

NetChoice *Promoting free expression & free enterprise on the net*

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March 2, 2021

RE: *Opposition to H 5505 – An Act Relating to State Affairs and Government – Tourism and Development*

We ask that you not move forward with H 5505.

Government efforts to force Short-Term Rental (STR) providers to disclose data to the government and/or impose liability requirements on platforms that host STR properties jeopardize the privacy of Rhode Island's citizens.

We outline the problems with such an approach below and welcome further conversation on the matter.

Benefits to your constituents of short-term rentals

STR services provide necessary income to many of your constituents. Over 52 percent of hosts nationwide live in low-to-moderate income households. More than 48 percent of the income hosts earn through certain short-term rental services is used to cover household expenses.

Consider, for example, families coming from across the country for graduation ceremonies at the University of Rhode Island. STR services allow constituents to earn income by sharing their homes.

The presence of STR services also brings new money into areas under-served by hotels. Historically, travelers are not likely to encounter businesses in these under-served parts of Rhode Island. Conversely, guests who stay in under-served areas via STR services, bring income to nearby restaurants, grocery stores, and businesses.

H 5505's imposition of liability on STR platforms

The internet is an open resource that enables people from all parts of Rhode Island to freely communicate with one another and pursue their goals. While some nations discourage user-generated content, the United States created a fertile ground for business models that have transformed the world.

Moreover, this openness is bolstered by Section 230 of the federal Communications Decency Act, which says platforms can't be held strictly liable for content posted *by others*.

H 5505 ignores this federal law as it forces STR platforms to monitor listings.

Such an attempt by Rhode Island to impose monitoring liability on STR platforms will likely see court actions, injunction, and invalidation of the law by the court. In fact, New York attempted to enact a similar provision. The court not only struck it down, but also awarded the opposing party substantial attorney's fees and costs.

Privacy invasion of Rhode Island residents from the H 5505's forced disclosure of STR information

Mandating STR providers disclose data to the government grants virtually any Rhode Island public employee access to the private information of Rhode Island residents. As you can imagine, this provides an easily abused resource of information about your constituents. As such, H 5505 threatens to greatly undermine the privacy of Rhode Island's citizens.

Because it imposes monitoring requirements on platforms that host STR properties and would invade the privacy of Rhode Island's citizens, we respectfully ask you to **oppose H 5505**.

We appreciate your consideration of our views, and please let us know if we can provide further information.

Sincerely,

Carl Szabo

Vice President and General Counsel, NetChoice

NetChoice is a trade association fighting for free expression and free enterprise on the net. NetChoice.org