

SENATE BILL REPORT

SSB 6278

AS PASSED SENATE, FEBRUARY 9, 1994

Brief Description: Authorizing cities and towns to use their special excise tax for public restroom facilities intended for visitors.

SPONSORS: Senate Committee on Government Operations (originally sponsored by Senators Gaspard, Haugen, Fraser and M. Rasmussen)

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 6278 be substituted therefor, and the substitute bill do pass.

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

Staff: Diane Smith (786-7410)

Hearing Dates: January 26, 1994; January 28, 1994

HOUSE COMMITTEE ON REVENUE

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.

Cities and counties using the tax for these purposes encounter demands for public restroom facilities. This is the case regardless of the city or town's size. Currently, though, only cities and towns of populations less than 5,000 may use the hotel/motel tax for the purpose of providing public restroom facilities intended for use by visitors. Counties of any size may use the hotel/motel tax for this purpose.

SUMMARY:

The limitation to cities of 5,000 or less in population is removed. Any city or town may use the hotel/motel tax to provide public restroom facilities intended for the use of visitors.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

The local elected officials who decide whether to assess the optional 2 percent hotel/motel tax are in the best position to know how to spend the revenue generated. Cities, such as Puyallup, which have a full calendar of festivals and events which promote tourism do not have modern or sufficient restrooms to serve the visiting public.

TESTIMONY AGAINST:

The 2 percent hotel/motel is a limited source of funds originally earmarked for tourism promotion. Inroads into the fund for infrastructure expenditures such as restrooms reduce the money available to generate tourism.

TESTIFIED: Stan Finkelstein, AWC (pro); Barbara Korando, City of Puyallup (pro); Sonie Waltier, Puyallup Farmers Market (pro); Mim Heuss, Visitor Convention Bureau, Bremerton (con); Becky Bogard, WA State Hotel/Motel Assn. (con); Chuck Valley, Chamber of Commerce

HOUSE AMENDMENT(S):

Existing law is changed to allow only Pierce County when it imposes a tax under RCW 67.28.182, to use the proceeds of the 2 percent hotel/motel tax to provide public restrooms for visitors. No county other than Pierce may use the 2 percent hotel/motel tax for this purpose. Under current law, any county may do so.

The amendment increases the population ceiling for cities and towns in Pierce County when Pierce County imposes a tax under RCW 67.28.182, to 50,000, below which the 2 percent hotel/motel tax may be used to provide restroom facilities for visitors.