearfield	49	25	51.0
Clinton	28	25	89.3
Columbia	33	24	72.7
Crawford	51	36	70.6
Cumberland	33	31	93.9

Table 8
Pennsylvania Municipalities with Active Short-Term Rental Listings
2023

County	Total Number of Municipalities	Number of Municipalities with Active Short-Term Rental Listings	Percentage of Municipalities with Active Short-Term Rental Listings
Dauphin	40	29	72.5%
Delaware	49	46	93.9
Elk	12	12	100.00
Erie	38	28	73.7
Fayette	42	27	64.3
Forest	9	8	88.9
Franklin	21	19	90.5
Fulton	13	11	84.6
Greene	26	8	30.8
Huntingdon	48	35	72.9
Indiana	38	16	42.1
Jefferson	34	24	70.6
Juniata	17	15	88.2
Lackawanna	40	31	77.5
Lancaster	60	60	100.0
Lawrence	27	15	55.6
Lebanon	26	24	92.3
Lehigh	24	20	83.3
Luzerne	76	58	76.3
Lycoming	52	43	82.7
McKean	22	19	86.4

Table 8
Pennsylvania Municipalities with Active Short-Term Rental Listings
2023

County	Total Number of Municipalities	Number of Municipalities with Active Short-Term Rental Listings	Percentage of Municipalities with Active Short-Term Rental Listings
Mercer	47	27	57.4%
Mifflin	16	13	81.2
Monroe	20	20	100.0
Montgomery	62	57	91.9
Montour	11	7	63.6
Northampton	38	32	84.2
Northumberland	36	28	77.8
Perry	30	23	76.7
Philadelphia	1	1	100.0
Pike	13	12	92.3
Potter	30	28	93.3
Schuylkill	67	42	62.7
Snyder	21	16	76.2
Somerset	50	41	82.0
Sullivan	13	12	92.3
Susquehanna	40	30	75.0
Tioga	39	34	87.2
Union	14	13	92.9
Venango	31	21	67.7
Warren	27	24	88.9
Washington	66	34	51.5

Table 8
Pennsylvania Municipalities with Active Short-Term Rental Listings
2023

County	Total Number of Municipalities	Number of Municipalities with Active Short-Term Rental Listings	Percentage of Municipalities with Active Short-Term Rental Listings
Wayne	28	25	89.3%
Westmoreland	65	44	67.7
Wyoming	22	18	81.8
York	72	55	76.4

Source: CRP Inventory, Appendix 1: Municipalities with Zero Short-Term Rentals, 2023, pp. 36-50, and Pennsylvania Department of Community and Economic Development, Pa. Municipalities List, <https://dced.pa.gov/local-government/municipal-statistics/municipalities/>.

Characteristics of Short-Term Rentals

Using data from AirDNA.co,⁷⁸ the Center for Rural Pennsylvania, found that while the bulk of short-term rentals were houses, apartments, cabins, and townhouses, a variety of other property types were also rental properties, including chalets, farmstays, tiny houses, buses, nature lodges, yurts, castles, house boats, tree houses, teepees, islands, shipping containers, shepherd huts, lighthouses, and ryokan (a traditional Japanese inn).

Further, the study found that 78 percent of active short-term rentals in 2023 involved an entire property, with 21 percent renting private rooms. Typical rentals included two bedrooms and 1.6 bathrooms.⁷⁹

The Office of Tourism Analysis at the College of Charleston, in Charleston, South Carolina released its second survey of the short-term rental industry in 2024 (the inaugural study was conducted in 2022). According to the report, it is the largest of its type in the United States. Over 5,000 short-term rental owners and government officials were interviewed for the study.⁸⁰ The survey netted 4,004 usable respondents.

⁷⁸ AirDNA.co tracks and reports on data on short-term rentals offered through Airbnb and VRBO. <https://www.airdna.co/about>

⁷⁹ CRP Inventory, pp. 23-24.

⁸⁰ College of Charleston, Office of Tourism Analysis, “State of the Short-Term Rental Industry Report 2024,” <https://www.rentresponsibly.org/2024-sstri/> (STR Report 2024)

Short-term rentals were defined as whole-home rentals for fewer than 30 days at a time and for more than 14 total rental days per year. Owners were defined as those owning fewer than 10 properties and not managing more than they own. Over 88 percent of the hosts were identified as owners, with slightly less than 12 percent identified as managers.⁸¹

These findings are consistent with those reported by Airbnb, which found that approximately 80 percent of Pennsylvania hosts have one listing with a typical listing rented for a total of approximately 50 nights per year.⁸² Within different regions of Pennsylvania, the majority of listings are still largely one-owner/one-STR. The Poconos Region of Pennsylvania has been a popular tourism and vacation destination for decades. The Poconos Vacation Rental Owners commissioned an economic impact report on STRs in 2024. Even in a popular area for short-term rentals, the survey found that 70 percent of owners owned one STR. The remaining 30 percent consists of multi-property owners and property managers, and of property managers, 54 percent managed 10 or fewer rentals.⁸³

⁸¹ STR Report 2024, p. 68.

⁸² Email from Kelly Fay, Public Policy Team, Airbnb comments, November 1, 2024. Copy on file in JSGC offices.

