



## **Testimony of President of the Travel Technology Association: Rhode Island HB 5505**

My name is Steve Shur and I serve as the President of the Travel Technology Association. My organization represents companies like Airbnb, Vrbo, Booking.com, TripAdvisor, and many others.

Prior to 2020, our industry has been responsible for booking hundreds of thousands of room nights, both hotels and short-term rentals, in Rhode Island annually, and our members are proud to facilitate a marketplace that allows travelers to easily search for, compare and book accommodations across the state. As we look toward recovery from the pandemic, these travelers generate immense economic benefits throughout Rhode Island and our industry is always seeking ways to innovate, provide better service and inspire people to travel.

Our industry strongly opposes HB 5505 on multiple grounds.

### **Registration Verification Requirements**

The bill requires “third-party hosting platforms” to only list properties that have properly registered with the state department of business regulation. Given that there are no provisions in the bill to facilitate any technical coordination between the state and the third-party hosting platforms, it would be impossible for the hosting platform to know if the homeowner has registered with the state, whether the registration is complete and accurate and whether the registration is up-to-date and compliant based on the requirements in the legislation.

This provision also suggests that hosting platforms have the ability to screen and vet all properties before being listed on the platform. This is not possible based on the volume of properties listed, the diversity of when a property is listed and for how long and again, without a mechanism to know whether a property owner is compliant with state requirements, the hosting platforms would have no ability to know whether to enable a listing or reject it. Further, homeowners, hosts and property managers list properties for rent and take them down frequently based on bookings, availability and other factors. To suggest that the hosting platform would be responsible for verifying that a home is properly registered with the state is not feasible.

Rhode Island vacation rental managers and property managers who have websites that list properties for rent would be burdened with these same verification challenges and would result in a detriment to their businesses.

Short-term rentals are listed on thousands of websites around the world beyond the most well-known hosting platforms. Facebook, craigslist, newspaper websites (online classifieds) and countless other entities would be trapped in this same unworkable requirement and the state would be burdened with attempting to identify all of these website to issue fines for violations.

### **HB5505 Conflicts with Federal Law**

Legislation which seeks to deputize Internet platforms for enforcement purposes, by either stating or implying the need for these platforms to police and regulate third party users under the threat of punitive

consequences from government, is a flawed and short-sighted approach to enforcement. It is also a violation of Section 230 of the Communications Decency Act.

Beyond the lack of workability, it is even more important to recognize that holding short-term rental platforms accountable for the user-generated content contained in their listings, violates the very underpinnings of the federal law that has governed the liability of platforms and users for more than two decades. The legal certainty provided by Section 230 of the Communications Decency Act established an environment that promotes innovation and has allowed the Internet to thrive.

Congress passed Section 230 in 1996, addressing the treatment of online service providers and platforms, stating, "No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider" (47 U.S.C. § 230). This ensures that an Internet service or platform is not recognized as the publisher when facilitating the speech of a third party. Many courts have upheld a broad interpretation of this law, declaring that intermediaries are not held liable for user-generated content. In short, Section 230 has been enormously important to the growth of the Internet by providing legal certainty to an ever-expanding world of Internet services, including but not limited to social media, blogs, consumer review sites and forums, search engines, audio and video hosting platforms, online marketplaces, and in the case of our members, travel and accommodations intermediaries and platforms.

The proposed legislation implies that platforms would be required to vet the eligibility of listings and prevent, remove, and cancel any non-compliant listings. The failure to do so would result in fines for the platform. This clearly imposes a level of liability on short-term rental platforms and undermines the preemption contained in Section 230 that "no liability may be imposed under any State or local law," by the passage of laws in direct conflict with it. In a larger context, should states or local governments begin creating a series of laws inconsistent with Section 230, the result would be a legal quagmire that leaves states, cities, the platforms, the hosts as well as travelers in a state of legal and operational uncertainty, benefitting no one.

### **Conclusion**

Travel Tech welcomes the opportunity to work with the legislature and other stakeholders to address some of the challenges the state currently faces with short-term rentals, but as currently proposed, HB 5505 could do irreparable harm to Rhode Island's travel and tourism economy at a time when it has been so devastated by the global pandemic and we strongly urge the Committee to reject this bill.

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