

HB 3101 A STAFF MEASURE SUMMARY

Carrier: Rep. Gomberg

House Committee On Business and Labor

Action Date: 04/03/17

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Barreto, Bynum, Doherty, Evans, Fahey, Hack, Heard, Holvey, Kennemer

Fiscal: No fiscal impact

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Prohibits hotel, inn or travel arrangement company from charging facility fee unless the fee is disclosed at the time the guest reserves or rents the room, whichever is sooner.

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:

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.

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-A requires hotels, inns and travel arrangement companies to disclose mandatory fees at the time the guest reserves or rents a room, whichever is sooner. The measure does not consider a transient lodging tax to be a fee that must be disclosed to the guest in advance.