⁸³ Poconos VRO, "Poconos Economic Impact Report," 2024 (Poconos Report).
<https://poconosvro.wildapricot.org/Economic-Impact>

RISKS AND BENEFITS TO PUBLIC AND COMMONWEALTH ECONOMY

Short-term rentals have an impact both within the individual communities in which they are located and the Commonwealth at large. Short-term rentals are closely entwined with both tourism, the traditional hospitality community and the availability of affordable housing. Short-term rentals provide additional, alternative transient lodging accommodations from the traditional lodging community, help to increase tourism, related economic development, employment opportunities, and tax revenues. These financial benefits must be weighed in contrast to the economic and non-economic impacts beyond the host-guest relationship and the local community.

Economic Impact on Local Communities

The economic impacts of short-term rentals can vary, in many ways depending on who is experiencing the impact. In a cost-benefit analysis by the Economic Policy Institute, the author opined that the costs of expansion of short-term rentals to renters and local government are likely to exceed the benefits to travelers and property owners. Specific benefits identified were diversity in the potential revenue streams from home ownership, increased supply and variety of short-term rentals, and extra economic activity that might result.⁸⁴ People renting their properties can supplement their income. The availability of alternative transient lodging in any community may make the area more attractive to tourism, with increased economic spending in the broader community. Rentals with kitchen facilities can increase overall expenditures for food and supplies, but the increase may not be evenly spread across the community. People residing in hotels, motels, or inns will likely increase traffic to local restaurants. Renting a vacation house, condo, or apartment with a kitchen may lead to more cooking “at home” and less dining out. More cashflow to the grocery stores and farmers markets, probably means less to the restaurateurs. The overall community impact may be the same but the beneficiaries will be different.

More tourists can lead growth in businesses that support tourism, such as in a ski resort area, where sporting goods stores are more likely to prosper. It can further increase employment at local attractions, and the development of more property management, landscaping and housekeeping services. In a study commissioned by the Poconos Vacation Rental Owners organization, researchers found that tourism supports nearly one-third of all jobs in the Poconos (35,000+), resulting in \$1.8 billion in labor income.⁸⁵

⁸⁴ Josh Bivens, “The economic costs and benefits of Airbnb” *Economic Policy Institute*, January 30, 2019, 4, 6-13. <https://files.epi.org/pdf/157766.pdf> (EPI Report).

⁸⁵ Poconos Report.

Local government may benefit from increased tax revenues from economic growth but increased demands on infrastructure can be costly. Emergency services designed for 10,000 residents during nine months of the year may be seriously inadequate for the three months that the local populace swells during tourist season. While income and sales tax revenues may increase with an increase in short-term rentals, a significant revenue source for local governments is local hotel taxes (sometimes identified as transient taxes).

In 2022, Pennsylvania’s county hotel tax collections totaled \$120,593,931. This amount does not include collections in Fulton and Perry County, which do not appear to have hotel tax revenue. Lebanon and Wyoming Counties did not report amounts in 2022, therefore 2021 amounts were used. Among the counties reporting, the ones with the highest collections were Dauphin, Lancaster, Montgomery, Allegheny, Chester, and Centre Counties, while the smallest collections were found in Mifflin, Cameron, and Bedford Counties. Philadelphia separately reported \$336,717,842 collected in hotel taxes in the City of Philadelphia’s 2022 Municipal Annual Audit and Financial Report.⁸⁶

Table 9
County Hotel Tax Collections,
Pennsylvania (excluding Philadelphia)
2022

County Name	Hotel Tax Collections
Adams	\$2,940,089
Allegheny	6,376,858
Armstrong	144,600
Beaver	940,619
Bedford	43,050
Berks	3,115,871
Blair	1,318,779
Bradford	433,562
Bucks	253,532
Butler	2,420,193
Cambria	744,246

⁸⁶ Pa. Department of Community and Economic Development, Municipal Statistics, Statewide County Annual Financial Reports, Municipal Financial Annual Reports, <https://apps.dced.pa.gov/munstats-public/ReportInformation2.aspx?report=mAfrForm>

Table 9
County Hotel Tax Collections,
Pennsylvania (excluding Philadelphia)
2022

County Name	Hotel Tax Collections
Cameron	\$36,510
Carbon	2,018,799
Centre	4,485,173
Chester	5,161,053
Clarion	327,712
Clearfield	1,147,682
Clinton	347,866
Columbia	507,086
Crawford	513,344
Cumberland	2,483,252
Dauphin	13,561,253
Delaware	1,798,072
Elk	332,243
Erie	6,158,284
Fayette	3,274,360
Forest	128,885
Franklin	1,420,297
Fulton	n.d.
Greene	254,933
Huntingdon	469,633
Indiana	570,220
Jefferson	288,075

Table 9
County Hotel Tax Collections,
Pennsylvania (excluding Philadelphia)
2022

County Name	Hotel Tax Collections
Juniata	\$95,778
Lackawanna	4,226,000
Lancaster	13,124,099
Lawrence	334,213
Lebanon	116,213*
Lehigh	1,267,465
Luzerne	4,086,109
Lycoming	1,521,548
Mckean	389,286
Mercer	24,000
Mifflin	11,823
Monroe	1,729,990
Montgomery	8,641,282
Montour	438,470
Northampton	2,925,647
Northumberland	108,251
Perry	n.d.
Philadelphia	n.d.
Pike	1,829,321
Potter	255,055
Schuylkill	704,816
Snyder	325,401

Table 9
County Hotel Tax Collections,
Pennsylvania (excluding Philadelphia)
2022

County Name	Hotel Tax Collections
Somerset	\$1,848,364
Sullivan	99,980
Susquehanna	205,938
Tioga	817,102
Union	811,897
Venango	302,856
Warren	276,804
Washington	2,185,068
Wayne	1,072,509
Westmoreland	2,632,619
Wyoming	285,345*
York	3,884,551

