



May 26, 2015

To: FTC

RE: "Sharing Economy Workshop, Project No. P15-1200

The Florida Bed and Breakfast Inns Association is the Trade Association for Bed and Breakfast Inns, Boutique Inns and small independent Inns licensed in the State of Florida. We support a sharing economy and think it's here to stay and would like to see competitive fairness. The Board of Directors herein submit their concerns for consideration on transient short term rentals, Airbnb, HomeAway and VRBO's, as follows:

### **State & Local Regulations**

Platforms should require compliance with state and local laws, after all, they are profiting from unlicensed activity. Isn't that illegal? We suggest that some regulation may be needed to protect consumers and licensed owners to promote a level playing field. Illegal transient rentals harm the tourism industry by offering unfair competition and put the guest traveler at risk.

For Example: Visit Florida is a model program for public private partnership in the State of Florida. Any licensed property can be listed on their website for free, properties just need a license number to register. Similarly the Florida Bed and Breakfast Inns Association, a Florida non profit organization that educates, advocates and promotes small independent bed and breakfast inns as well as boutique inns must also be licensed to be a member. Technology companies can simply add a fill in for State License numbers and acknowledge they are properly insured so that unlicensed activity would not be supported and it would level the playing field. A State such as Florida has almost 100 Million visitors every year and tourism represents over 25% of Florida's economic base. Safety & security for the consumer is imperative. Fire Marshals around the country have safety guidelines for transient housing to protect the consumer known as NFPA and updated every 3 years.

Most bed and breakfast inns have 2-10 rooms on the average and larger bed and breakfast and boutique inns have an average of 15 – 25. The majority of owners are independent innkeepers and not large corporations who are required to reside on the property or have a manager reside on the property.

The independent innkeepers are at a disadvantaged if the same type properties are competing with them and are not required to comply with legitimate regulatory mandates.

NOTE: Key West, Fl: Travel Website Works with City: The travel website Airbnb has agreed to stop posting advertisements for illegal transient rentals in Key West. They agreed to cease and desist and modify their website. (Illegal Rentals Targeted, by Gwen Filosa)  
**gfilosa@keysnews.com** Article: <http://keysnews.com/node/66967>

## **Consumer Protection**

Risk on transient housing - Fire Safety, Proper Insurance and Health  
Consumers showing up at properties that don't exist  
Quality & Safety

Transient housing is a regulated industry.

Fire Safety: Egress from 2<sup>nd</sup> and 3<sup>rd</sup> Floor sleeping accommodations. Consumers are waking up in unfamiliar houses and not knowing how to get out in an emergency? Emergency Lighting, Fire Alarms and Fire Extinguishers are not the norm in unlicensed properties.

Health: Wash, rinse and sanitize is the motto of the health departments. When consumers go to unlicensed properties no inspections or safe guards are in place to protect the consumer for proper sanitation.

Products on platforms such as etsy or eBay cannot be equally equated with transient housing platforms.

### Taxation fairness

Unlicensed properties reap the benefits of tourism development taxes without contributing. If everyone refuses to comply how would independent small businesses and local governments promote Tourism Development in their area which helps promote small independent properties.

States and local municipalities are also losing out economically when Sales Tax is not collected on unlicensed properties.

### Reputation Management

Reputation systems are no longer impartial when companies like Expedia own Trip Advisor and are subject to manipulation in more than one way. Comments/reviews can be posted without proof of stay or services rendered.

Cyber scams for money: Many small properties in Florida have been contacted by unknown individuals who have been asked to pay money (sometimes several hundred dollars) within 48 hours or bad reviews will be posted everywhere.

Trip advisor charges a business for a link to their own website. The amount depends on how active a destination area is. If the small inn does not have global distribution thru companies like Expedia, who owns trip advisor, when the consumer puts in dates for travel, thinking they are checking availability on a particular property or area, that property is not included in search results if they are not on the GDS system which Expedia profits from. The consumer is not aware of this so they think there are no rooms available at the smaller properties. The business does not have GDS because they can't afford to give Expedia 25-30% of the room night costs.

Trip advisor & [bedandbreakfast.com](http://bedandbreakfast.com) both use this tactic to direct business to GDS. [bedandbreakfast.com](http://bedandbreakfast.com) is owned by HomeAway. So even small licensed independent inns are being gouged financially by these tech company platforms.

Are they really “Technology” Companies?

Platforms view themselves as technology companies, but are in fact marketers of a regulated industry when it relates to transient housing or short term accommodations. Websites which market short term rentals should take measures to ensure compliance with local laws and regulations. At the very least have them publish a license number and acknowledge they are in compliance with State and local regulations, along with the proper insurance.

Summary:

Equal Competitive Fairness

Proof of Property Ownership. Only Owners or Licensed Real Estate Professionals are allowed to rent properties to others in the State of Florida.

Require State and/or Local Licensing

Provide proper insurance, since homeowners insurance does not protect consumer or owners on short term rental property.

When a State/ and or City adopts regulations that supersede state laws and is not enforcing compliance, they knowingly create unfair competition and enable illegal activity to occur creating an environment of selective code enforcement.

Respectfully Submitted on behalf of the  
Florida Bed and Breakfast Inns Board of Directors

Pattie Detwiler, Managing Director  
Florida Bed and Breakfast Inns  
P.O. Box 1209  
Starke, FL 32091  
561.223.9550