Governance Keeping up with Sharing Economy Innovations

Seojin Lee  
_Arizona State University_

Christine A. Vogt  
_Arizona State University_

Woojin Lee  
_Arizona State University_

David Swindell  
_Arizona State University_

Follow this and additional works at: https://scholarworks.umass.edu/ttra
Governance Keeping up with Sharing Economy Innovations

Seojin Lee
Ph.D. Candidate
School of Community Resources and Development
Arizona State University, Phoenix, 85004, USA
E-mail: seojin.lee@asu.edu

Christine A. Vogt, Ph.D.
Professor and Director, Center for Sustainable Tourism
School of Community Resources and Development
Arizona State University, Phoenix, 85004, USA
Telephone: (602) 496-0550
E-mail: christine.vogt@asu.edu

Woojin Lee, Ph.D.
Associate Professor
School of Community Resources and Development
Arizona State University, Phoenix, 85004, USA
Telephone: (602) 496-1228
E-mail: woojin.lee.1@asu.edu

David Swindell, Ph.D.
Associate Professor and Director, Center for Urban Innovation
School of Public Affairs
Arizona State University, Phoenix, 85004, USA
E-mail: david.swindell@asu.edu

Submitted to Oral Presentation
At the 2018 Travel and Tourism Research Association International Conference
Governance Keeping up with Sharing Economy Innovations

Abstract

The sharing economy presents new regulatory issues by raising inquiries into market innovation and government intervention. This research focuses on policy areas that have not received much attention in the current debate on the sharing economy, particularly in the tourism literature. Based on the survey on local government officials in the U.S. cities and counties (n=599), the research aims at (1) exploring stakeholder groups that are perceived to be influential in acting on legislation among policymakers and (2) examining determinants that influence legislative status with a focus on sharing economy innovations. The results indicate that legislative status is influenced by stakeholder groups who actively engaged in legislation with different objectives as well as jurisdiction characteristics such as population size and geographical region. The study offers insights into how policymakers keep up with the tremendous innovations that take place in the tourism industry.

Keywords: Sharing Economy; Innovation; Governance; Stakeholders
Governance Keeping up with Sharing Economy Innovations

Introduction

The sharing economy presents new regulatory issues. New business models such as Airbnb and Uber have received strong pushback from incumbents (Alderman 2017). Industry players claim that the sharing economy takes the advantage of technology and evades existing regulatory requirements. In the transportation market, for example, the taxi industry has claimed that Uber, Lyft, and other transportation platform companies circumvent the licensing fees that taxicab companies must pay. The regulatory questions raised by the rapid growth of the sharing economy are expansive. They span the entire map of the legal world, including tax collection, permitting, licensing, zoning, safety and health, quality and consumer protection.

As the controversy swirls around the sharing economy, local and state government officials have been struggling with how to keep up with the emerging and evolving business model (Koopman, Mitchell, and Thierer 2015). They face challenges in balancing the competing interests of stakeholders and considering the broader public interest (Helmer 2017). Local and state government officials have introduced legislation focusing on regulating the sharing economy. For example, the Public Utility Commission in California offered legal status for ride-hailing companies and allowed them to operate legally, but the hearings are underway around the U.S. (Geron 2013). In Austin Texas, Uber and other ride-hailing services were shut down by rules that governed limousine services (Batheja 2015). There are varying levels of legislative status making governance oversight complicated.

Despite the varying levels of legislative status of the sharing economy, systematic research on governance that frames regulatory issues in this new technological innovation has been lacking in academic literature, particularly in the tourism field. This research starts at a local level – the city in which sharing economy service providers operate. From this scope, several broad research questions arise – At a local level, do city managers share the vision of stakeholders? What characteristics of cities influence innovations like the sharing economy and all of its parts? The sharing economy has been shown to disrupt industries, and also raises inquiries into the logic of existing regulations (Lobel 2016). An examination may require a review of basic principles and a new look at market innovation and public intervention at a local level, the scale where business licenses and operational protocols are governed. The research questions posed can be answered by delving into the nexus of innovation in tourism, particularly accommodation and transportation, and its governance (regulations).

