

# SENATE BILL REPORT

## SB 6517

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As Reported By Senate Committee On:  
State & Local Government, February 3, 2000

**Title:** An act relating to authorizing the use of hotel and motel tax proceeds for law enforcement or fire protection efforts directed toward tourism areas.

**Brief Description:** Authorizing the use of hotel tax proceeds for law enforcement or fire protection efforts.

**Sponsors:** Senators Patterson, Hargrove, Snyder and Goings.

**Brief History:**

**Committee Activity:** State & Local Government: 1/31/2000, 2/3/2000 [DP, DNP].

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### SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

**Majority Report:** Do pass.

Signed by Senators Patterson, Chair; Gardner, Vice Chair; Haugen and Kline.

**Minority Report:** Do not pass.

Signed by Senators Hale, Horn and McCaslin.

**Staff:** Diane Smith (786-7410)

**Background:** In general, cities and counties may impose taxes on the sale of lodging up to the lesser of 4 percent, or a rate that when combined with other hotel/motel, convention center, and state and local sales taxes, equals 12 percent. The first 2 percent is credited against the state sales tax and the city tax is credited against the county tax. Because of exceptions to the general rule, some combined rates exceed 12 percent.

The revenue from the proceeds of the tax may be used only for the purpose of paying all or part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities.

The eligibility of projects for funding by the tax was changed in 1997 to its present definition. Conflict has arisen since then between local jurisdictions and state auditors as to precisely what projects may be funded by the tax proceeds.

**Summary of Bill:** The revenue from the proceeds of the tax may be used for the costs of law enforcement or fire protection activity directed towards tourism areas, including salaries and equipment acquisition or maintenance.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** SeaTac is a unique situation. The city has to provide fire protection for the high rise hotels that total 5,000 rooms, yet cannot spend the taxes those rooms generate to do so.

The bill gives flexibility to use the hotel/motel tax money to cope with the effects of tourism.

The local advisory committee would be the final decision-maker on how the money is spent.

**Testimony Against:** All members of the hotel association are against this bill. The committee is advisory only: the city council actually decides. This fund should be kept sacred and not used for general government purposes.

**Testified:** Joe Daniels, City of SeaTac (pro); Kever Rojecki, SeaTac Fire Dept. (pro); Becky Bogard, WA State Hotel & Motel Assn., WA Assn. of Visitor & Convention Bureaus (con); Elizabeth Bolian, SW King Co. Lodging Assn. (con); Linda Spaulding, Tourism Grays Harbor (con); Sally Kirkpatrick, Tri-Cities Visitor & Convention Bureau (con).