



TOWN OF FRIDAY HARBOR
Post Office Box 219 • Friday Harbor, Washington 98250
(360) 378 – 2810 • FAX: (360) 378 – 5339 • www.fridayharbor.org

The Town of Friday Harbor has announced a program to assist local Hotel, Motel, Inn, and Bed & Breakfast owners during the economic slowdown resulting from the COVID-19 pandemic. These organizations have for many years collected and paid lodging tax to the Town as required by Ordinance. While these organizations are facing fixed costs such as their water, sewer, refuse and storm bills, in addition to power, phone and internet, there appears to be limited revenue to be able to do so.

This new program will provide a rebate of previously collected lodging tax in the total sum of \$10,000 to be split amongst the hoteliers and innkeepers to pay outstanding Town Utility Bills.

The Town will be asking the hoteliers and innkeepers to make application for a Lodging Tax Rebate which will be distributed based on the total number of rooms contained in all applications received. To be eligible the applicant must have a minimum of two rooms for rent and all rooms must be at a single address (or facility). There is a cap of 20 room credits per address to ensure a wider distribution to those eligible. The Town is in the process of developing the formal rules at this time, but it is anticipated the program will require the following:

1. Hotel, motel, inn, bed and breakfast (referred to collectively as “Hotel”) must be located in Friday Harbor and have a utility account with the Town.
2. The rooms in the Hotel must be rented on a daily basis.
3. Hotel must be legally zoned and possess a 2020 Town business license.
4. Hotel must be collecting and paying lodging tax.
5. All rooms claimed must be legal transient accommodation units.
6. Hotel rooms used for rentals of 30 or longer days are not eligible.
7. Hotel must have been open for business for at least six months during 2019.

The Town has estimated that the total number of room “credits” from all businesses will be between 200 and 215. At 200 credits it is anticipated there will a credit available of \$50 per room. A Hotel with 15 rooms would therefore be entitled to a Utility Bill credit of \$750. At this time, the program will be a one-time credit, but the Town Council may reinstitute the program at a later date depending upon the length and severity of the COVID-19 disruption.

The monies to enable this program will come exclusively from reserves maintained in the Lodging Tax fund and not the Town's general or utility funds. If the rebate is in excess of their one-month bill, the balance will be applied to future utility billings. It is the Town's intent that this program will assist Tourism Promotion by maintaining Hotel's financial health.