

FINAL BILL REPORT

SHB 1798

C 346 L 19
Synopsis as Enacted

Brief Description: Concerning short-term rentals.

Sponsors: House Committee on Consumer Protection & Business (originally sponsored by Representatives Ryu, Mosbrucker, Stanford and Pollet).

House Committee on Consumer Protection & Business
Senate Committee on Financial Institutions, Economic Development & Trade

Background:

Transient accommodations are facilities such as a hotels, motels, condominiums, resorts, or any other facilities or places offering three or more lodging units to travelers and transient guests.

A traveler or transient guest is a person that rents a lodging unit for less than 30 days. The guest, resident, or other occupant who purchases the lodging is a nontransient on day 30, regardless of the lodging unit they occupy throughout the continuous 30-day period.

A guest who contracts in advance and remains in continuous occupancy for the initial 30 days is considered a nontransient from the time they start occupying the unit. A business does not need to charge tax on charges for nontransient lodging.

Property owners who rent out homes, rooms, condominiums, timeshares, cabins, and campsites on a short-term basis (less than 30 consecutive days) for overnight accommodations must register with the Department of Revenue (DOR) and collect and remit retail sales tax and applicable lodging taxes on the rental charges. Property owners also owe business and occupation tax, but may qualify for the small business and occupation tax credit. Property owners may choose to use the services of a property manager or an online marketplace for booking and tax collection purposes. The property owners may still be required to register with the DOR and are required to report their rental income on an excise tax return.

Summary:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A short-term rental operator (operator) and a short-term rental platform (platform) are required to register with the DOR. An operator must remit all local, state, and federal taxes on their own accord, or through collection by a platform.

Operators are required to comply with the following consumer safety requirements:

- provide contact information of someone available to respond to guest inquiries during the length of stay;
- comply with all laws and regulations related to carbon monoxide alarms; and
- conspicuously post the rental unit's address, emergency services contact information, floor plan with fire exits and escape routes, maximum occupancy limits, and operator contact information.

Platforms must provide an operator with a summary of these safety requirements. Owners or operators that do not comply with the safety requirements may receive a warning letter from the city or county prosecutor. An owner who does not comply after receiving a warning letter is guilty of a class 2 civil infraction.

An operator must maintain primary liability insurance to cover the short-term rental unit or conduct the rental transaction through a platform that provides insurance coverage. The insurance policy may not be less than \$1 million and nothing prevents an operator or platform from seeking contributions from any other insurer also providing primary liability insurance coverage for the short-term rental to the extent of that insurer's primary liability coverage limits.

Votes on Final Passage:

House	65	32	
Senate	39	6	(Senate amended)
House	70	24	(House concurred)

Effective: July 28, 2019