

SENATE BILL REPORT

SSB 5301

AS PASSED SENATE, MARCH 12, 1991

Brief Description: Authorizing certain cities and counties bordering the Pacific Ocean to levy a special excise tax to provide funding for public facilities.

SPONSORS: Senate Committee on Governmental Operations (originally sponsored by Senators Snyder and Conner).

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: That Substitute Senate Bill No. 5301 be substituted therefor, and the substitute bill do pass.

Signed by Senators McCaslin, Chairman; Madsen, and Matson.

Staff: Barbara Howard (786-7410)

Hearing Dates: March 4, 1991

HOUSE COMMITTEE ON LOCAL GOVERNMENT

HOUSE COMMITTEE ON REVENUE

BACKGROUND:

There is a general authorization for cities and counties to levy a special excise tax of up to 2 percent on the sale of hotel and motel space to help finance convention center and stadium facilities. If the county or city passes an ordinance to levy such a tax, the state sales tax on transient lodging is reduced from 6.5 percent to 4.5 percent, and the proceeds distributed to the respective county or city.

Some special exceptions have been authorized for a hotel/motel tax in Pierce County, Ocean Shores and Bellevue, which do not entail an offset against the state sales tax. It has been suggested that a similar levy could contribute to tourism and economic development efforts in tourist attraction areas in Pacific County and Long Beach.

SUMMARY:

The legislative body of a city bordering on the Pacific Ocean with a population of no less than 1,000 may levy a special excise tax of up to 3 percent on sales of transient housing. The county in which such a city is located is also authorized to levy a similar tax. The special authorization for a similar tax for Ocean Shores is repealed.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Given the current economic downturn in southwestern Washington, it would be of significant benefit to both employment and tourism if a multi-purpose joint convention center could be developed west of the downtown core of Long Beach. It would seat approximately 700 for conferences and conventions, and would have restaurant facilities. A roofed structure would be especially beneficial for events in the off season.

TESTIMONY AGAINST:

The only known opponent is one motel owner whose facility is so small it could not accommodate growth.

TESTIFIED: PRO: Richard Sande, Pacific County Commissioner; Nabel Shawa, Pacific County Department of General Administration; Fred Rutherford, Mayor, Long Beach; David Glasson, City Administrator, Long Beach; Brian O'Connor, O'Connor's Shaman Motel, Long Beach; Rick Wickman, Washington Association of Counties

HOUSE AMENDMENT(S):

The authorization for a hotel/motel tax is extended to cover (1) any city on a San Juan Island with a population greater than 1,000 for public facilities used in county fairs or public facilities to mitigate the impacts of tourism and (2) any city bordering on the Strait of Georgia.