

SENATE BILL REPORT

HB 2715

As Reported By Senate Committee On:
State & Local Government, February 28, 2002

Title: An act relating to marketing funds for the state convention and trade center.

Brief Description: Revising state convention and trade center marketing provisions.

Sponsors: Representatives Murray and Esser.

Brief History:

Committee Activity: State & Local Government: 2/27/02, 2/28/02 [DP].

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Majority Report: Do pass.

Signed by Senators Gardner, Chair; Fairley, Vice Chair; Hale, Horn, Keiser, Kline, T. Sheldon and Swecker.

Staff: Diane Smith (786-7410)

Background: In 1982, the Legislature imposed an additional hotel-motel tax to fund the construction and operation of the Washington State Convention and Trade Center (WSCTC) located in Seattle. The additional state sales tax is imposed on the renting of hotels and motels in King County that contain more than 60 lodging units. The rate of the additional state sales tax is 7 percent in Seattle and 2.8 percent in King County outside the city of Seattle.

In 1988, the Legislature authorized the expansion of the WSCTC. The WSCTC corporation was also authorized to contract with the Seattle-King County Convention and Visitors Bureau (SKCCVB) for the marketing of the WSCTC's facilities and services. Any contract had to include a provision that required that each dollar provided to the SKCCVB by the WSCTC must be matched by at least \$1.10 in non-state funds.

Summary of Bill: The contract provision that required a match of \$1.10 in non-state funds to every \$1 provided by the WSCTC to the SKCCVB is removed. The funds were used for the marketing of the facilities and services of the WSCTC by the SKCCVB.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: These funds have gone out of kilter because there are now again half as many hotel rooms rented at higher rates. This raises the tax receipts faster than the non-state

funds have increased over the same time period. We need to continue to market Seattle and Washington State. The current law is a needless impediment because other adequate safeguards are in place.

Testimony Against: None.

Testified: John Christison, Washington State Convention Center; Becky Bogard, Seattle Convention and Visitors Bureau.