

FINAL BILL REPORT

HB 2961

C 156 L 92
Synopsis As Enacted

Brief Description: Providing for the disposition of proceeds of the Thurston county special excise tax.

By Representatives Fraser, Bowman, Belcher, Brumsickle and Sheldon.

House Committee on Revenue
Senate Committee on Ways & Means

Background: Cities and counties may levy a 2 percent local option tax on the rental of hotel and motel rooms to pay for the costs of acquiring, constructing, maintaining and operating public stadium, convention center, performing arts, and visual arts facilities. Jurisdictions imposing the tax may credit the rate against the state sales tax rate of 6.5 percent.

In recent years, the Legislature has authorized additional local option hotel/motel taxes that are not credited against the state sales tax rate and has significantly expanded the uses of revenues. Bellevue, Pierce County and its cities, Ocean Shores, and Yakima County and its cities have additional local option authority. Uses of the basic 2 percent have also been expanded to include tourism promotion.

The 1988 Legislature authorized Thurston County to levy a 3 percent additional hotel/motel tax to pay for the costs of siting, acquiring, constructing, and operating an Olympic Academy. In 1990, the Thurston County Superior Court declared the tax unconstitutional, and the county subsequently decided not to construct the Olympic Academy. Approximately \$210,000 remains of the taxes collected between imposition and invalidation of the tax.

Summary: Thurston County is authorized to use proceeds from the 3 percent hotel/motel tax for projects that attract visitors to or promote tourism in Thurston County, arts or cultural activities, historical activities, or park and recreational sites with historical significance.

Votes on Final Passage:

House 89 4

Senate 47

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Effective:

April 1, 1992