The research is aimed at (1) assessing local government officials’ perceptions of stakeholder groups that may be influential in shaping the regulatory environment among local government officials and (2) examining determinants that influence local legislative status with a focus on sharing economy innovations in the U.S. Survey data were collected with a sample of local government officials in the U.S. cities and counties (n=599). The local government officials were asked about how they perceived the regulatory environment for the sharing economy in their jurisdiction, therefore the current study is delimited to the perspectives of city or county managers. The local government officials act as useful sources by which current dynamics of legislation are informed, given that they are in the position to represent the jurisdiction and assess the regulatory environment. The present study is a poll to understand how local government officials perceive the disruptive innovation that affects the normative tourism sector.
Literature Review

Sharing Economy as Unique Innovations

In the sharing economy, travelers are gaining temporary access to tourism products and services in exchange for a fee (Cheng 2016; Guttentag, Smith, Potwarka, and Havitz 2017; Tussyadiah and Pesonen 2015). The sharing economy encourages new entrants into industries long entrenched with incumbents. With reduced overhead costs, start-up costs are low – allowing new entrants and higher levels of financial success. The large sharing economy companies promote that there are virtually zero start-up costs to become a provider, essentially a micro-entrepreneur, on one of the existing platforms (Rifkin 2014). If individuals want to become a bed and breakfast host, a driver, or a chef, they simply list their services on an existing platform and wait for an offer. The companies’ costs of advertising are often embedded in a transaction fee and earned with a credit card payment. Thus, the sharing economy has introduced innovation in tourism services and the way tourism entrepreneurs sell their services and goods.

As it takes advantage of the reduced barriers to entry, the sharing economy poses serious threats to incumbents. In the case of accommodations, the increase in the number of Airbnb listings has led to a decrease in quarterly hotel revenues in the state of Texas (Zervas, Proserpio and Byers 2017). Budget hotels have taken the brunt of the hit (Fan, Ye, and Law, 2016; Zervas, Proserpio and Byers 2017). In the transportation market, taxicab rides continued to plummet, down to 14% of business trips, compared to 37% of the market two years ago (Jones 2016). The sharing economy has introduced innovation in the tourism industry, including hotels, taxis, and short-term rentals.

The policy perspective is that local government officials must balance competing interests of stakeholders with the introduction and growth of new innovations. In response to the rising phenomenon of the sharing economy, academic literature has highlighted its impacts at the community and government level (Dredge and Gyimóthy 2015; Fan, Ye and Law 2016; Hartl, Hoffman and Kirchler 2016). Despite recent advances in sharing economy studies, research on governance in regulating the sharing economy is particularly scant in the tourism literature.

Regulations in the Sharing Economy

The sharing economy defies conventional regulatory issues (Lobel 2016). Millions of people are becoming part-time entrepreneurs, disrupting established business model, and challenging regulated industries (Rauch and Schleicher 2015). The existing industry players, such as hotel, taxi, and restaurant businesses, have been subject to specific requirements that range from local municipal laws to state laws. The requirements encompass taxes, licensing fees, and health and safety rules and random checks. In the hospitality and tourism industries, most cities limit the number of hotel rooms, the use of residential property for short-term rentals, and the number of taxis or for-hire cars.

Table 1 summarizes current regulatory issues that relevant stakeholders have raised in the realm of the sharing economy. The first regulatory issue is the property and zoning laws. Individual residents and homeowners’ associations fear that peer-to-peer accommodation, such
as Airbnb, will negatively affect residential life and property values. Some cities are changing their zoning laws to keep residential areas quiet, clean and safe (Rauch and Schleicher 2015). Second, incumbents, including the existing accommodation or taxi companies, require that sharing economy businesses comply with the same requirements that other industry players follow. These requirements encompass the regulatory issues, such as tax collection, permitting, licensing, and employment laws (Einav, Farronato, and Levin 2016). Lastly, consumer protection law has been a major concern for local and state government officials and their approaches to regulating the sharing economy. The issues relevant to consumer protection range from insurance standards and background checks, to safety and quality controls. The present study did not focus on consumers as a stakeholder group, but consumer welfare has been considered germane to the sharing economy and is ripe for future research.

