

SENATE BILL REPORT

SB 5035

**AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS,
JANUARY 29, 1993**

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

SPONSORS: Senator Haugen

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 5035 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, Oke, Owen, and Winsley.

Staff: Eugene Green (786-7405)

Hearing Dates: January 20, 1993; January 29, 1993

BACKGROUND:

Any county or city may impose a local option tax of 2 percent on sales of hotel/motel rooms. This tax is not paid in addition to other state and local taxes. Instead, it is credited against the state's 6.5 percent retail sales tax. Cities can levy the hotel/motel tax within their corporate limits and counties can levy the tax in unincorporated areas and within cities that do not levy the tax. (There are two exceptions.)

In general, the hotel/motel tax may be used for: the construction and operation of stadium facilities, convention center facilities, performing arts center facilities, visual arts center facilities, and tourism promotion. Some cities would like to use this tax to provide public restroom facilities.

SUMMARY:

Any city is allowed to use the 2 percent hotel/motel tax for the provision of public restroom facilities.

EFFECT OF PROPOSED SUBSTITUTE:

This tax may only be used to provide restrooms if these restrooms are available to and intended for use by visitors.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This is a needed use for tourism, especially in smaller cities and towns.

TESTIMONY AGAINST:

This use should be limited to only cities and towns under 5,000 population.

TESTIFIED: Stan Finkelstein, Association of Washington Cities (pro); Becky Bogard, Washington State Hotel/Motel Association (con)