Source: Pa. Department of Community and Economic Development, Municipal Statistics, Statewide County Annual Financial Reports, accessed February 3, 2025.
<https://apps.dced.pa.gov/munstats-public/ReportInformation2.aspx?report=StatewideCountyAfr>
 *2021 data

The Economic Policy Institute report further identified potential costs of short-term rentals, including higher housing costs for residents, loss of tax revenue for local government, externalities that property rentals of all kinds impose, such as noise, use of building facilities (e.g. in an apartment or condominium complex, or a planned community), and a negative impact on employment through commercialization displacing traditional hospitality workers.⁸⁷ Some of these potential costs are explored in the remainder of this chapter.

⁸⁷ EPI Report, pp. 4-5, 13-19.

Indirect Impacts

Neighbors of short-term rental property owners are concerned that an influx of short-term rentals may change the character of the neighborhood and the quality of life in the area.⁸⁸ Concerns have been expressed over gentrification of communities and transforming residential neighborhoods into tourist precincts. When a “hidden gem” gets “discovered” what once was a quiet haven at the beach or in the city becomes the place to see and be seen.⁸⁹ Others express concern that short-term rentals would be used to host loud parties or be used for illegal activities.

Concerns about disruptive parties have led Airbnb to impose party bans and restrictions on persons using their listing service in selected areas and high activity times of the year. In August 2020, Airbnb announced a temporary ban on all parties and events in listings. Concerns were caused by the development of “open-invite” parties that were advertised on social media, and “chronic party houses,” that had become neighborhood nuisances. In June 2022, this policy became a permanent ban. While not specifically identified as the impetus for the permanent ban, an incident in Pittsburgh over Easter that year highlighted the need for additional policing of host booking decisions. A corporate property owner rented an apartment in a Pittsburgh neighborhood that was used to host a party attended by 200 people, many underage, that descended into chaos resulting in the death of two young people and injuring eight. Airbnb, which had listed the party, announced that the host would be banned for life from the platform and that all other legal options to hold the person accountable would be pursued.⁹⁰

Revisions of the no-party policy over the past four years have resulted in development of a number of tools that hosts have available to avoid disruptive guests. These include guest identify verification, reservation screening, a 24-hour safety line, a neighborhood support line, a dedicated channel and specialized response team for law enforcement support, and a free noise sensor for hosts.⁹¹ In addition to these year-round precautions, Airbnb has imposed an anti-party system for specific holidays in the United States and other countries.

New Year’s Eve and Halloween were first subjected to these special holiday restrictions, which were further extended to Memorial Day and the Fourth of July. The rules include a ban on one-, two-, and three-night reservations on entire home listings, and a required guest attestation acknowledging the party ban, with the consequence for violating the rules a possible suspension or removal from the platform. According to Airbnb, approximately 33,000 guests were blocked or redirected from attempts to book over New Year’s Eve 2023. Airbnb reported that the rate of parties reported to the company over New Year’s Eve has decreased by over 60 percent since 2020.

⁸⁸ Granicus Blog, “Six Ways That Short-Term Vacation Rentals Are Impacting Communities,” accessed January 7, 2025. 6 Ways Short-Term Vacation Rentals Are Impacting Communities.

⁸⁹ William Cherry, “The Effects of Short-Term Rentals on Communities and How to Legislate Them: An Expanded Literary Review,” May 2024, University of Arkansas, Fayetteville, *Finance Undergraduate Honors Theses* Retrieved from <https://Scholarwokrs.uark.edu/finnuht/114>.

⁹⁰ Megan Guza and Ryan Deto, “Multiple shooters suspected in ‘war scene’ that killed 2, injured 8 on Pittsburgh’s North Side,” *Triblive.com* April 17, 2022. <https://triblive.com/local/police-11-shot-2-dead-on-pittsburghs-noth-side/>

⁹¹ Airbnb, *How AirCover for Hosts works: Top-to-bottom protection is always included and free, whenever you host*. May 11, 2022, updated Aug. 16, 2024. <https://www.Airbnb.com/resources/hosting-homes/a/how-aircover-for-hosts-works-469>

They company further reports that in 2023, 67,500 people were blocked in the United States over Memorial Day and the Fourth of July weekends.⁹²

Commercialization

Since the early 2000s, a “sharing economy” has developed, of which home-sharing and the concept of short-term rentals, and practices like ridesharing, are prime examples. “A sharing economy can be described as an economic model in which goods and resources are shared by individuals and groups in a collaborative way such that physical assets become services. The sharing economy enables people and organizations to earn profits from underutilized resources.”⁹³ The growth of online platforms and applications have contributed to the ability of persons looking to “share” to find one another.

A further concern with the notion of the commercialization of the short-term rental industry is that corporate hosts may have a competitive disadvantage against individual, non-professional hosts, driving them out of the market and altering the nature of the sharing economy. A great deal of research on the short-term rental industry has occurred in Western Europe. A study in Portugal suggested that a hotel-style holiday rental has emerged as a new hybrid product in the hospitality industry. In urban areas in particular, the rise of corporate hosts has led to a professionalization of short-term rentals, and has the potential to drive the individual, non-professional host out of the market.