**Table 1. Regulatory Issues Among Stakeholder Groups in the Sharing Economy**

<table>
<thead>
<tr>
<th>Relevant stakeholders in the present study</th>
<th>Regulatory issues in the sharing economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>Individual residents</td>
</tr>
<tr>
<td></td>
<td>Homeowners associations</td>
</tr>
<tr>
<td>Incumbents</td>
<td>Local tourism industry</td>
</tr>
<tr>
<td></td>
<td>Taxi industry</td>
</tr>
<tr>
<td></td>
<td>Labor unions or employee groups</td>
</tr>
<tr>
<td></td>
<td>Individual businesses</td>
</tr>
<tr>
<td>Consumers</td>
<td>Not included in this research</td>
</tr>
</tbody>
</table>

**Conceptual Framework**

The conceptual framework of the current research builds on the steady line of research on diffusion of innovations (Rogers 2003). The process of which innovations spread from one jurisdiction to another, typically called diffusion, is a central concern of local and state government officials. In the policy innovation literature, Walker (1969) laid the foundation for this research by arguing that policy and diffusion is a function of jurisdiction characteristics and external influences. In recent decades, scholars have extensively examined the diffusion on policy innovation literature (Balla 2001; Karch, Nicholson-Crotty, Woods, and Bowman 2016; Mintrom 1997). Stakeholder theory (Freeman 1984) also plays a role in explaining the various community and industry groups that may voice support or be impacted by legislative acts.

**Legislative Status**. The dependent variable in the present study is legislative status or the point at which the local government officials act on legislation. One difficulty in keeping up with rapidly evolving businesses is when to regulate because regulations cannot be easily changed or withdrawn (Einav, Farronato, and Levin 2016). While laws exist to regulate lodging, taxi, and limousine industries, products and services of the sharing economy have unique characteristics that make comparisons difficult. Most regulations were written before policymakers or legislation leaders conceived of a time when consumers could connect with providers on
technology platforms. Technology, the core to the sharing economy’s network, represents an unprecedented disruption, so the regulations that looked sensible at the time they were imposed may appear outdated or misguided. In the present study, legislative status is categorized into three levels: legislation in place, legislation in pursuit, and legislation neither in place nor in pursuit.

**Stakeholders.** One important external pressure is the interests of stakeholders (Clark and Little 2002; Karch et al. 2016; Mintrom 1997). Existing research on the diffusion of policy innovations highlights impacts of interest groups (Clark and Little 2002; Karch et al. 2016). The professional associations and interest groups enable various levels of support for policy ideas (Balla 2001; Karch et al. 2016). The Homeowners’ Associations, Taxicab, Limousine and Paratransit Association (TLPA), or union groups are active on regulating the sharing economy. Legislative leaders may value and incorporate the information and positions of these stakeholders disseminate (Clark and Little 2002). The present study takes into account different stakeholders or a variation on the stakeholder dimension.

**Population and Geographical Region.** Other crucial jurisdiction characteristics are population size and geographical region. Innovations often diffuse in a regional pattern, with states such as California and New York developing policies that keep up with technological advances in large cities (Balla 2001). Two independent variables are considered to estimate determinants of legislative status. One independent variable is *population*. Past research shows the rates of innovation are correlated with population size of regions (Bettencourt, Lobo, Helbing, Kühnert, and West 2007). As populations increase and become more connected, innovation occurs. Another variable is *geographical region*. Scholars have found that technology diffusion occurs unevenly across regions with different environments (Caselli and Coleman 2001; Rogers 2003; Tornatzky and Fleisher 1990). Using two independent variables, the present study examines how local government officials in different jurisdictions (i.e., municipal governments) in the U.S. consider the pursuit or adoption of new legislation concerning the sharing economy.

**Method**

**Participants and Data Collection.** Over the spring and summer 2016, the International City/County Management Association (ICMA) sent paper questionnaires via postal mail to a sample of 5,451 U.S. cities and counties. University researchers were involved in creating questions to study tourism innovations, making the data primary. ICMA repeated the mailing several weeks later to encourage responses. The paper copies included a URL to an online response option. ICMA sent the questionnaires addressed to the local government’s chief administrative officer. The officer is treated as a single proxy (one vote per city) to the context and stakeholders that exist in an urban marketplace operating in city governance structure. The sample included all general-purpose local governments with a population of 250,000 or greater, and one in three local governments selected at random from communities with populations less than 250,000. Responses were received from 599 of the governments surveyed, yielding a response rate of 11.0% and an overall margin of error of +/- 3.9%. The distribution of responses in terms of population size and region matches the distribution of all cities and counties on these two characteristics.
**Measures.** The dependent variable, *legislative status*, is a categorical variable, coded 0 for legislation neither in place nor in pursuit (non-legislation), 1 for the presence of legislation, and 2 for the pursuit of legislation. Drawn from recent literature on the sharing economy, six *stakeholder groups* are considered in analyses. Local government officials were asked to evaluate whether a stakeholder group, in total, were in favor of regulation of the sharing economy, against, non-advocates, not sure, or not applicable position. *Population* was sourced from the latest U.S. Census Bureau estimates. A series of regional dummy variables are also included, given that technology development has been unevenly distributed across the U.S. (Rogers 2003). Based on the U.S. Census Bureau classification, *geographical region* is classified into four sub-regions: Northeast, West, South, and North Central regions. The base category in models is North Central. For all measures, the sharing economy was used broadly and was not delineated across accommodations, ride-sharing, or other service categories.

