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**SENATE BILL 5870**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Senators Liias and Walsh

AN ACT Relating to short-term rentals; adding a new chapter to Title 64 RCW; and prescribing penalties.

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

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

(1) "Booking service" means any reservation or payment service provided by a person or entity that facilitates a short-term rental transaction between a short-term rental operator and a prospective short-term rental guest, and for which the person or entity collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation or payment services provided for the short-term rental transaction.

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

(3) "Department" means the department of revenue.

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

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

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

(7) "Operator of a short-term rental platform within Washington state" means a short-term rental platform is engaged in business in Washington state, including having agreements with short-term rental operators or other customers in Washington state who provide dwelling units, or portions thereof, located in Washington state for short-term rental use, regardless of whether the short-term rental platform is physically present in Washington state.

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

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

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

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

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

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

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

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

(12) "Short-term rental operator" or "operator" means any person who receives payment for owning or operating a dwelling unit, or portion thereof, as a short-term rental unit.

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

(14) "Transient accommodation" has the same meaning as provided in RCW 70.62.210.

NEW SECTION. **Sec.**  SHORT-TERM RENTAL OPERATOR REQUIREMENTS. (1) No short-term rental operator may engage in the business of providing a short-term rental unit, or portion thereof, in the state of Washington unless the short-term rental operator is in compliance with the requirements of this chapter and all applicable local codes.

(2) A short-term rental operator must obtain a business license from the department.

(3) Short-term rental operators may not advertise short-term rental units that are not licensed or which violate prohibitions or restrictions on such rentals.

(4) Short-term rental operators must post their business license number on every advertisement of the dwelling unit, or portion thereof, for use as a short-term rental.

(5) Short-term rental operators with a dwelling unit, or portion thereof, that meets the definition of a transient accommodation in RCW 70.62.210 must comply with the regulations outlined in chapter 70.62 RCW for transient accommodations. This does not apply to short-term rental operators offering a dwelling unit, or portion thereof, that does not meet the definition of a transient accommodation in RCW 70.62.210.

NEW SECTION. **Sec.**  TAXES. (1) Short-term rental operators must remit all applicable local, state, and federal taxes unless the platform does this on the operator's behalf. This includes occupancy, sales, lodging, and other taxes, fees, and assessments to which an owner or operator of a hotel or bed and breakfast is subject in the jurisdiction in which the short-term rental is located. If the short-term rental platform collects and remits taxes on behalf of the operators, the platform must collect and remit to the appropriate authorities all occupancy, sales, lodging, and other taxes, fees, and assessments to which each short-term rental operator is subject.

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

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

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

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

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

(i) The short-term rental street address;

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

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

(iv) The maximum occupancy limits; and

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

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

NEW SECTION. **Sec.**  LIABILITY INSURANCE. A short-term rental operator must maintain liability insurance to cover the short-term rental unit in the aggregate of not less than one million dollars or conduct each short-term rental transaction through a platform that provides equal or greater insurance coverage.

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

(2) A short-term rental platform must obtain a business license from the department.

(3) Short-term rental platforms must inform all operators who use the platform of the operator's responsibility to obtain a Washington state business license and post their business license number on every listing advertising or offering of the dwelling unit, or portion thereof, for use as a short-term rental.

(4) Short-term rental platforms must require that all operators using the platform obtain their business license and include the license number in any listing for a short-term rental unit on the platform.

(5)(a) Short-term rental platforms must remove any listings for short-term rental units from the platform upon notification by the department.

(b) The department must develop, by rule, processes and procedures for the removal of any listing.

NEW SECTION. **Sec.**  PENALTIES. (1) Short-term rental platforms are fined the following cumulative penalties for each applicable violation of this chapter:

(a) Five hundred dollars per day for each violation for the first ten days; and

(b) One thousand dollars per day for each violation for each day beyond ten days of noncompliance until compliance is achieved.

(2) Short-term rental operators are fined the following penalties for violations of this chapter:

(a) First violation. The first time a person is found to have violated one of the provisions in this chapter, the person is subject to a penalty of five hundred dollars. The department may, in an exercise of discretion, issue a warning to the person responsible for the violation if that person has not been previously warned or cited for violating this chapter.

(b) Second and subsequent violations. Any second or subsequent time a person is found to have violated one of the provisions of this chapter within a five-year period, the person is subject to a penalty of one thousand dollars for each subsequent violation.

NEW SECTION. **Sec.**  Sections 1 through 7 of this act constitute a new chapter in Title 64 RCW.

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