We have seen that competition between companies is high and that, in order to succeed, they have been scaling up and relying on technology and innovation. Furthermore, they have created a tailored product that seems to be virtually impossible to be offered by a non-professional host. In fact, our findings show that a clear passage of property progresses from individuals to corporate hosts.⁹⁴

Personal Liability

Many of the risks to STR hosts are the same ones faced by hotels and other more traditionally transient lodging establishments. Liability to guests for injury, potential damage to the property from rowdy guests, and guests engaging in illegal activities. While theft of items

⁹² Airbnb, “Airbnb officially codifies party ban,” June 28, 2022, <https://news.Airbnb.com/official-codification-of-party-ban/>, “Cracking down on holiday weekend parties with anti-party technology,” May 21, 2024, <https://news.Airbnb.com/Airbnb-cracks-down-on-holiday-weekends-paraties-with-anti-party-technology/>, “Anti-party defenses for New Year’s Eve rolled out around the world,” December 12, 2024. <https://news.Airbnb.com/anti-party-crackdown-over-new-years-eve/>

⁹³Corporate Finance Institute, Shared Economy, accessed February 13, 2025. <https://corporatefinanceinstitute.com/resources/economics/sharing-economy>

⁹⁴ Agustin Cocola-Grant, Jaime Jover, Luis Carvalho, Pedro Chamusca, “Corporate Hosts: The rise of professional management in the short-term rental industry,” *Tourism Management Perspectives*, 40 (2021). <https://doi.org/10.1016/j.tmp.2021.100879>.

from hotel-provided supplies has become a trope, renting a person's primary residence, their home, where all of their personal property is presumably stored to strangers for a short period of time risks the loss of valuable personal items.

Guests may find upon arrival at a lodging listing to find that the description of the property fails to identify what the guest would find as shortcomings. These problems can be as relatively minor as a listing that says "sleeps six" but the types of bed and bedroom layout do not meet a particular family's needs, especially those with young children. However, there may be severe safety issues hidden in the property that can have horrific consequences.

In August 2022, a terminally ill man, his wife, and three young adult children rented a vacation home in Southampton New York. While on a final family vacation, a fire broke out and the 19- and 21-year-old daughters of the family died in the blaze. It was later discovered that the property owner had made illegal renovations to the property, including the addition of an outdoor kitchen that was not wired correctly nor inspected and the likely cause of the fire. Additionally, the property did not have functioning smoker or carbon monoxide detectors.⁹⁵

The property owner was charged and pled guilty to two felony counts of criminally negligent homicide. His wife, who managed the property, pleaded guilty to a misdemeanor charge of reckless endangerment. Southampton Town has charged the couple with 58 charges involving building code violations. Allegations have been made that the town fostered a culture of illegal rental units in the neighborhood. The penalty for rental permit law violations is reported to be 15 days in jail or fines between \$150 to \$1,500. With property values in the millions in the Hamptons, and weekly rentals in the thousands (this particular rental was \$8,000 per week) these penalties could likely be viewed as more of a nuisance than a deterrent.⁹⁶

The property was listed on Homeaway (now part of Vrbo) and the surviving family members filed civil suit against the owner, Homeaway and Vrbo. The case against Vrbo and Homeaway was dismissed in 2023, with the presiding court found that Vrbo's role was simply that of providing neutral assistance, i.e., a platform for the owners to list their home for rental and published information the owners provided. The court further found that Vrbo had no obligation to vet the information provided, nor to disclose that the information they are providing may be false. The owners:

may have submitted false information that Vrbo then published has no bearing on Vrbo's liability, a conclusion buttressed by the fact that the communication from Vrbo that plaintiffs seek to rely on to establish liability explicitly states: "The host

⁹⁵ Ronny Reyes, "Terminally-ill ex-federal prosecutor sues travel website VRBO after his daughters aged 19 and 21 died in blaze at 'firetrap' \$8,000-a-week Hamptons home they rented from wealthy local couple for final family vacation," DailyMail, November 26, 2022, <https://www.dailymail.co.uk/news/article-11472295/Dad-sues-VRBO-daughters-died-blaze-firetrap-8-000-week-Hamptons-property.html>; and T.E. McMorrow, "Owner of \$8,000-a-week Hamptons rental home where young Maryland sisters were killed in deadly blaze on final vacation with dying dad pleads GUILTY to homicide," DailyMail, August 28, 2024 <https://www.dailymail.co.uk/news/article-13784309/owner-hamptons-home-maryland-sisters-killed-fire-guilty.html>

⁹⁶ Ibid.

has provided the following information about safety features at the property. For the most up-to-date information, contact the property manager directly.”⁹⁷

In a similar case in 2024, a returning missionary pastor, two of his daughters and three of his granddaughters died in a fire at a vacation rental home during a family reunion in Wisconsin. While no criminal charges have been filed against the owner, as the fire appears to be accidental, the property was not licensed as a short-term rental and neighbors have alleged that the property had been listed on Airbnb weeks before the fire. The property was a 2,500 square foot, four-bedroom log cabin, and 20 people were staying in the house, 10 adults and 10 children.⁹⁸ Wisconsin’s short-term rental law appears to be focused on tax collections and the ability of local municipalities to create their own ordinances but does not establish minimum standards for short-term rentals.⁹⁹

These cases seem to cry out for stricter regulation and control. It is a maxim in the world of lawyers that “bad cases make bad law.” An argument can be made that efforts to avoid extreme outcomes like described in these cases could have a negative impact of the ability of law-abiding homeowners to maximize the value of their homes. Homeowners are subject to personal liability for what occurs on their property, hence the homeowner’s liability insurance market, and the requirements of mortgage lenders that the collateral for their loans is insured requires almost all properties to be insured. When properties are offered in the rental marketplace, the question becomes, how much information can or should be shared with a potential renter who is usually in an unequal bargaining position? Should it be *caveat emptor*? Should the guest bear the responsibility to demand proof of compliance with health and safety standards, and local rental ordinances, or should short-term rental hosts be required to provide documentation automatically? Should third-party rental platforms require evidence for proper registration and inspections before permitting listings? Should local governments be responsible for tracking and policing homeowners? Criminal prosecutions and civil litigation against bad actors can be a potential deterrent, but local government fines and penalties should be significant enough to drive compliance and not so *de minimus* as to be considered just a cost of doing business.

