

**SENATE BILL REPORT**

**ESB 6564**

**AS PASSED SENATE, FEBRUARY 15, 1994**

**Brief Description:** Authorizing Snohomish county to levy a hotel and motel tax for public stadium, convention, performing arts, and/or visual arts facilities.

**SPONSORS:** Senator Vognild

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators Rinehart, Chairman; Bauer, Bluechel, Cantu, Gaspard, Hargrove, Hochstatter, Ludwig, Moyer, Niemi, Pelz, Snyder, Spanel, Talmadge and Wojahn.

**Staff:** Terry Wilson (786-7715)

**Hearing Dates:** February 2, 1994; February 8, 1994

**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 county with a population of over 400,000 north of the northernmost boundary of King County 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 be used for the statutorily authorized purposes, including an arena.

The county legislative body is required to hold a public meeting before imposing the tax to consult with the mayor of every city and town in the county regarding the proposed use of tax revenues and must consult with the mayors at least annually thereafter.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested January 28, 1994

**TESTIMONY FOR:**

A popular baseball team needs an approved stadium to stay in the area. Hotels in the area are in support of this tax because it will increase business.

**TESTIMONY AGAINST:**

Small cities will lose control of the taxes raised in the city.

**TESTIFIED:** Senator Vognild, sponsor (pro); Pat McClain, City of Everett (pro); Tad Kasuya, Snohomish County Lodging Assoc. (pro); Karen Charnell, Everett/Snohomish County Convention & Visitor Bureau (pro); Barbara Fahey, City of Edmonds (con)