

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

By Representative Christian

NOT CONSIDERED 03/07/2024

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

3 "NEW SECTION. Sec. 1. It is the intent of the legislature to allow
4 cities and counties to impose an additional 10 percent tax on certain
5 short-term rentals. Short term rentals, hotel lodging, and other
6 transient lodging are uniformly taxed and are subject to sales taxes
7 as well as lodging taxes. This policy may result in doubling the
8 total tax rate already imposed upon short term rentals, but the local
9 government will retain the authority to determine the precise tax rate
10 needed to meet the jurisdictions needs. The legislature should avoid
11 setting policy which conflicts with tax policy principles by creating
12 large tax inequities that are non-neutral, specifically by treating
13 lodging accommodations differently. The legislature recognizes that
14 investor-owned major hotel chains and other forms of transient lodging
15 may receive preferential tax treatment within any jurisdiction which
16 imposes this tax. Notwithstanding these challenges, the legislature
17 recognizes the need for affordable housing funding.

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

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

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

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11 Correct the title.

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EFFECT: Adds an intent section.

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