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**Consumer Protection & Business  
Committee**

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**HB 1798**

**Brief Description:** Concerning short-term rentals.

**Sponsors:** Representatives Ryu, Mosbrucker, Stanford and Pollet.

**Brief Summary of Bill**

- Requires short-term rental owners and online platforms to register with the Department of Revenue, collect and remit taxes, and comply with certain consumer safety requirements.

**Hearing Date:** 2/12/19

**Staff:** Robbi Kesler (786-7153).

**Background:**

Transient accommodations are 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.

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 non-transient 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 non-transient from the time they start occupying the unit. A business does not need to charge tax on charges for non-transient 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

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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 owner may still be required to register with the DOR and are required to report their rental income on an excise tax return.

### **Summary of Bill:**

#### Licensing.

A short-term rental operator (Operator) and a short-term rental platform (Platform) are required to obtain a business license from the DOR. An Operator must post its business license number on every advertisement of any short term rental unit. Operators offering 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 must comply with the state laws related to transient accommodations.

A Platform must inform all Operators of the Operator licensing requirement. Platforms must require all Operators to include the license number on any listings.

The DOR is authorized to develop rules related to the removal of any listing. A Platform must remove any listing upon notification from the DOR.

#### Safety Requirements.

An Operator must:

- 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.

#### Insurance.

An Operator must maintain liability insurance of at least \$1 million. An Operator may meet this requirement if the Platform provides insurance of at least \$1 million.

#### Penalties.

The bill provides monetary penalties for violations of the law.

Operator fines are as follows:

- \$500 for the first violation; and
- \$1,000 for a second or subsequent violation within a five-year period.

Platform fines are as follows:

- \$500 per day for each violation for the first 10 days; and

- \$1,000 per day for each violation for each day beyond 10 days until compliance is achieved.

Taxes.

The bill includes taxation provisions. An Operator must remit all local, state, and federal taxes on their own accord, or through collection by the Platform. A Platform must inform all Operators of tax requirements.

**Appropriation:** None.

**Fiscal Note:** Requested January 30, 2019.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.