

SENATE BILL REPORT

ESB 5925

AS PASSED SENATE, APRIL 27, 1993

Brief Description: Allowing lodging tax for counties with national monuments.

SPONSORS: Senator Snyder

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

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

Staff: Terry Wilson (786-7715)

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

HOUSE COMMITTEE ON REVENUE

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.

The special hotel/motel tax for the county of Yakima and cities within the county is set at 2 percent.

SUMMARY:

The legislative body of any county with a population greater than 75,000 in which is located all or part of a national monument 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 the acquisition, construction, repair, improvement of a rest area for tourists, and marketing of facilities for tourists visiting the national monument. The tax may only be imposed if local moneys are also provided.

The special hotel/motel tax for the Yakima area may be up to 5 percent.

Appropriation: none

Revenue: none

Fiscal Note: requested February 25, 1993

TESTIMONY FOR:

Fourteen hundred people per hour are expected to visit the Mt. Saint Helens National Monument. Moneys from this tax will be used for a visitor building. Shuttle service will relieve the highways and parking lots of congestion. Tax revenues will be generated by tourists.

TESTIMONY AGAINST:

There is a surplus of moneys from the basic 2 percent tax. A better source of revenue would be the sales tax which would also apply to restaurant meals and other purchases by tourists in addition to lodging.

TESTIFIED: Van Youngquist, Cowlitz County (pro); Becky Bogard, Washington State Hotel/Motel Association (con)

HOUSE AMENDMENT(S):

The special hotel/motel tax for the Yakima area is set at 3 percent.