

SENATE BILL REPORT

SB 5620

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 8, 1993

Brief Description: Permitting a special excise tax on hotel, motel, roominghouse, and trailer camp charges for a trade recreation agricultural center in Pasco.

SPONSORS: Senators Loveland and Jesernig

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5620 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Bluechel, Hargrove, Hochstatter, Jesernig, McDonald, Moyer, Niemi, Pelz, Quigley, Snyder, Talmadge, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: March 5, 1993; March 8, 1993

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:

The legislative body of a city with a population of over 10,000 in a county that is the smallest county in a metropolitan statistical area that has a population of between 38,000 and 50,000 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 a siting, acquisition, construction, operation, and maintenance of a trade recreation agricultural center which includes an exhibition hall, a meeting and convention center, and an agricultural arena.

EFFECT OF PROPOSED SUBSTITUTE:

It is clarified that the city has rule-making authority for this new tax and can adopt reasonable exemptions.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

Pasco and Franklin Counties have agreed on a joint venture to build a facility. It is ready to construct, except money is needed.

TESTIMONY AGAINST:

This tax has significant impacts on the lodging community in Pasco. It mostly affects one hotel. Other hotels in the area do not have to pay the tax.

TESTIFIED: Senator Loveland, sponsor (pro); Becky Bogard, Washington State Hotel/Motel Association (con)