



OLYMPIC PENINSULA LODGING ALLIANCE

PRESS RELEASE

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CITY OF PORT ANGELES' PROPOSED SHORT-TERM RENTAL FEES AMONG HIGHEST IN NATION

PORT ANGELES, WA -- The City of Port Angeles is currently considering new regulations and fees related to the city's short-term rentals (STRs). On December 21, 2023, the City released a set of fees that appear to be the highest in the nation (*attached, page 4*). If approved, the City has the potential to collect more than \$919,000 in 2024, nearly all from just 185 STRs. In subsequent years, not factoring in any additional STRs, the city would reap \$356,000 annually in STR fees.

The city's short-term rentals currently pay a 4 percent lodging tax that is estimated to be \$420,000 in 2023. Since 2017, the city's STRs have paid more than \$1.4 million in lodging taxes, which represents 30 percent of all lodging taxes collected. Lodging taxes fund events, tourism and local organizations that support youth sports, the arts and more.

The Olympic Peninsula Lodging Alliance (OPLA) believes that there is no basis or justification for the newly proposed fees, which are far beyond the norm for even the largest and wealthiest cities in the nation, whereas Port Angeles is a small, economically disadvantaged city with inadequate lodging options. STR income in Port Angeles is low 8 months out of the year and nearly all STR owners are locals, most of them doing rentals to make ends meet.

"It's essentially a money grab," says OPLA Executive Director Brian Heberling. "What makes it even more egregious is that the City is punishing the very STR owners who have diligently been paying lodging taxes that support many of the city's youth sports programs, arts, festivals and many other worthy causes, for years. It's just unconscionable."

In the [proposed fee schedule](#), STRs would be required to pay for an annual license fee and an annual fire/safety inspection. Combined, and broken down by category, the fees would total:

Type I: STR owner lives on the premises and rents rooms 90 days or fewer per year (no City estimate provided, but it's very few). **Proposed annual fees: \$1,236;**

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Type II: The STR is not the owner’s principal residence or is rented out more than 90 days per year (City estimate: 49 STRs). **Proposed annual fees: \$1,522;**

Type II Nonconforming: STRs in the second category situated in low- and mixed-density residential zones, prohibited by a previously unenforced 2017 code (City estimate: 185 STRs, or approx. 80% of all STRs). **Proposed fees—including 3 years of “back payments:” \$4,565.**

Business licenses under the 2024 Master Fee Schedule are \$25; this pertains to all businesses except STRs, including hotels and motels, apartments, senior care facilities and other multi-family dwellings. The proposed fee for residences operating as short-term rentals in low- and mixed-density zones—where 80 percent of the city’s STRs are located—is initially \$2,853 (in 2024) and \$951 annually in subsequent years.

A fire and safety inspection of a Port Angeles residence is \$143. If rooms in the same house are used for the purposes of an STR (and the house is in a legally allowed zone) the fee is \$666 annually; if the whole house is used as a short-term rental, the fee is \$951 annually. The proposed fee for an STR home in a low- or mixed-density zone is \$2,853—20 times the fee for any other home. For comparison, the fire department’s highest inspection fee is \$475, for a “high hazard.”

An online search for STR fees in cities around the nation revealed none even beginning to approach the level of those proposed by the City of Port Angeles, even in cities that are known for high rates of tourism. Following are current STR fees for Washington cities:

Bainbridge	\$65
Bellingham	\$370-\$847 initial, \$125 annual
Bremerton	\$75
Gig Harbor	\$650 initial, \$40 annual
Leavenworth	\$500
Olympia	\$50
Seattle	\$75
Sequim	\$0
Tacoma	\$190

The Olympic Peninsula Lodging Alliance is not against short-term rental owners paying fees, but it advocates for reasonable fees and fair and balanced regulations.

A 501 (c)(6) nonprofit organization, the Olympic Peninsula Lodging Alliance launched in

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December 2023 in response to the City of Port Angeles' actions that threatened most of the city's short-term rentals. The Olympic Peninsula Lodging Alliance is a coalition of homeowners, tourism-related businesses, service providers and others dedicated to the support of the vacation rental community and other lodging options in Port Angeles and on the Olympic Peninsula.

For more information, please visit www.olympicpeninsulalodgingalliance.org.

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