

HB 3101 -4 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 3/15, 4/3

WHAT THE MEASURE DOES:

Prohibits hotel or innkeeper from charging facility fee in addition to rental price of guest room.

ISSUES DISCUSSED:

- Distinction between fees charged to every guest and those charged to select guests for specific services used
- Voluntary collection of fee that is passed on to local government when transaction not subject to transient tax
- On what basis the transient tax is calculated

EFFECT OF AMENDMENT:

-4 Allows facility fee to be charged if the hotelkeeper, innkeeper or travel arrangement company discloses the facility fee at the time the guest reserves or rents a room, whichever is sooner.

- No expenditure impact
- No revenue impact

BACKGROUND:

Hotel guests may be surprised when required to pay a resort fee in addition to the advertised rental charge. Resort fees are billed to cover amenities such as newspapers, exercise and pool facilities, and internet access. In 2012, the Federal Trade Commission sent letters to major hotel operators reminding them that they should be including any mandatory resort fees in the reservation rate quoted to consumers so as not to violate Section 5 of the Federal Trade Commission Act, 15 U.S.C. subsection 45(a).

House Bill 3101 prohibits hotel and innkeepers from charging a facility fee in addition to the rental charge. The bill specifies that hotel and innkeepers are not prohibited from assessing transient lodging taxes.