**Data Analysis and Expected Relationships.** Cross-tab analysis was employed to examine which stakeholder groups are influential on legislative status. We expected those cities who had passed legislation or are in that process would have assessed stakeholder’s positions as in favor or against regulation rather than the less involved categories; and cities that had yet to pass regulations would more likely fall into the non-advocates, not sure or not-applicable options. This expectation is based on stakeholder theory (Freeman 1984) which posits that when issues lead to regulation and solutions, then engaged stakeholders and their positions are evident to local government officials. Multinomial logit regression was conducted to analyze the determinants of legislative status. We expected that both population and region of the U.S. would influence status. Larger cities would be more likely to have passed legislation; and the West would be more likely to have passed sharing economy legislation to move this new product category further along the innovation adoption curve as leading technology cities are located in the West.

**Results**

**Descriptive Statistics.** Table 2 shows U.S. city chief administrator’s perception of any sharing economy legislation in their jurisdiction. According to the respondent’s proxy of local legislative status, few cities have legislation in place (4.4%) or in the process (11.5%) as of 2016. The modal group are those cities not pursuing (84.2%) sharing economy legislation.

<table>
<thead>
<tr>
<th>Legislation outcome</th>
<th>No. of observations</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislation in place (1)</td>
<td>24</td>
<td>4.4</td>
</tr>
<tr>
<td>Legislation in pursuit (2)</td>
<td>63</td>
<td>11.5</td>
</tr>
<tr>
<td>Non-legislation (0)</td>
<td>462</td>
<td>84.2</td>
</tr>
<tr>
<td>Total</td>
<td>549</td>
<td>100</td>
</tr>
</tbody>
</table>

*Note. 50 observations (8.3%) are missing.*
Stakeholder Groups. To assess local government officials’ perceptions of stakeholder groups that may be influential in shaping the local regulatory environment, Table 3 shows the proxy response by a local government’s chief administrative officer of the poll or status of any sharing economy legislation. The poll also accounts for the administrative officer’s perception of stakeholders’ involvement and support for sharing economy legislation. The patterns in the results support the expectation that those cities with legislation in place or in pursuit would have larger representation in the favor or opposed to regulation; and cities with no legislation or processes would have larger representation in the less engaged responses. Those cities with some form of legislative action (in place, in pursuit) scored the six stakeholder groups as being more in favor of regulating the sharing economy businesses than other jurisdictions, particularly the taxi industry.

Table 3. Cross-tabulation of Legislative Status and Stakeholders’ Support or Involvement in Local Sharing Economy Governance

<table>
<thead>
<tr>
<th>Legislation in place (24 respondents)</th>
<th>Advocates in favor of regulation</th>
<th>Advocates opposed to regulation</th>
<th>Not active advocates</th>
<th>Not sure</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>9 (37.5%)</td>
<td>6 (25.0%)</td>
<td>6 (25.0%)</td>
<td>1 (4.2%)</td>
<td>2 (8.3%)</td>
</tr>
<tr>
<td>Homeowners association</td>
<td>7 (29.2%)</td>
<td>1 (4.2%)</td>
<td>9 (37.5%)</td>
<td>4 (16.7%)</td>
<td>3 (12.5%)</td>
</tr>
<tr>
<td>Taxi industry</td>
<td>10 (41.7%)</td>
<td>1 (4.2%)</td>
<td>4 (16.7%)</td>
<td>3 (12.5%)</td>
<td>6 (25.0%)</td>
</tr>
<tr>
<td>Tourism industry</td>
<td>9 (37.5%)</td>
<td>3 (12.5%)</td>
<td>8 (33.3%)</td>
<td>1 (4.2%)</td>
<td>3 (12.5%)</td>
</tr>
<tr>
<td>Labor union or employee groups</td>
<td>4 (16.7%)</td>
<td>1 (4.2%)</td>
<td>7 (29.2%)</td>
<td>2 (8.3%)</td>
<td>10 (41.7%)</td>
</tr>
<tr>
<td>Individual businesses</td>
<td>9 (37.5%)</td>
<td>4 (16.7%)</td>
<td>7 (29.2%)</td>
<td>1 (4.2%)</td>
<td>3 (12.5%)</td>
</tr>
</tbody>
</table>

