

HOUSE BILL REPORT

HB 1080

As Reported by House Committee On:
Consumer Protection & Business

Title: An act relating to fee disclosure for lodging accommodations.

Brief Description: Concerning fee disclosure for lodging accommodations.

Sponsors: Representatives Donaghy, Ryu, Ramel, Morgan, Fosse, Pollet, Kloba, Berg, Ormsby, Reeves and Hill.

Brief History:

Committee Activity:

Consumer Protection & Business: 1/15/25, 2/14/25 [DPS].

Brief Summary of Substitute Bill

- Requires all fees charged by lodging accommodations to be disclosed in the advertised, displayed, or offered room rate, except for taxes and government fees, which must be included in the total price before a guest reserves a stay.
- Establishes a civil penalty up to \$10,000 for any fee disclosure violations with enforcement by a city attorney, county prosecuting attorney, or the Attorney General.

HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Walen, Chair; Berry, Donaghy, Fosse, Kloba, Morgan, Reeves, Ryu and Santos.

Minority Report: Do not pass. Signed by 1 member: Representative Steele.

Minority Report: Without recommendation. Signed by 4 members: Representatives

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

McClintock, Ranking Minority Member; Dufault, Assistant Ranking Minority Member; Abbarno and Corry.

Staff: Megan Mulvihill (786-7304).

Background:

State Requirements for Lodging Accommodations.

Hotels.

In state law "hotel" is defined and construed to mean any building held out to the public to be an inn, hotel, or public lodging house or place where sleeping accommodations, whether with or without meals, or the facilities for preparing the same, are furnished for hire to transient guests, in which three or more rooms are used for the accommodation of such guests. In addition, "transient accommodation" is defined as any facility such as a hotel, motel, condominium, resort, or any other facility or place offering three or more lodging units to travelers and transient guests. Persons operating transient accommodations must obtain an annual operating license from the Department of Health and meet certain safety and health regulations.

Short-Term Rentals.

"Short-term rental" means a lodging use, that is not a hotel, motel, or bed and breakfast, in which a dwelling unit, or portion thereof, is offered or provided to a guest by a short-term rental operator for a fee for fewer than 30 consecutive nights. Short-term rental operators are required to meet certain safety requirements including placement of carbon monoxide alarms, displaying emergency contact information, and posting fire exits and escapes, along with maximum occupancy limits. In addition, short-term rental platforms that provide a means through which an operator offers a short-term rental have the following duties for short-term rental operators who use the platform:

- inform all operators to collect and remit all applicable taxes;
- inform operators of the short-term rental safety requirements; and
- provide operators with written notice that the operator's personal insurance policy that covers their dwelling unit may not provide liability protection, defense costs, or first party coverage when their property is used for short-term rental stays.

Federal Trade Commission's Rule on Unfair and Deceptive Fees.

In December 2024, the Federal Trade Commission (FTC) published a new rule titled "Rule on Unfair and Deceptive Fees" that is effective May 12, 2025. This rule prohibits short-term lodging entities, defined to include hotels, motels, inns, short-term rentals, vacation rentals, or other places of lodging, to offer, display, or advertise any price of a good or service without clearly and conspicuously disclosing the total price. The total price means the maximum total of all fees or charges a consumer must pay for any good or service and any mandatory ancillary good or service, except that government charges, shipping charges, and fees or charges for any optional ancillary good or service may be excluded. The rule also makes it an unfair and deceptive practice to misrepresent any fee or charge, including

the nature, purpose, amount, or refundability of any fee or charge, and the identity of the good or service for which the fee or charge is imposed. The rule provides that it will not be construed as superseding, altering, or affecting any state statute relating to unfair and deceptive fees or charges, except to the extent the state statute is inconsistent. A state statute is not considered inconsistent if it provides greater protection for consumers.

Summary of Substitute Bill:

Hotels and short-term rentals must disclose all fees required to reserve a stay in the advertised, displayed, or offered rate, excluding government taxes and fees. Government taxes and fees, including assessment fees for a government-created special district or program, must be included in the total price before a guest reserves the stay. A person who knows or should have known that he or she has advertised, displayed, or offered a rate in violation of this requirement may be subject to a civil penalty of \$10,000 per violation, to be enforced by a city attorney, county prosecuting attorney, or the Attorney General.

Substitute Bill Compared to Original Bill:

The substitute bill added that in addition to government taxes and fees, assessments for a government-created special district or program also be included in the total price.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 2025.

Staff Summary of Public Testimony:

(In support) People should know what they have to pay before they decide to stay somewhere. There is an understanding that the FTC adopted rules to do this, but first the state needs to ensure that the FTC regulations cover everything in the bill.

(Opposed) The concept is appreciated, but a federal standard is preferred. The bill was prefiled before the FTC rule was finalized, but the language is consistent with the FTC rule. If this moves forward, legislators should ensure that tourism promotion areas authorized by local governments are included in the government fees. There should be a discussion on the enforcement mechanism as well.

(Other) Transparency and similar policies are supported. There have been recent, positive

developments at the federal level, so the state should pause on this. There is a federal bill on this issue as well, which was introduced the same day the FTC announced its publication of the rule on unfair or deceptive fees for lodging and live event ticket prices, which is not expected to face review or opposition. As an inherently interstate sector, the travel and lodging economy depends on consistent standards across all jurisdictions. If there is not consistency, lodging in some states may appear less expensive than others in search results. The enforcement of a single, federal standard fixes this problem. Moving forward with this bill would add complexity and timely burdens for lodging platforms.

Persons Testifying: (In support) Representative Brandy Donaghy, prime sponsor.

(Opposed) Julia Gorton, Washington Hospitality Association .

(Other) Brent Ludeman, Expedia Group.

Persons Signed In To Testify But Not Testifying: None.