

SENATE BILL REPORT

SB 5556

As of January 11, 2022

Title: An act relating to providing financial relief to hotels, motels, and other lodging facilities impacted by the eviction moratorium.

Brief Description: Providing financial relief to hotels, motels, and other lodging facilities impacted by the eviction moratorium.

Sponsors: Senator Fortunato.

Brief History:

Committee Activity: Housing & Local Government: 1/13/22.

Brief Summary of Bill

- Exempts property taxes for 2022 and 2023 for qualifying lodging facilities impacted by the eviction moratorium.
- Directs the Department of Revenue to provide reimbursements to lodging facility operators for legal costs for removal of guests no longer making payments under the eviction moratorium.

SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

Staff: Jeff Olsen (786-7428)

Background: On March 18, 2020, Governor Inslee issued Proclamation 20-19 to prohibit a number of activities related to evictions by all residential landlords operating residential rental property in the state. The eviction moratorium prohibits residential landlords, manufactured housing community landlords, property managers, and property owners from serving or enforcing a notice requiring a resident to vacate any dwelling. The eviction moratorium applied to tenancies or other housing arrangements including hotel, motel or camping area stays of more than 14 days, that have expired or that will expire during the

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moratorium's effective period.

All real and personal property in the state is subject to property tax each year based on its value, unless a specific exemption is provided by law. The Washington Constitution limits regular property tax levies to a maximum of 1 percent of the property's value. Examples of property tax exemptions established either by statute or constitutionally include exemptions for churches, nonprofit hospitals, and affordable housing.

Summary of Bill: A qualifying lodging facility housing long-term guests under the eviction moratorium is exempt from property taxes in 2022 and 2023. Claims for an exemption must be filed with the county assessor and must include documentation that at least one occupant of the lodging facility properly evoked their right to cease making lodging payments pursuant to the eviction moratorium for each reporting year in which the property owner claims an exemption.

The Department of Revenue (DOR) must provide reimbursements to lodging facility operators for legal costs for removal of guests no longer making payments under the eviction moratorium. Legal costs include attorney fees, court filing costs, expenses associated with repairing property damage or property maintenance including, but not limited to, cleaning the premises, removing abandoned property, disposal of hazardous material, and other costs DOR considers appropriate for reimbursement.

Appropriation: None.

Fiscal Note: Requested on January 10, 2022.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.