

HOUSE BILL REPORT

ESB 6564

As Passed House
March 3, 1994

Title: An act relating to special excise taxes.

Brief Description: Authorizing Snohomish county to levy a hotel and motel tax for public stadium, convention, performing arts, and/or visual arts facilities.

Sponsors: Senator Vognild.

Brief History:

Reported by House Committee on:
Revenue, February 28, 1994, DP.
Passed House, March 3, 1994, 82-16.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass. Signed by 11 members:
Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman,
Ranking Minority Member; Anderson; Caver; Cothorn; Leonard;
Romero; Rust; Talcott and Wang.

Minority Report: Do not pass. Signed by 3 members:
Representatives Fuhrman, Assistant Ranking Minority Member;
Silver and Van Luven.

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.

Summary of Bill: The legislative body of a county with a population of over 400,000 north of the northernmost

boundary of King County 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 be used for the statutorily authorized purposes, including an arena.

The county legislative body is required to hold a public meeting before imposing the tax to consult with the mayor of every city and town in the county regarding the proposed use of tax revenues and must consult with the mayors at least annually thereafter.

Fiscal Note: Available.

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

Testimony For: Tourism is the fourth largest industry in this state. The hotel-motel industry is willing to raise their taxes to promote tourism in Snohomish County and the state of Washington. Less than one-third of the revenue will be used for the Everett Giants baseball team.

Testimony Against: None.

Witnesses: Representative Dick King; Tad Kasuya, Snohomish County Lodging Association; and Bob Drewer, Snohomish County.