Impact on Traditional Lodging Community

While hotels and short-term rentals compete for the same population segment – persons looking for transient lodging – several factors impact the decision to choose one for over the other. The type of accommodation offered, costs, quality, and unique experience opportunities all have an impact. Research has shown that short-term rentals tend to have a greater impact on lower-

⁹⁷ Tom Gogola, “Vrbo Seeks Out of Civil Suit Following Fatal Noyac Fire,” *The East Hampton Star*, March 2, 2023, <https://www.easthamptonstar.com/police-courts/202332/vrbo-seeks-out-civil-suit-following-fatal-noyac-fire>; and *Weiner v Miller*, 22-CV-7081 (GRB)(ARL) (E.D.N.Y. Sep. 29, 2023).

⁹⁸ Nina Sparano, “New details in tragic fire at Juneau Co. rental home that killed 6,” *NBC26*, July 2, 2024. <https://www.nbc26.com/news/local-news/new-details-in-tragic-fire-at-juneau-co-rental-home-that-killed-6>; Marcus Aarsvold, “Report shows possible cause in Necedah fire that killed six people,” *WMTV15News*, September 4, 2024. <https://www.wmtv15news.com/2024/09/05/report-shows-possible-cause-necedah-fire-that-killed-six-people/>

⁹⁹ Wisconsin Hotel and Lodging Association, “Wisconsin Short-Term Rental Laws,” February 2019, https://www.wisconsinlodging.org/uploads/1/3/4/7/134752307/short_term_rentals_law_feb_2019.pdf

scale hotels in urban areas.¹⁰⁰ While the Covid pandemic of 2020 saw a decrease in hotel rentals and an increase in short-term rentals, largely in response to desires to avoid virus exposure. Generally, hotels have more fixed costs, both in facilities and staff, whereas short-term rentals do not generally face those costs as much.¹⁰¹ Recent research has shown that the costs between STRs and hotels are becoming more comparable, hotels still generally are more expensive than STRs.

Hotels reported 42.9% higher average daily rates (ADRs) than rentals in large cities in 2019. However, as of 2022, that gap closed to 26.6%.

For a time, hotel ADRs were growing at a faster rate than that of STRs. Since peaking in 2022, however, the year-over-year (YOY) ADR change for hotels has dropped to 3.7%, just over a decimal point higher than the rate of change in rentals.

. . . [t] his growth was largely driven by performance in the top 25 markets, which include urban areas and mountain/lake resorts. Short-term rentals are still 20% cheaper than hotels in urban areas. Rentals are slightly more expensive in other location types, reflecting the larger spaces and amenities that they are able to offer outside of cities.

As rental prices come closer to those of hotels, property managers can better predict the future of the rental market— in 2021, one sector’s demand could accurately predict the other’s 87% of the time. In 2019, that was only possible about 50% of the time.¹⁰²

Anecdotally, it has been suggested that short-term rentals cost less than hotels due to individual owners failing to collect and remit hotel taxes, giving them a competitive advantage. Efforts have been made to make this harder to do, as with the statutory mandate for booking agents to collect hotel taxes on behalf of their hosts, discussed *infra* at 18-19.

Impact on Tourism Promotion

Tourism is big business in Pennsylvania. In the Commonwealth’s 2022 report on the economic impact of travel and tourism in Pennsylvania, the State’s Tourism Office announced that the tourism industry had a \$76.7 billion economic impact, supported nearly 500,000 jobs,

¹⁰⁰ “Jihwan Yeon, Hyoung Ju Song, Seoki Lee, “impact of short-term rental regulation on hotel industry: a difference-in-differences approach,” *Annals of Tourism Research*, Vol. 83, July 2020, <https://doi.org/10.1016/j.annals.2020.102939> and “John W. O’Neill and Jihwan Yeon, “Comprehensive Effects of Short-Term Rental Platforms Across Hotel Types in U.S. and International Destinations,” *Cornell Hospitality Quarterly*, Vol. 64, Issue 1, February 2023, pp. 5-21. <http://doi.org/10.1177/19389655211033527>.

