

SHB 1798 - S COMM AMD

By Committee on Financial Institutions, Economic Development & Trade

ADOPTED 04/11/2019

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** DEFINITIONS. The definitions in this
4 section apply throughout this chapter unless the context clearly
5 requires otherwise.

6 (1) "Contact" means the operator or the operator's representative
7 who is the point of contact for any short-term rental guest for the
8 duration of the guest's stay in the short-term rental.

9 (2) "Department" means the department of revenue.

10 (3) "Dwelling unit" means a residential dwelling of any type,
11 including a single-family residence, apartment, condominium,
12 cooperative unit, or room, in which a person may obtain living
13 accommodations for less than thirty days, but not including duly
14 licensed bed and breakfast, inn, hotel, motel, or timeshare property.

15 (4) "Fee" means remuneration or anything of economic value that
16 is provided, promised, or donated primarily in exchange for services
17 rendered.

18 (5) "Guest" means any person or persons renting a short-term
19 rental unit.

20 (6) "Operator" or "short-term rental operator" means any person
21 who receives payment for owning or operating a dwelling unit, or
22 portion thereof, as a short-term rental unit.

23 (7) "Owner" means any person who, alone or with others, has title
24 or interest in any building, property, dwelling unit, or portion
25 thereof, with or without accompanying actual possession thereof, and
26 including any person who as agent, executor, administrator, trustee,
27 or guardian of an estate has charge, care, or control of any
28 building, dwelling unit, or portion thereof. A person whose sole
29 interest in any building, dwelling unit, or portion thereof is solely
30 that of a lessee under a lease agreement is not considered an owner.

31 (8) "Person" has the same meaning as provided in RCW 82.04.030.

1 (9) (a) "Short-term rental" means a lodging use, that is not a
2 hotel or motel or bed and breakfast, in which a dwelling unit, or
3 portion thereof, that is offered or provided to a guest by a short-
4 term rental operator for a fee for fewer than thirty consecutive
5 nights.

6 (b) "Short-term rental" does not include any of the following:

7 (i) A dwelling unit that is occupied by the owner for at least
8 six months during the calendar year and in which fewer than three
9 rooms are rented at any time;

10 (ii) A dwelling unit, or portion thereof, that is used by the
11 same person for thirty or more consecutive nights; or

12 (iii) A dwelling unit, or portion thereof, that is operated by an
13 organization or government entity that is registered as a charitable
14 organization with the secretary of state, state of Washington, or is
15 classified by the federal internal revenue service as a public
16 charity or a private foundation, and provides temporary housing to
17 individuals who are being treated for trauma, injury, or disease, or
18 their family members.

19 (10) "Short-term rental advertisement" means any method of
20 soliciting use of a dwelling unit for short-term rental purposes.

21 (11) "Short-term rental platform" or "platform" means a person
22 that provides a means through which an operator may offer a dwelling
23 unit, or portion thereof, for short-term rental use, and from which
24 the person or entity financially benefits. Merely publishing a short-
25 term rental advertisement for accommodations does not make the
26 publisher a short-term rental platform.

27 NEW SECTION. **Sec. 2.** TAXES. Short-term rental operators must
28 remit all applicable local, state, and federal taxes unless the
29 platform does this on the operator's behalf. This includes occupancy,
30 sales, lodging, and other taxes, fees, and assessments to which an
31 owner or operator of a hotel or bed and breakfast is subject in the
32 jurisdiction in which the short-term rental is located. If the short-
33 term rental platform collects and remits an occupancy, sales,
34 lodging, and other tax, fee, or assessment to which a short-term
35 rental operator is subject on behalf of such operator, the platform
36 must collect and remit such tax to the appropriate authorities.

1 NEW SECTION. **Sec. 3.** CONSUMER SAFETY. (1) All short-term rental
2 operators who offer dwelling units, or portions thereof, for short-
3 term rental use in the state of Washington must:

4 (a) Provide contact information to all short-term rental guests
5 during a guest's stay. The contact must be available to respond to
6 inquiries at the short-term rental during the length of stay;

7 (b) Provide that their short-term rental is in compliance with
8 RCW 19.27.530 and any rules adopted by the state building code
9 council regarding the installation of carbon monoxide alarms; and

10 (c) Post the following information in a conspicuous place within
11 each dwelling unit used as a short-term rental:

12 (i) The short-term rental street address;

13 (ii) The emergency contact information for summoning police,
14 fire, or emergency medical services;

15 (iii) The floor plan indicating fire exits and escape routes;

16 (iv) The maximum occupancy limits; and

17 (v) The contact information for the operator or designated
18 contact.

19 (2) Short-term rental platforms must provide short-term rental
20 operators with a summary of the consumer safety requirements in
21 subsection (1) of this section.

22 (3) For a first violation of this section, the city or county
23 attorney must issue a warning letter to the owner or operator. An
24 owner that violates this section after receiving a warning letter is
25 guilty of a class 2 civil infraction under chapter 7.80 RCW.

26 NEW SECTION. **Sec. 4.** SHORT-TERM RENTAL PLATFORMS. (1) No short-
27 term rental platform may engage in the business in the state of
28 Washington unless the short-term rental platform is in compliance
29 with the requirements of this chapter.

30 (2) A short-term rental platform must register with the
31 department.

32 (3) Short-term rental platforms must inform all operators who use
33 the platform of the operator's responsibilities to collect and remit
34 all applicable local, state, and federal taxes unless the platform
35 does this on the operator's behalf.

36 (4) Short-term rental platforms must inform all operators who use
37 the platform of short-term rental safety requirements required in
38 this chapter.

1 (5) Short-term rental platforms must provide all operators who
2 use the platform with written notice, delivered by mail or
3 electronically, that the operator's personal insurance policy that
4 covers their dwelling unit might not provide liability protection,
5 defense costs, or first party coverage when their property is used
6 for short-term rental stays.

7 NEW SECTION. **Sec. 5.** LIABILITY INSURANCE. A short-term rental
8 operator must maintain primary liability insurance to cover the
9 short-term rental dwelling unit in the aggregate of not less than one
10 million dollars or conduct each short-term rental transaction through
11 a platform that provides equal or greater primary liability insurance
12 coverage. Nothing in this section prevents an operator or a platform
13 from seeking contributions from any other insurer also providing
14 primary liability insurance coverage for the short-term rental
15 transaction to the extent of that insurer's primary liability
16 coverage limits.

17 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act
18 constitute a new chapter in Title 64 RCW."

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19 On page 1, line 1 of the title, after "rentals;" strike the
20 remainder of the title and insert "adding a new chapter to Title 64
21 RCW; and prescribing penalties."

EFFECT: Requires short-term rental operators to maintain primary
liability insurance of not less than one million dollars. Short-term
rental platforms are required to provide all operators who use the
platform with written notice, delivered by mail or electronically
that an operator's personal insurance policy may not provide all
protections needed to operate a short-term rental.

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