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HOUSE BILL 2861

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State of Washington

55th Legislature

1998 Regular Session

By Representatives Alexander, Van Luven, Morris, Kessler, Linville, Costa, Wood, Constantine, Ogden, Regala, Ballasiotes, D. Schmidt, Gardner, Anderson, Lantz and Conway; by request of Department of Community, Trade, and Economic Development

Read first time 01/21/98. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to funding for tourism development; adding new  
2 sections to chapter 43.330 RCW; adding new sections to chapter 43.88  
3 RCW; creating a new section; providing an effective date; and providing  
4 expiration dates.

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

6 NEW SECTION. **Sec. 1.** It is the intent of this act to provide for  
7 predictable and stable funding for tourism development activities of  
8 the state of Washington by establishing funding levels based on proven  
9 performance and return on state funds invested in tourism development  
10 and to establish a tourism development advisory committee.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330 RCW  
12 to read as follows:

13 (1) The tourism development advisory committee is created within  
14 the department. The committee shall have a total of fifteen members.  
15 There shall be one member from each of the two largest political  
16 caucuses in the house of representatives and senate appointed by the  
17 speaker of the house of representatives and the president of the  
18 senate, respectively. The remaining eleven members shall be appointed

1 by the director and shall represent the travel industry. When making  
2 appointments, the director shall ensure to the greatest extent possible  
3 that the industry representatives include all sectors of the travel  
4 industry in Washington state and are diverse with respect to region of  
5 the state, gender, and ethnicity.

6 (2) The tourism development advisory committee shall meet at such  
7 times designated by the director but not less than twice per calendar  
8 year. The committee shall review and comment on the tourism  
9 development plan presented by the department and advise the director  
10 concerning tourism activities the department should undertake.

11 (3) This section expires June 30, 2008.

12 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.88 RCW  
13 to read as follows:

14 (1) When developing a biennial budget for the tourism development  
15 division of the department of community, trade, and economic  
16 development, the request for funding submitted to the office of  
17 financial management shall be calculated according to the formula in  
18 section 4 of this act. The request shall be a specific designated  
19 amount in the budget request for the department of community, trade,  
20 and economic development.

21 (2) This section expires June 30, 2008.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.88 RCW  
23 to read as follows:

24 (1) The budget amount designated in section 3(1) of this act is the  
25 sum of the base amount and the growth component as calculated under  
26 subsection (2) of this section.

27 (2) The director of the department of community, trade, and  
28 economic development shall calculate the tourism development division  
29 budget in consultation with the appropriate agencies in the following  
30 manner:

31 (a) The base amount, beginning in the budget for the biennium  
32 ending June 30, 2001, and for each subsequent biennium thereafter,  
33 equals the previous year's biennial budget, including any supplemental  
34 allocations and any growth component amounts from previous biennia.

35 (b) For the growth component, beginning in the budget for the  
36 biennium ending June 30, 2001: (i) Compute the state retail sales tax  
37 revenues for the target business categories for the calendar year two

1 years prior to the beginning of the biennium for which the budget  
2 request will be made; (ii) compute the state retail sales tax revenues  
3 for the target business categories for the calendar year four years  
4 prior to the beginning of the biennium for which the budget request  
5 will be made; (iii) calculate the percentage change in these two sales  
6 tax revenue amounts; (iv) if the percentage exceeds six percent growth,  
7 calculate the amount of sales tax revenue that represents the excess in  
8 revenue growth greater than six percent; and (v) calculate the growth  
9 component by dividing the excess revenue growth by two. The amount of  
10 the growth component for any biennium shall not exceed two million  
11 dollars per fiscal year for the biennium.

12 (3) As used in this section:

13 (a) "Target business categories" means businesses in standard  
14 industrial classification codes 58 (eating and drinking), 70 (lodging),  
15 7514 (auto rental), and 79 (recreation). If at any time the United  
16 States office of management and budget or a successor agency should  
17 change or replace the present standard industrial classification code  
18 system, the department of community, trade, and economic development  
19 shall use the code system issued by the office of management and budget  
20 or its successor agency to determine codes corresponding to those  
21 listed in this definition.

22 (b) "Retail sales" means the gross sales subject to the tax imposed  
23 in chapter 82.08 RCW received by businesses identified in department of  
24 revenue records by standard industrial classification codes 58, 70,  
25 7514, and 79.

26 (4) This section expires June 30, 2008.

27 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.330 RCW  
28 to read as follows:

29 (1) On or before June 30th of each fiscal year, the department  
30 shall submit a report to the appropriate policy and fiscal committees  
31 of the house of representatives and senate that describes the tourism  
32 development program for the previous fiscal year and quantifies the  
33 financial benefits to the state. The report must contain information  
34 concerning targeted markets, benefits to different areas of the state,  
35 return on the state's investment, and other relevant information  
36 related to tourism development.

37 (2) This section expires June 30, 2008.

1      NEW SECTION.    **Sec. 6.**    This act takes effect July 1, 1998.

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