

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

'19 NOV -5 A9:10

SENATE
S. No. 1142

RECEIVED BY:

Introduced by Senator Manuel "Lito" M. Lapid

AN ACT
REGULATING SHORT-TERM RESIDENTIAL RENTAL AND ESTABLISHING A
REGISTRY FOR SUCH PURPOSE

EXPLANATORY NOTE

One of the rising trends in today's tourism and housing market is home sharing. It is one of the facets of the emerging mode of distributing goods and services known as the "sharing economy." Other manifestations of this new economic force are the proliferation of online marketplaces (eBay, Shopee, Lazada, and OLX Philippines, to name a few) and ridesharing (Grab, Uber and Angkas). Home sharing is defined as the renting out of houses, condominium units, apartments or other residential spaces to short-term guests. This arrangement is usually facilitated through online hosting platforms such as Airbnb and Booking.com. This has become widely popular among homeowners and condominium tenants as a way to earn extra income, especially from their residential units that would otherwise have been idle or unoccupied.

However, home sharing remains to be largely unregulated and without adequate safeguards set up to protect its clients and the general public. Despite the perceived benefits, the innovativeness and new technologies linked to home sharing arrangements, the government should not shy away from placing reasonable regulations upon the stakeholders involved pursuant to the goal of promoting the common good and general welfare. Just recently, the Department of Tourism

expressed its desire for the regulation of bookings made through home-sharing platforms such as Airbnb.¹ This proposed measure is introduced in response to this.

This bill mandates the creation of a short-term residential rental registry in every city or municipality where such businesses are being conducted. Operators of short-term residential rental are required to register and submit their information to this Registry which shall contain information regarding their names, contact numbers, and the addresses of the properties being offered. A Central Registry will also be set up and managed by the Department of Tourism based on the data submitted by the local government units. Hosting platforms will be required to collect these Certificates of Registration from the operators who avail their booking services and to display clearly and prominently the registration numbers of operators in advertisements and listings. To ensure compliance, penalties will be imposed upon non-compliant operators and hosting platforms.

In view of this, early passage of this bill is sought.



MANUEL "LITO" M. LAPID
Senator

¹ <https://www.rappler.com/business/241413-department-tourism-wants-regulate-airbnb-lodgings>



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Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. *Short Title.* — This Act shall be known as the "Short-Term
2 Residential Rental Registry Act of 2019".

3 Sec. 2. *Declaration of Policy.* – It is hereby declared as a policy of the
4 Government to regulate housing and accommodation arrangements such as short
5 term residential rental, home sharing, etc. for the benefit and protection of the general
6 public.

7 Sec. 3. *Definition of Terms.* – As used in this Act:

8 a. "*Operator*" – The proprietor of any dwelling, lodging, or sleeping
9 accommodations offered as a short-term residential rental, whether in
10 the capacity of owner, lessee, sublessee, mortgagee, or any other
11 possessory capacity.

12 b. "*Short-term Residential Rental*" – The provision of a room or space that
13 is suitable or intended for occupancy for dwelling, sleeping, or lodging
14 purposes, for a period of fewer than 30 consecutive days, in exchange
15 for a charge for the occupancy.

16 c. "*Hosting Platform*" - A person or entity that participates in the short-
17 term rental business by providing, and collecting or receiving a fee for,

1 booking services through which an operator may offer a residential unit
2 for short-term residential rental. Hosting Platforms usually, though not
3 necessarily, provide booking and reservation services through an online
4 platform that allows an operator to advertise the residential unit through
5 a website provided by the Hosting Platform and the Hosting Platform
6 conducts a transaction by which potential tourist or transient users
7 arrange rental and payment, whether the tourist or transient pays rent
8 directly to the Owner or to the Hosting Platform.

9 *Sec. 4. Short-Term Residential Rental Registry.* – There is hereby established a
10 short-term residential rental registry in every city or municipality where such
11 businesses are being conducted. Upon offering any short-term residential rentals, all
12 operators shall register with the Local Building Official, or the City/Municipal Engineer,
13 or any other office designated by the local government unit to maintain such registry.
14 Registration under this Act shall be renewed on an annual basis.

15 The Registry shall include a unique registration number for each operator of
16 short-term residential rental, the complete name of the operator, contact information
17 of the operator and the address of each property in the city or municipality offered for
18 short-term residential rental by the operator. Operators offering short-term residential
19 rentals across multiple areas shall register separately to each local government unit
20 concerned.

21 Upon registration, the operator shall be issued with a Certificate of Registration
22 bearing a unique registration number for the operator.

23 Each local government unit is hereby empowered to impose reasonable
24 requirements and fees for the grant of registration under this Section.

25 *Sec. 5. Central Registry of Short-Term Residential Rental* – Within one (1) year
26 after the effectivity of this Act, all concerned local government units shall submit their
27 local registries as established under Section 4 of this Act to the Department of Tourism.
28 This Department shall then create a Central Registry of Short-Term Residential Rental
29 after consolidating the information submitted to it.

1 Thereafter, updated local registries as well as a report on the short-term
2 residential rental activities within their territorial jurisdiction shall be submitted by the
3 local government units to the Department on an annual basis.

4 *Sec. 6. Duty of Hosting Platforms.* – Hosting platforms shall require operators
5 to first present their respective Certificates of Registraton before allowing the latter to
6 its booking service. The unique registration number of each operator shall be displayed
7 clearly and prominently on each advertisement or listing of said operator.

8 *Sec. 7. Penalties.* – Failure to register a property within thirty (30) days of being
9 offered for short-term residential rental shall result in a penalty to be paid by the
10 operator in the amount of Ten Thousand Pesos (Php 10,000.00) for the first offense,
11 and Twenty Thousand Pesos (Php 20,000.00) for the second offense. Until such time
12 as the operator pays the penalty and registers such property, the operator may not
13 continue to offer such property for short-term residential rental. Upon repeated
14 violation for three or more occasions of the registration requirement under Section 4
15 of this Act despite adequate notice, the operator shall be prohibited from registering
16 said property and from offering that property for short-term residential rental.

17 Non-compliance with the duty imposed upon hosting platforms under Section
18 6 of this Act shall result in a penalty in the amount of Twenty Thousand Pesos (Php
19 20,000) for every instance of violation.

20 *Sec. 8. Platform for Complaints.* – The Department of Tourism shall establish a
21 hotline and/or any other effective platform wherein individuals may call or otherwise
22 submit their concerns or complaints against operators or hosting platforms.

23 *Sec. 7. Implementing Rules and Regulations.* – The Department of Tourism and
24 the Department of Interior and Local Government shall issue the necessary rules and
25 regulations for the effective implementation of this Act not later than ninety (90) days
26 from the effectivity of this Act.

27 *Sec. 8. - Separability Clause.* - Should any provision of this Act or the application
28 thereof to any person or circumstance be held invalid, the other provisions or sections
29 of this Act shall not be affected thereby.

1 Sec. 9. - *Repealing Clause.* – All laws, decrees, executive orders, rules and
2 regulations or parts thereof which are inconsistent with this Act are hereby repealed,
3 amended or modified accordingly.

4 Sec. 10. *Effectivity Clause.* - This Act shall take effect fifteen (15) days following
5 its publication in the Official Gazette or in at least two (2) newspapers of general
6 circulation.

7 Approved,