



**TESTIMONY ON
HOUSE BILL 2303
Compliance Regulations for Short-Term Rentals**

Presented to the
House Tourism, Recreation and Economic Development Committee

By
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March 25, 2026

My name is Sophie Eyer, and I serve as the Government Relations Analyst for the County Commissioners Association of Pennsylvania (CCAP), a non-profit, non-partisan organization representing all 67 counties across the commonwealth. Thank you for the opportunity to submit testimony to the House Tourism, Recreation and Economic Development Committee on House Bill 2303.

House Bill 2303 proposes the establishment of a statewide framework to regulate short-term rental properties in Pennsylvania. The bill would require county issued permits for all short-term rental operators, including homestay, vacation rental, and corporate operators. These annual permits would require proof of liability insurance, compliance with local nuisance ordinances, occupancy limits and designation for an on-call point of contact.

To support oversight and compliance, the legislation directs counties to establish and maintain a registry of all short-term rental properties, hotels and other lodging establishments subject to the hotel and occupancy tax within the county's jurisdiction. It also places requirements on hosts, including booking platforms, to report listing data, ensure properties are properly registered, and collect and remit applicable hotel occupancy taxes when not done directly by the property owner. Under the proposal, counties, as well as municipalities, would be able to establish reasonable permitting fees for short term rentals to administer the permitting program, registry operations, inspections and compliance enforcement.

Counties are generally supportive of the bill's overall goal of improving safety and transparency of short-term lodging and allowing for counties to have a consistent, county-wide system implemented across the commonwealth to track short-term rentals and create uniformity across short-term stay classifications. A centralized and consistent approach to data collection would help address many of the challenges counties currently face in monitoring these properties, such as the ability to properly ensure and audit hotel tax remittance and locate rental properties during potential emergency situations.

However, counties have some questions and concerns regarding some of the logistical elements proposed in HB 2303. As currently drafted, the legislation assigns counties a primary role in permitting and enforcement that does not align with their existing responsibilities or capacity. Specifically, counties would be responsible for administering permits, maintaining records of municipal decisions, and enforcing compliance standards. This includes the authority to suspend or revoke permits and ensure adherence to building, fire safety, and occupancy requirements.

These functions are currently performed by municipalities, which have the appropriate infrastructure, expertise, and legal authority to carry out code enforcement and permitting activities. Counties do not have an established role in these areas, nor do they have the resources to effectively assume these responsibilities without significant structural and fiscal changes, including additional staffing, database infrastructure, processes, cybersecurity protections and other system needs. Shifting these duties to counties would create duplication, inefficiencies, and potential confusion within the existing system of local governance.

Further, HB 2303 requires reporting to the Department of Community and Economic Development (DCED) annually, which then gets shared with the Department of Revenue. It also requires booking services to provide the same information monthly to DCED and the county and further requires DCED to create an electronic verification system to confirm registration status and permit numbers. One concern counties have heard from prior negotiations on a hotel and short-term rental registry is the difficulty with dealing with 67 different hotel tax rates. This proposal would essentially create 67 different systems with different rules, administrative fees and requirements, which could further disjoint short-term bookings in the commonwealth. While the intent to house this at the county level to allow for municipal input and action makes sense from an on-the-ground perspective, counties would welcome further exploration to a statewide system to address short-term stays.

Counties also seek further clarifications on what pieces are applicable to counties and/or municipalities. Under Section 1521 related to municipal registries, there seem to be several provisions that are required of counties and optional for municipalities, potentially creating further system redundancies and confusion between local government entities and short-term rental platforms and operators. Within that section, there is a requirement for publication of reports and records throughout that entire section to be published on official municipal websites or in another publicly accessible format. Without clear definitional delineation in the legislation on county versus municipality in terminology, this may be confusing, especially given the other required databases and information access points.

Another concern for counties is the provision on enforcement of safety compliance. While Section 1532 states counties or municipalities may enforce compliance with safety standards outlined in the legislation, the proposal requires counties to establish a process to receive and investigate complaints alleging noncompliance. Further, it would be up to the individual county on how that process goes, including potentially outsourcing the investigation, which not only adds further cost to the county to then factor into the reasonable fees within the permitting process, but also potentially opens the door to liability on behalf of the county if they are deemed to have not properly investigated noncompliance.

While counties support the concept of requiring permits and enhancing accountability, they do not believe they are the appropriate level of government to serve as the primary permitting or enforcement authority and have several questions and concerns regarding implementation at the individual county level as each county is differently resourced. Instead, counties would support a framework that includes a centralized, statewide database to ensure accurate tracking and information sharing, while preserving the current roles of municipalities in administering and enforcing local codes.

In closing, counties support the intent of House Bill 2303 to bring greater consistency and transparency to the short-term rental market. At the same time, we respectfully encourage consideration of revisions that align implementation responsibilities with the appropriate levels of government. CCAP stands ready to work with the bill's sponsor, the Committee and the General Assembly to refine this legislation and identify a balanced and effective approach.

Thank you for your consideration. I would be happy to provide additional information or answer any questions.