
HOUSE BILL 2698

State of Washington

55th Legislature

1998 Regular Session

By Representatives B. Thomas, Dunshee, Wensman, Gardner and Ballasiotes; by request of Governor Locke

Read first time 01/19/98. Referred to Committee on .

1 AN ACT Relating to resolving conflicts in lodging tax statutes
2 enacted in 1997; amending RCW 67.28.181 and 67.28.1817; adding a new
3 section to chapter 67.28 RCW; creating a new section; and declaring an
4 emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 67.28.181 and 1997 c 452 s 3 are each amended to read
7 as follows:

8 (1) The legislative body of any municipality may impose an excise
9 tax on the sale of or charge made for the furnishing of lodging that is
10 subject to tax under chapter 82.08 RCW. The rate of tax shall not
11 exceed the lesser of ~~((four))~~ two percent or a rate that, when combined
12 with all other taxes imposed upon sales of lodging within the
13 municipality under this chapter and chapters 36.100, 67.40, 82.08, and
14 82.14 RCW, equals twelve percent. A tax under this chapter shall not
15 be imposed in increments smaller than tenths of a percent.

16 (2) Notwithstanding subsection (1) of this section:

17 (a) If a municipality ~~((imposed))~~ was authorized to impose taxes
18 under this chapter ~~((and))~~ or RCW 67.40.100 or both with a total rate
19 exceeding four percent ~~((on January 1, 1998, the rate of tax imposed~~

1 ~~under this chapter by the municipality shall not exceed the total rate~~
2 ~~imposed by the municipality under this chapter and RCW 67.40.100 on~~
3 ~~January 1, 1998)) before July 27, 1997, such total authorization shall~~
4 ~~continue through January 1, 1999, and thereafter the municipality may~~
5 ~~impose a tax under this section at a rate not exceeding the rate~~
6 ~~actually imposed by the municipality on January 1, 1999.~~

7 (b) If a city or town, other than a municipality (~~described in~~)
8 ~~imposing a tax under~~ (a) of this subsection, is located in a county
9 that imposed taxes under this chapter with a total rate of four percent
10 or more on January 1, 1997, the (~~rate of tax imposed under this~~
11 ~~chapter by the city or town shall not exceed two percent~~) city or town
12 may not impose a tax under this section.

13 (c) If a city has a population of four hundred thousand or more and
14 is located in a county with a population of one million or more, the
15 rate of tax imposed under this chapter by the city shall not exceed the
16 lesser of four percent or a rate that, when combined with all other
17 taxes imposed upon sales of lodging in the municipality under this
18 chapter and chapters 36.100, 67.40, 82.08, and 82.14 RCW, equals
19 fifteen and two-tenths percent.

20 (d) If a municipality was authorized to impose taxes under this
21 chapter or RCW 67.40.100, or both, at a rate equal to six percent
22 before January 1, 1998, the municipality may impose a tax under this
23 section at a rate not exceeding the rate actually imposed by the
24 municipality on January 1, 1998.

25 (3) (~~Except as provided in RCW 67.28.180,~~) Any county ordinance
26 or resolution adopted under this section shall contain a provision
27 allowing a credit against the county tax for the full amount of any
28 city or town tax imposed under this section upon the same taxable
29 event.

30 (~~(4) Tax imposed under this section on a sale of lodging shall be~~
31 ~~credited against the amount of sales tax due to the state under chapter~~
32 ~~82.08 RCW on the same sale of lodging, but the total credit for taxes~~
33 ~~imposed by all municipalities on a sale of lodging shall not exceed the~~
34 ~~amount that would be imposed under a two percent tax under this~~
35 ~~section. This subsection does not apply to taxes which are credited~~
36 ~~against the state sales tax under RCW 67.28.180.))~~

37 NEW SECTION. Sec. 2. A new section is added to chapter 67.28 RCW
38 to read as follows:

1 Tax collected under RCW 67.28.180 on a sale of lodging shall be
2 credited against the amount of sales tax due to the state under chapter
3 82.08 RCW on the same sale of lodging.

4 **Sec. 3.** RCW 67.28.1817 and 1997 c 452 s 5 are each amended to read
5 as follows:

6 (1) Before (~~imposing a tax under RCW 67.28.181~~) proposing
7 imposition of a new tax under this chapter, an increase in the rate of
8 a tax imposed under this chapter, repeal of an exemption from a tax
9 imposed under this chapter, or a change in the use of revenue received
10 under this chapter, a municipality with a population of five thousand
11 or more shall establish a lodging tax advisory committee under this
12 section. A lodging tax advisory committee shall consist of at least
13 five members, appointed by the legislative body of the municipality,
14 unless the municipality has a charter providing for a different
15 appointment authority. The committee membership shall include: (a) At
16 least two members who are representatives of businesses required to
17 collect tax under this chapter; and (b) at least two members who are
18 persons involved in activities authorized to be funded by revenue
19 received under this chapter. Persons who are eligible for appointment
20 under (a) of this subsection are not eligible for appointment under (b)
21 of this subsection. Persons who are eligible for appointment under (b)
22 of this subsection are not eligible for appointment under (a) of this
23 subsection. Organizations representing businesses required to collect
24 tax under this chapter, organizations involved in activities authorized
25 to be funded by revenue received under this chapter, and local agencies
26 involved in tourism promotion may submit recommendations for membership
27 on the committee. The number of members who are representatives of
28 businesses required to collect tax under this chapter shall equal the
29 number of members who are involved in activities authorized to be
30 funded by revenue received under this chapter. One member shall be an
31 elected official of the municipality who shall serve as chair of the
32 committee. An advisory committee for a county may include one
33 nonvoting member who is an elected official of a city or town in the
34 county. An advisory committee for a city or town may include one
35 nonvoting member who is an elected official of the county in which the
36 city or town is located. The appointing authority shall review the
37 membership of the advisory committee annually and make changes as
38 appropriate.

1 (2) Any municipality that proposes imposition of a tax under this
2 chapter, an increase in the rate of a tax imposed under this chapter,
3 repeal of an exemption from a tax imposed under this chapter, or a
4 change in the use of revenue received under this chapter shall submit
5 the proposal to the lodging tax advisory committee for review and
6 comment. The submission shall occur at least forty-five days before
7 final action on or passage of the proposal by the municipality. The
8 advisory committee shall submit comments on the proposal in a timely
9 manner through generally applicable public comment procedures. The
10 comments shall include an analysis of the extent to which the proposal
11 will accommodate activities for tourists or increase tourism, and the
12 extent to which the proposal will affect the long-term stability of the
13 fund created under RCW 67.28.1815. Failure of the advisory committee
14 to submit comments before final action on or passage of the proposal
15 shall not prevent the municipality from acting on the proposal. A
16 municipality is not required to submit an amended proposal to an
17 advisory committee under this section.

18 NEW SECTION. **Sec. 4.** If a municipality was authorized to impose
19 taxes under chapter 67.28 RCW or RCW 67.40.100 or both with a total
20 rate exceeding four percent before July 27, 1997, any taxes imposed and
21 collected by the municipality on or after July 27, 1997, are validated
22 by this act to the extent the taxes were imposed at rates that would be
23 permitted under chapter 67.28 RCW as amended by this act. All actions
24 taken in connection with the collection and administration of taxes
25 validated under this section, including crediting the taxes against the
26 amount of sales taxes due to the state under chapter 82.08 RCW, are
27 also validated by this act to the extent the actions taken would be
28 permitted under chapter 67.28 RCW as amended by this act.

29 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
30 preservation of the public peace, health, or safety, or support of the
31 state government and its existing public institutions, and takes effect
32 immediately.

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