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**ESSB 5334** - H AMD TO LG COMM AMD (H-3365.1/24) **1242**

By Representative Christian

On page 1, after line 2 of the striking amendment, insert the following:

"NEW SECTION. **Sec.** It is the intent of the legislature to allow cities and counties to impose an additional 10 percent tax on certain short-term rentals. Short term rentals, hotel lodging, and other transient lodging are uniformly taxed and are subject to sales taxes as well as lodging taxes. This policy may result in doubling the total tax rate already imposed upon short term rentals, but the local government will retain the authority to determine the precise tax rate needed to meet the jurisdictions needs. The legislature should avoid setting policy which conflicts with tax policy principles by creating large tax inequities that are non-neutral, specifically by treating lodging accommodations differently. The legislature recognizes that investor-owned major hotel chains and other forms of transient lodging may receive preferential tax treatment within any jurisdiction which imposes this tax. Notwithstanding these challenges, the legislature recognizes the need for affordable housing funding.

Short term rental owners - 36 percent of whom are seniors, 60 percent of whom are women, and over 50 percent of whom depend on revenues from their short-term rental to meet their basic needs – are not intended to be disproportionally impacted by this legislation. Studies have shown that short term rentals make up less than 1 percent of the entire housing stock, and half of those short-term rentals are owner occupied properties. Short term rental housing is not solely responsible for Washington's housing shortage. The legislature intends to ensure consistent and growing tourist derived revenues benefit all Washingtonians, especially those suffering from housing insecurity.

The department of commerce has estimated that Washington state will need one million new housing units within the next 20 years, however revenues from this policy are estimated to not come close to providing one percentage of the needed housing. Despite these concerns, the legislature believes strongly in equipping our local jurisdictions with tools to help address Washingtons housing crisis."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Correct the title.

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|  | EFFECT:   Adds an intent section. |

**--- END ---**