¹⁰¹ Khurram Iqbal, “How Short-Term Rentals are Impacting Traditional Hospitality,” November 23, 2024. <https://www.linkedin.com/pulse/how-short-term-rentals-impacting-traditional-khurram-iqbal-zntsc/>

¹⁰² “Airbnb vs. Hotel: How Travelers Choose & Why That Matters for Hosts,” March 3, 2024, <https://www.airdna.co/blog/3-things-Airbnb-hosts-need-to-know-about-hotels>

generated \$4.7 billion in state and local taxes, and brought in 192.4 million visitors.¹⁰³ In 2024, the Shapiro Administration announced a new tourism marketing campaign, the “Great American Getaway,” designed to encourage tourism beyond the Philadelphia and Pittsburgh environs.¹⁰⁴ The tourism office divides the Commonwealth into 11 regions: Dutch Country Roads, Laurel Highlands, Pennsylvania Wilds, Get Away to the Lehigh Valley, Pittsburgh and It’s Countryside, Philadelphia and It’s Countryside, Pocono Mountains, Pennsylvania’s Great Lakes Region, Upstate PA, Valleys of the Susquehanna, and the Alleghenies. These areas draw visitors for sports and recreation, American history, Pennsylvania’s traditional agricultural experiences, wineries and breweries, big city entertainment and restaurants, outdoor activities, and its natural beauty, among other interests.

Short-term rentals can provide competition to traditional lodging, but in some potential areas of tourism, traditional lodging may not exist. According to research conducted by Airbnb, “[T]wo-thirds of United States Consus tracts have Airbnb listings but no hotels.”¹⁰⁵ The existence of short-term rentals in less visited destinations can further support tourism in underserved destinations.¹⁰⁶

Impact on Naturally Occurring Affordable Housing Stock

There has been a great deal of research conducted regarding the impact of short-term rentals on the residential real estate market, including how it affects the affordable housing stock. The impact of short-term rentals can be positive or negative depending on geographic location, impact on amenities, and the type of regulation STRs are subject to. Additionally, there are significant differences in impact between urban and rural areas.

The United States has been enduring a housing crisis for over 15 years. A number of factors have contributed to housing shortages in general, and shortages of affordable housing in particular. At the very basic economic level of supply and demand, low supply and growing demand increase prices. If income does not rise at the same rate as the increase in prices, it becomes harder and harder for a family to afford housing. Following the recession in 2008, housing construction fell to a standstill and is still trying to recover. Additionally, stressors on affordability include the costs of insurance (or loss thereof, as evidenced in the natural disasters of 2024), rising interest rates, soaring inflation, and incomes failing to keep pace of cost increases.

¹⁰³ Pennsylvania Tourism Office, “New Report Reveals that Tourism Generates Over \$76 Billion for Pennsylvania’s Economy and Supports 485,000 jobs,” March 13, 2024. <https://www.visitpa.com/press-release/new-report-reveals-tourism-generates-over-76-billion-pennsylvanias-economy-and>. These numbers were an increase over 2021, with a \$66.3 billion economic impact, 452,000 jobs, \$4.2 billion in taxes, and 180 million visitors. That report was released May 11, 2023.

<https://dced.pa.gov/newsroom/new-report-reveals-that-tourism-generates-66-billion-for-pennsylvanias-economy-and-supports-450000-jobs/>

¹⁰⁴ Harrison Cann, “PA tourism marketing efforts get long-overdue upgrade,” *City and State Pennsylvania*, January 27, 2025.

<https://www.cityandstatepa.com/policy/2025/01/pa-tourism-marketing-efforts-get-long-overdue-upgrade/402499/>

¹⁰⁵ Kelly Fay email.

¹⁰⁶ Email from Laura Chadwick, President & CEO, Travel Technology Association, December 10, 2024. Copy on file in JSGC offices.

Since the pandemic and the increased use of “work from home” policies and remote working, some employees have greater flexibility in where they reside and have moved into areas that offer more quality-of-life intangibles, and this influx of new residents has also helped drive up the price of housing.¹⁰⁷ One author has suggested that an aspect of short-term rentals that goes unrecognized is that some people, instead of selling the “old” house as they move to larger homes, are keeping their old home as a profit-generating short-term rental. He argues that the decision of these homeowners not to sell helps to contribute to a shortage of less expensive starter homes. Additionally, he argues that the growth of real estate investment companies can lead to more starter homes being removed from the market and converted to short-term rentals.¹⁰⁸

Some hosts have moved beyond their personal residences and have realized that multiple listings can be a profit generator. “Whereas these hosts help scale up the platform, they have displaced many local residential properties to home sharing platforms.”¹⁰⁹ In response to concerns of potential harm to local residential markets, many cities in the United States became involved in litigation with Airbnb. In partial response to these concerns, Airbnb instituted a “One Host, One Home” policy in several cities to limit home sharing in primary residences only. A study by researchers at the University of Connecticut, the University of Arizona, and Purdue University looked at three of the cities included in this policy to evaluate their impact on local residential real estate markets San Francisco,¹¹⁰ New York City,¹¹¹ and Portland, Oregon.¹¹²

The researchers found that “the mechanism of home sharing disrupting local markets centers on the displacement of residential properties to the online channel,” “Our findings suggest that the extent of the displacement has had a major impact on the supply in local markets, translating into price levels (rents and home values) and hence the housing affordability concerns.”¹¹³ Further, the study found that the One Host One Home Policy drove down both rents and home values in the local markets. Additionally, it found that the policy forced absentee landlords to put their properties back in local residential markets. Further, it was suggested that “the policy may further decrease home values and rents by about 0.3% - 0.6% if the density of affected Airbnb properties is 10% higher in a market, similar for each affected city.”¹¹⁴

¹⁰⁷ FannieMae, Perspective Blog, “U.S. Housing Shortage: Everything, Everywhere, All at Once,” October 31, 2022. <https://www.fanniemae.com/research-and-insights/perspectives/us-housing-shortage> and Tim Henderson, “The nation's last refuge for affordable homes is in Northeast Ohio,” *Stateline*, September 11, 2024. <https://stateline.org/2024/09/11/the-nations-last-refuge-for-affordable-homes-is-in-northeast-ohio/>

¹⁰⁸ William Cherry, “The Effects of Short-Term Rentals on Communities and How to Legislate Them: An Expanded Literary Review,” May 2024, University of Arkansas, Fayetteville, Finance Undergraduate Honors Theses Retrieved from <https://Scholarwokrs.uark.edu/finnuht/114>.

