

HOUSE BILL REPORT

ESB 5925

As Passed Legislature

Title: An act relating to excise taxation of lodging.

Brief Description: Allowing lodging tax for counties with national monuments.

Sponsors: Senator Snyder.

Brief History:

Reported by House Committee on:
Revenue, April 5, 1993, DPA;
Passed House - Amended, April 17, 1993, 83-13;
Passed House - Amended, April 25, 1993, 80-14;
Passed Legislature, April 29, 1993, 74-18.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass as amended. Signed by 12 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Brown; Cothorn; Leonard; Morris; Romero; Silver; Talcott; Thibaudeau; and Van Luven.

Minority Report: Do not pass. Signed by 3 members: Representatives Fuhrman, Assistant Ranking Minority Member; Rust; and Wang.

Staff: Bob Longman (786-7139).

Background: Cities and counties are authorized to levy a special excise tax of up to 2 percent on the furnishing of lodging by hotels and motels to help finance stadium facilities, convention center facilities, performing arts center facilities, and visual arts center facilities or to secure the payment of bonds issued for these purposes. City taxes are credited against county taxes, and city and county taxes are credited against the state sales tax on the furnishing of lodging.

In addition to the general tax authorization, specific taxes are authorized for various cities and counties for various purposes. These taxes are in addition to state and local sales taxes.

A public facilities district may build sports and entertainment facilities and levy a hotel motel tax of 2

percent, an admissions tax on publicly owned facilities, a voter-approved excess property tax levy, and/or a 0.1 percent sales tax. These taxes may be levied only if the creation of the district is validated by the voters at a special or general election. Only a county with a population of 300,000 or more may form a public facilities district.

Summary of Bill: The legislative body of any county with a population greater than 75,000 in which is located all or part of a national monument may levy an additional excise tax up to 2 percent on the furnishing of lodging. This tax is in addition to state and local sales taxes. Moneys collected from this tax may only be used for the acquisition, construction, repair, improvement, and marketing of a rest area for tourists which includes restrooms, picnic areas, trails and viewpoints, emergency facilities, transient parking facilities, concession and gift sales, and marketing of facilities for tourists visiting the county or the national monument, or to pay or secure the payment of all or any portion of general obligation bonds issued for such purposes. Contribution of existing hotel-motel tax revenue by the county and one of the two largest cities, or contribution of local option sales tax revenue by the county, is required as condition of imposing the new hotel-motel tax.

The Yakima area hotel-motel excise tax rate authority is increased to 3 percent from 2 percent.

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: Fourteen hundred people per hour are expected to visit the Mt. St. Helens National Monument. Moneys from this tax will be used for a visitor building. Shuttle service will relieve the highways and parking lots of congestion. Tax revenues will be generated by tourists.

Testimony Against: There is a surplus of moneys from the basic 2 percent tax. A better source of revenue would be the sales tax which would also apply to restaurant meals and other purchases by tourists in addition to lodging.

Witnesses: Van Younquist, Cowlitz County Commissioner (pro); Ellen Rose, Mount St. Helens Motel (pro); and Becky Bogard, Washington State Hotel and Motel Association (con).