Legislation in pursuit (63 respondents)

<table>
<thead>
<tr>
<th>Legislation in pursuit (63 respondents)</th>
<th>Advocates in favor of regulation</th>
<th>Advocates opposed to regulation</th>
<th>Not active advocates</th>
<th>Not sure</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>18 (28.6%)</td>
<td>9 (14.3%)</td>
<td>12 (19.0%)</td>
<td>16 (25.4%)</td>
<td>8 (12.7%)</td>
</tr>
<tr>
<td>Homeowners association</td>
<td>14 (22.2%)</td>
<td>3 (4.8%)</td>
<td>15 (23.8%)</td>
<td>15 (23.8%)</td>
<td>16 (25.4%)</td>
</tr>
<tr>
<td>Taxi industry</td>
<td>11 (17.5%)</td>
<td>2 (3.2%)</td>
<td>17 (27.0%)</td>
<td>10 (15.9%)</td>
<td>23 (36.5%)</td>
</tr>
<tr>
<td>Tourism industry</td>
<td>12 (19.0%)</td>
<td>6 (9.5%)</td>
<td>17 (27.0%)</td>
<td>11 (17.5%)</td>
<td>17 (27.0%)</td>
</tr>
<tr>
<td>Labor union or employee groups</td>
<td>5 (7.9%)</td>
<td>1 (1.6%)</td>
<td>22 (34.9%)</td>
<td>12 (19.0%)</td>
<td>23 (36.5%)</td>
</tr>
<tr>
<td>Individual businesses</td>
<td>13 (20.6%)</td>
<td>7 (11.1%)</td>
<td>15 (23.8%)</td>
<td>17 (27.9%)</td>
<td>11 (17.5%)</td>
</tr>
</tbody>
</table>

Non-legislation (462 respondents)

<table>
<thead>
<tr>
<th>Non-legislation (462 respondents)</th>
<th>Advocates in favor of regulation</th>
<th>Advocates opposed to regulation</th>
<th>Not active advocates</th>
<th>Not sure</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>20 (4.3%)</td>
<td>11 (2.4%)</td>
<td>208 (45.0%)</td>
<td>84 (18.2%)</td>
<td>139 (30.1%)</td>
</tr>
<tr>
<td>Homeowners association</td>
<td>11 (2.4%)</td>
<td>5 (1.1%)</td>
<td>198 (42.9%)</td>
<td>77 (16.7%)</td>
<td>190 (41.1%)</td>
</tr>
<tr>
<td>Taxi industry</td>
<td>11 (2.4%)</td>
<td>2 (0.4%)</td>
<td>186 (40.3%)</td>
<td>63 (13.6%)</td>
<td>200 (43.3%)</td>
</tr>
<tr>
<td>Tourism industry</td>
<td>22 (4.8%)</td>
<td>7 (1.5%)</td>
<td>187 (40.5%)</td>
<td>76 (16.5%)</td>
<td>170 (36.8%)</td>
</tr>
<tr>
<td>Labor union or employee groups</td>
<td>4 (0.9%)</td>
<td>2 (0.4%)</td>
<td>208 (45.0%)</td>
<td>71 (15.4%)</td>
<td>177 (38.3%)</td>
</tr>
<tr>
<td>Individual businesses</td>
<td>15 (3.2%)</td>
<td>11 (2.4%)</td>
<td>200 (43.3%)</td>
<td>86 (18.6%)</td>
<td>150 (32.5%)</td>
</tr>
</tbody>
</table>

Multinomial Logit Model for the Choice of Legislation. To examine determinants that influence local legislative status with a focus on sharing economy innovations in the U.S., a multinomial logit model was developed. The estimates of the multinomial logit model are provided in Table 4. Since the purpose of this statistical analysis is to estimate the effects of covariates on the likelihood of legislation focused on the sharing economy among local government officials, the estimation model hypothesizes that if a variable has no effect, then it’s true coefficient is zero.
(i.e., the null hypothesis is: $\beta = 0$). The dependent variable is the outcomes of legislative status. The second column contains coefficients for the impact of each variable on the choice of “legislation in place” over non-legislation; the third column contains coefficients for the impact on the choice of a “legislation in pursuit” over non-legislation.

