

HOUSE BILL REPORT

SSB 6033

As Reported By House Committee On:
Revenue

Title: An act relating to special excise taxes for special events, festivals, or promotional infrastructures.

Brief Description: Lowering the city size limit for special excise taxes for special events, festivals, or promotional infrastructures.

Sponsors: Senate Committee on Government Operations (originally sponsored by Senators Snyder, Winsley and McAuliffe).

Brief History:

Reported by House Committee on:
Revenue, February 28, 1994, DP.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass. Signed by 15 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Anderson; Brown; Caver; Cothorn; Leonard; Romero; Rust; Silver; Talcott; Thibaudeau; Van Luven and Wang.

Staff: Bob Longman (786-7139).

Background: Cities and counties may levy a 2 percent local option tax on the rental of hotel and motel rooms to pay for tourism promotion and 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 not credited against the state sales tax rate. Bellevue, Pierce County and its cities, certain cities and counties bordering the Pacific Ocean, and Yakima County and its cities have additional authority for a variety of purposes.

In 1992, the uses of the basic 2 percent local option hotel/motel tax were expanded to include funding of: 1) special events or festivals; or 2) promotional

infrastructures, such as ocean beach boardwalks. This provision applies only to cities bordering on the Pacific Ocean with a population greater than 1,000, and for counties in which such cities are located.

Summary of Bill: The option of using hotel/motel tax revenue for special events or promotional infrastructures is extended to include cities bordering on Baker Bay. The population requirement of 1,000 is lowered to 800.

Fiscal Note: Available.

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

Testimony For: The bill will allow Ilwaco to use hotel/motel tax money to support a festival.

Testimony Against: None.

Witnesses: Syd Snyder, prime sponsor.