

HOUSE BILL REPORT

SSB 5035

As Reported By House Committee On:
Local Government
Revenue

Title: An act relating to public restroom facilities.

Brief Description: Authorizing cities to use the hotel-motel tax for public restroom facilities.

Sponsors: Senate Committee on Government Operations
(originally sponsored by Senator Haugen).

Brief History:

Reported by House Committee on:
Local Government, March 23, 1993, DPA;
Revenue, April 5, 1993, DPA(REV w/o LG)s.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass as amended. Signed by 10 members: Representatives H. Myers, Chair; Bray, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; R. Fisher; Rayburn; Romero; Springer; Van Luven; and Zellinsky.

Staff: Steve Lundin (786-7127).

Background: Any county or city may impose the basic local option excise tax on hotel/motel room rental charges of up to 2 percent. This tax is a credit against the state sales tax that is imposed on such room rental charges. Receipts from this tax may only be spent on a variety of purposes, including the construction and operation of stadiums and convention centers and the promotion of tourism.

With certain exceptions, every county that imposes this basic tax is required to provide a credit for the same tax that is imposed by any city within the county.

Summary of Amended Bill: Any county, city, or town may use the proceeds of the basic local option excise tax on hotel/motel room rental charges for public restrooms available and intended for use by visitors.

Amended Bill Compared to Substitute Bill: Counties were given the authority to use the proceeds of the basic local

option excise tax on hotel/motel room rental charges for public restrooms available and intended for use by visitors.

Fiscal Note: Not requested.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Many cities and towns need restroom facilities for tourists. Counties have the need too.

Testimony Against: The purpose of the hotel/motel tax is to finance tourist and visitor bureaus. This could detract from this purpose.

Witnesses: (In favor): Senator Mary Margaret Haugen, prime sponsor; Senator Rasmussen; Stan Finkelstein, Association of Washington Cities; Becky Bogard, Washington State Hotel and Motel Association; George Walk, Pierce County; Rick Adams, city of Elbe; and (con) Sonnia Bean, citizen.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass as amended by Committee on Revenue and without amendment by Committee on Local Government. Signed by 16 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Anderson; Brown; Cothorn; Leonard; Morris; Romero; Rust; Silver; Talcott; Thibaudeau; Van Luven; and Wang.

Staff: Robert Longman (786-7139).

Summary of Recommendation of Committee on Revenue Compared to Recommendation of Committee on Local Government: The amended bill contains a provision which would limit use of the money for restrooms to cities and towns under populations of 5,000.

Fiscal Note: Available. New fiscal note requested April 6, 1993.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Financing through this bill would enable many of Washington's smaller tourist cities to build and maintain much needed restroom facilities.

Testimony Against: Revenues from the hotel/motel tax are a major source of funding for the convention and visitor

bureaus. Perhaps we can look to some of the current budget proposals for additional local government funding. This bill is too broad in defining which cities it would apply to.

Witnesses: Senator Haugen, prime sponsor (pro); Stan Finkelstein; Association of Washington Cities (pro); and Becky Bogard, Washington State Hotel Motel Association and Washington State Convention and Visitors Bureau (could support with revisions which would limit the bill to cities with populations under 5,000).