Table 4. Multinomial Logit Estimates for the Status of Localized Sharing Economy Legislation (Non-legislation as the comparison category)

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Legislation in place</th>
<th>Legislation in pursuit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ln(Population)</td>
<td>.405** (.119)</td>
<td>.233** (.804)</td>
</tr>
<tr>
<td>Geographical region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast</td>
<td>.913 (.722)</td>
<td>.730* (.365)</td>
</tr>
<tr>
<td>West</td>
<td>1.779** (.630)</td>
<td>.543 (.408)</td>
</tr>
<tr>
<td>South</td>
<td>.490 (.705)</td>
<td>.310 (.372)</td>
</tr>
</tbody>
</table>

Note. For geographical region, the North Central region is the base category. The total number of observations = 549. –2 Log-likelihood = 544.52, *$p < .05$, **$p < .01$

As the positive sign of the population coefficients indicate across both contexts, population size plays a positive role in the legislative status among local government officials. This corroborates Walker’s (1969) foundational framework about the relationship between population size and policy diffusion. Similarly, the estimated impacts of geographical region are positive and significantly different from zero on the choice for legislation. The city chief administrative officers in the West reported that they are more likely to adopt new legislation on the sharing economy, while respondents in the Northeast said that they are more likely to be in pursuit of new legislation.

Conclusion and Discussion

The present research sheds light on policy areas that have not received much attention in the current debate about the sharing economy especially in the tourism literature. The study contributes to the identification of stakeholders who are perceived to be influential in shaping the regulatory environment, and an estimation of how they are active/non-active on regulating the sharing economy. The findings are particularly interesting with regard to outcomes of legislative status. For instance, residents, the taxi industry, the broad tourism industry and individual businesses in cities with legislation in place are more likely to advocate in favor of regulation of the sharing economy. Homeowners’ associations, the taxi industry, and labor union/employee groups in cities with legislation in pursuit indicated highly engaged responses in terms of regulating the sharing economy. This research, which represents a national poll of local city administrators, provides an important proxy of individual municipals’ policy agendas in a landscape with often different and divergent interests involved in a given industry. Sharing economy firms or emerging entrepreneurs can benefit from this poll to evaluate support for their business models and challenges they may face to operate locally.
This paper is one of the first studies to investigate how population size and geographical region influence the determinants of legislative status in the context of the sharing economy. The results indicate that population size plays a significant role on legislative status among local government officials. In addition, geographical region has a positive and significant impact on the choice for legislation. The results facilitate the development of the balanced regulation strategy of the sharing economy depending on the size or region of the cities, and further it provides the insights on how local government officials balance competing interests of stakeholders and under what conditions they act on new legislation. Both diffusion of innovation (Rogers 2003) and stakeholder theories (Freeman 1984) were effective in framing this research and explaining the findings.

A limitation should be highlighted about this study. Data were collected from city chief administrative officers as a proxy of the local situation. While these positions can provide a broad overview of a topic or situation, they may not accurately represent other people’s support or knowledge of issues. Another limitation is that this poll was a point in time. Sharing economy regulations are constantly changing and need frequent polls to monitor. Longitudinal studies can track this group one or two years from now as the tourism sharing economy continues to innovate, as well as face or require legislation at municipal levels. Future research is also needed to study those cities with no plans to add legislation. Without legislation, lost taxes and a lack of consumer protections may be an undesirable outcome. Another avenue for future study is to include other important variables that influence legislative status. One variable that might take into account in future analysis would be public engagement and participation. The current survey (ICMA data) includes other measures, for example, the extent to which local government officials establish public engagement in their jurisdiction, in terms of public hearings, budgeting, or partnerships with neighborhoods. The level of public engagement in a city may explain more about the relationships and processes in which local government officials engage shareholders in the tourism industry and ultimately decide the appropriate levels of local regulation of the sharing economy.

References