¹⁰⁹ Chen, Wei and Wei, Zaiyan and Xie, Karen, “The Battle for Homes: How Does Home Sharing Disrupt Local Residential Markets?” (December 2022). *Management Science*, 68(12): 8589-8612, Available at SSRN: <https://ssrn.com/abstract=3257521> or <http://dx.doi.org/10.2139/ssrn.3257521>. Staff used the SSRN version, where the pages are numbered consecutively from 1-61. This quotation is found at pp. 10-11. The SSRN version was last updated July 17, 2023.

¹¹⁰ Airbnb, “One Host, One Home: San Francisco (February 2017 Update), <https://www.airbnb.com/content/uploads/2017/03/One-Host-One-Home-%E2%80%93-San-Francisco-Feb-2017.pdf>

¹¹¹ Airbnb, “One Host, One Home: New York City (April 2018 Update). <https://www.airbnb.com/content/uploads/2018/04/One-Host-One-Home-%E2%80%93-April-2018-Update.pdf>

¹¹² Dave Blanchard, “Airbnb Rolls Out ‘1 Host, 1 Home’ Policy In Portland,” *Oregon Public Broadcasting*, January 25, 2017. <https://www.opb.org/news/article/airbnb-portland-rule-one-host-home/>

¹¹³ Chen et al., SSRN version p. 40.

¹¹⁴ Chen et al., p. 40

Most researchers will concede that short-term rentals can reduce the amount long-term rentals or increase rent costs as a result of existing housing stock moving from one market to another. One study suggested that the negative or positive impact on housing prices depends on the net impact of STRs on local amenities. The study reviewed a 2015 law in Santa Monica, California, that restricted short-term rentals in the area. They concluded that the law increased housing prices, and reduced nuisance crimes in the area.¹¹⁵

Another study in the Los Angeles area argued that short-term rentals make efficient use of space, increasing value due to additional income opportunities, reallocating existing housing stock away from long-term rental markets and lead to rent increases. To the effect negative nuisances accompany short-term rentals, they can lead to decreased housing prices. The study found that home-sharing ordinances in multiple municipalities in Los Angeles County reduced short-term rental listings by 50 percent, and reduced housing costs and rents by 2 percent each.¹¹⁶ Another study in Irvine, California, further confirmed the impact of bans on the supply of rentals and rent prices.¹¹⁷

A study of short-term rental restrictions in Chicago and San Francisco found that short-term rentals can increasing housing prices, but the effect tends to be strongest in area that are already STR-dense neighborhoods. They further posited that short-term rentals may simultaneously improve some homeowners' ability to maintain ownership of their properties with the additional income from the rents insuring the homeowner from foreclosure or tax sales.¹¹⁸

The impact of short-term rentals on availability of long-term rentals and rent prices is a fairly simple supply/demand relationship. If there is a limited number of properties, short-term rentals can shift properties away from the long-term rental market, decreasing supply and increasing costs for long-term rentals, an important subgroup of affordable housing options. As the above-referenced studies show, that impact is consistent across urban areas. The issue becomes more complicated when other external effects are considered. The demand for short-term rentals can encourage further development of additional short-term rental units, as evidenced by the growth in accessory dwelling units (ADUs) in Los Angeles County.¹¹⁹ This increase in property development can lead to increased economic impacts beyond housing ability, affecting the

¹¹⁵ Brett Garcia, Keaton Miller, and John M. Morehouse. "In Search of Peace and Quiet: The Heterogeneous Impacts of Short-Term Rentals on Housing Prices," Working Paper, The Center for Growth and Opportunity at Utah State University, June 2021. <https://www.semanticscholar.org/paper/In-Search-of-Peace-and-Quiet%3A-The-Heterogeneous-of-Garciaa-JohnM.Morehouse/08a5f0b526d87e2cadae5e1197ffbd2ebf88fb91>

¹¹⁶ Hans R.A. Koster, Jos van Ommeren, Nicolas Volkhausen, "Short-term rentals and the housing market: Quasi-experimental evidence from Airbnb in Los Angeles," *Journal of Urban Economics*, 124 (2021). <https://doi.org/10.1016/j.jue.2021.103356>

¹¹⁷ Michael J. Seiler, Ralph B. Seibert, Liuming Yang, « Airbnb or not Airbnb? That is the Question: How Airbnb Bans Disrupt Rental Markets," *Real Estate Economics*, Vol. 52, No. 1 (January 2024), pp. 239-270. <https://onlinelibrary.wiley.com/doi/10.1111/1540-6229.12440>

¹¹⁸ Bibler, Andrew and Teltser, Keith and Tremblay, Mark, "Short-Term Rental Platforms and Homeowner Displacement: Evidence from Airbnb Registration Enforcement" (August 10, 2022). Andrew Young School of Policy Studies Research Paper Series Forthcoming, Available at SSRN. <https://ssrn.com/abstract=3846919> or <http://dx.doi.org/10.2139/ssrn.3846919> Last revised January 30, 2023.

