
SENATE BILL 5982

State of Washington 60th Legislature 2007 Regular Session

By Senators Rasmussen, McCaslin, Berkey, Schoesler and Roach

Read first time 02/12/2007. Referred to Committee on Ways & Means.

1 AN ACT Relating to clarifying the business and occupation taxation
2 of property management companies in regards to on-site property
3 managers' wages and benefits; and amending RCW 82.04.394.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.04.394 and 1998 c 338 s 2 are each amended to read
6 as follows:

7 (1) This chapter does not apply to amounts received by a property
8 management company from (~~the owner of~~) a property owner for gross
9 wages and benefits paid directly to or on behalf of on-site personnel
10 from property management trust accounts that are required to be
11 maintained under RCW 18.85.310.

12 (2) As used in this section, "on-site personnel" means a person who
13 meets all of the following conditions: (a) The person works primarily
14 on-site at (~~the owner's property~~) one or more properties managed by
15 the property management company; (b) the person's duties include
16 leasing property units, maintaining (~~the~~) property, collecting rents,
17 or similar activities; and (c) under a written property management
18 agreement: (i) The person's compensation is the ultimate obligation of
19 the property owner and not the property manager; (ii) the property

1 manager is liable for payment only as agent of the owner; and (iii) the
2 property manager is the agent of the owner with respect to the on-site
3 personnel and that all actions, including, but not limited to, hiring,
4 firing, compensation, and conditions of employment, taken by the
5 property manager with respect to the on-site personnel are subject to
6 the approval of the property owner.

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