

SENATE BILL REPORT

SB 5903

As Reported By Senate Committee On:
Ways & Means, February 26, 1997
Government Operations, March 4, 1997

Title: An act relating to the use of local special excise taxes for the operation of performing and cultural arts facilities.

Brief Description: Authorizing the use of local hotel-motel taxes for operation of performing and cultural arts facilities.

Sponsors: Senators Hale, Morton, Wood and Winsley.

Brief History:

Committee Activity: Ways & Means: 2/26/97 [w/oRec-GO].
Government Operations: 3/4/97 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That it be referred to Committee on Government Operations without recommendation.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Brown, Hochstatter, Kohl, Long, Rossi, Snyder and Swecker.

Staff: David Schumacher (786-7474)

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 5903 be substituted therefor, and the substitute bill do pass.

Signed by Senators McCaslin, Chair; Hale, Vice Chair; Haugen, Horn and Swanson.

Staff: Diane Smith (786-7410)

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.

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.

A city with population between 30,000 and 60,000 in a county with a population between 100,000 and 145,000 is allowed to levy such an "additional" 2 percent hotel/motel tax for

the purpose of constructing and operating a convention center. Based on current population, Richland is eligible to impose this tax.

Summary of Substitute Bill: The allowed use of the additional 2 percent hotel/motel tax revenue is expanded to include the costs of operation, acquisition, or construction of performing and cultural arts facilities in cities with population between 30,000 and 60,000 in a county with a population between 100,000 and 145,000.

Substitute Bill Compared to Original Bill: The substitute bill clarifies the intent of the original bill which was to include costs of acquisition and construction as well as operation of a performing cultural arts center as permissible uses of this 2 percent hotel-motel tax.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed

Testimony For (Ways & Means): None.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): No one.

Testimony For (Government Operations): Last year, the Tri-Cities agreed each to construct one third of a complex of tourism centers. These were an athletic center, convention center, and performing arts center. The legislation inadvertently omitted the authority for Richland to construct the performing arts center. This bill corrects that oversight.

Testimony Against (Government Operations): The project was not seen as one which will bring more overnight tourists to Richland, while increasing the cost of lodging. The occupancy rate there is already below the break-even point.

Testified: Becky Bogard, Washington State Hotel-Motel Association (con); Jim Rowland, City of Richland (pro).