

SENATE BILL REPORT

SB 5896

AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS, MARCH 3, 1993

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

SPONSORS: Senators M. Rasmussen, Amondson, Haugen, Winsley, Sheldon, Gaspard and Snyder

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 5896 be substituted therefor, and the substitute bill do pass.

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

Staff: Katie Healy (786-7784)

Hearing Dates: March 2, 1993; March 3, 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 counties would like to use this tax to provide public restroom facilities.

SUMMARY:

Any county is allowed to use the 2 percent hotel/motel tax for the provision of public restroom facilities, if these restrooms are available for use by visitors.

EFFECT OF PROPOSED SUBSTITUTE:

The application of this act is limited to Pierce County.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This is not a taxing bill. The lack of restroom facilities in counties is a big impact on small towns that are affected by tourism, particularly in Pierce County with so many visitors to Mount Rainier. The addition of rest stops promotes tourism. Many small communities have tourism as their life blood. There is difficulty in acquiring funds from other agencies for rest stops because the benefit is not as evident for those agencies.

TESTIMONY AGAINST:

There are no funds left in the 2 percent set aside to attract people. The hotel/motel community wants limits on the spending of the tax. They would prefer an interim study.

TESTIFIED: George Walk, Pierce County (pro); Rich Adams (pro);
Becky Bogard, WA State Hotel/Motel Assn. (con)