¹¹⁹ Ron Bekkerman et al. "Research: Restricting Airbnb Rentals Reduces Development," *Harvard Business Review*, November 17, 2021. <https://hbr.org/2021/11/research-restricting-airbnb-rentals-reduces-development>

building trade, home goods businesses, and all the related expenditures visitors may make during a temporary stay.

Additional concern regarding the impact on affordable housing relates to the size of the problem. Another study out of California found that “STRs account for about only 1 percent of California’s housing stock and most are expensive single-family homes that would not otherwise add to needed affordable housing supply.”¹²⁰ This sentiment was echoed in some of the discussions staff had with some STR owners.

JSGC staff contacted the Pennsylvania Housing Finance Agency (PHFA) to determine if it collected any data specific to short-term rentals. PHFA indicated that the agency did not do so, and that its focus in relation to rental housing is the financing and construction of affordable housing units in areas of need.¹²¹

In September 2024, Governor Shapiro issued an Executive Order directing the Department of Community and Economic Development to study housing needs in Pennsylvania and create a Housing Action Plan. Designed to address homelessness, the plan will directly impact on the affordable housing market.¹²²

¹²⁰ Alissa Dubetz, Matt Horton, and Charlotte Kesteven, “Staying Power: The Effects of Short-Term Rentals on California’s Tourism Economy and Housing Affordability,” *Milken Institute*, June 1, 2022.

<https://milkeninstitute.org/content-hub/research-and-reports/reports/staying-power-effects-short-term-rentals-californias-tourism-economy-and-housing-affordability>

¹²¹ Email from Melissa Grover, Director of Government Affairs, Pennsylvania Housing Finance Agency, July 29, 2024 and on file at the JSGC offices.

¹²² Commonwealth of Pennsylvania, Governor’s Office, Executive Order 2024-03 – Housing Action Plan and Addressing Homelessness,” September 12, 2024. <https://www.pa.gov/content/dam/copapwp-pagov/en/oa/documents/policies/eo/2024-03.pdf>

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 425 Session of 2024

INTRODUCED BY POWELL, O'MARA, KHAN, SCHLOSSBERG, GIRAL, PROBST, GALLAGHER, KINKEAD, SANCHEZ, RABB, OTTEN, SHUSTERMAN, SCOTT, DEASY, GREEN, BOYD AND DALEY, MAY 6, 2024

AS REPORTED FROM COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 11, 2024

A RESOLUTION

1 Directing the ~~Legislative Budget and Finance Committee~~ JOINT <--
2 STATE GOVERNMENT COMMISSION to conduct a study on the growth
3 and changes of short-term rentals operating in this
4 Commonwealth.

5 WHEREAS, This Commonwealth's short-term rental industry has
6 expanded and evolved significantly over the last 10 years; and

7 WHEREAS, The Commonwealth lacks complete, comprehensive and
8 clear data on the number of short-term rentals currently in
9 operation; and

10 WHEREAS, Municipalities in this Commonwealth have adopted
11 varying ordinances governing short-term rentals; and

12 WHEREAS, Governing entities at various levels are seeking
13 guidance and direction on optimal policy language for regional
14 consideration; therefore be it

15 RESOLVED, That the House of Representatives direct the
16 ~~Legislative Budget and Finance Committee~~ JOINT STATE GOVERNMENT <--
17 COMMISSION, WITH ASSISTANCE FROM THE LOCAL GOVERNMENT
18 COMMISSION, to conduct a study on the growth and changes of

1 short-term rentals operating in this Commonwealth and to issue a
2 report of its findings and recommendations to the General
3 Assembly; and be it further

4 RESOLVED, That the report contain all of the following:

5 (1) a full review of the short-term rental market in
6 this Commonwealth;

7 (2) an examination of ordinances and other policy-
8 related initiatives that have been adopted by municipalities
9 regarding short-term rentals operating in this Commonwealth;

10 (3) a review of the relevant State laws and regulations
11 currently governing short-term rentals operating in this
12 Commonwealth;

13 (4) an examination of the risks and benefits of short-
14 term rentals on the public and this Commonwealth's economy;

15 (5) an analysis of the accessibility and availability of
16 public information and data related to short-term rentals
17 operating in this Commonwealth;

18 (6) an assessment of the impact, if any, of this
19 Commonwealth's short-term rental industry on this
20 Commonwealth's traditional lodging community and broader
21 tourism promotion efforts;

22 (7) an assessment of the impact, if any, of this
23 Commonwealth's short-term rental industry on this
24 Commonwealth's naturally occurring affordable housing stock;
25 and

26 (8) any other useful information pertaining to short-
27 term rentals operating in this Commonwealth that enables the
28 General Assembly to evaluate and determine how to ensure the
29 safety and lawful use of short-term rentals;

30 and be it further

1 RESOLVED, That the ~~Legislative Budget and Finance Committee~~ <--
2 JOINT STATE GOVERNMENT COMMISSION submit the report with its <--
3 findings and recommendations to the following no later than 180
4 days after the adoption of this resolution:
5 (1) the Governor;
6 (2) the chair and minority chair of the Community,
7 Economic and Recreational Development Committee of the
8 Senate;
9 (3) the chair and minority chair of the Urban Affairs
10 and Housing Committee of the Senate;
11 (4) the chair and minority chair of the Tourism and
12 Economic and Recreational Development Committee of the House
13 of Representatives; and
14 (5) the chair and minority chair of the Housing and
15 Community Development Committee of the House of
16 Representatives.