
SENATE BILL 5668

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2003 Regular Session

By Senators Sheahan, Shin, T. Sheldon, Hewitt, Reardon, Benton, Prentice, Schmidt, Hale and Winsley

Read first time 02/05/2003. Referred to Committee on Economic Development.

1 AN ACT Relating to the use of hotel-motel taxes for tourism
2 promotions; and amending RCW 67.28.080, 67.28.1817, and 67.28.1815.

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

4 **Sec. 1.** RCW 67.28.080 and 1997 c 452 s 2 are each amended to read
5 as follows:

6 The definitions in this section apply throughout this chapter
7 unless the context clearly requires otherwise.

8 (1) "Acquisition" includes, but is not limited to, siting,
9 acquisition, design, construction, refurbishing, expansion, repair, and
10 improvement, including paying or securing the payment of all or any
11 portion of general obligation bonds, leases, or revenue bonds(~~(, or~~
12 ~~other obligations)~~) issued or incurred for such purpose or purposes
13 under this chapter.

14 (2) "Municipality" means any county, city or town of the state of
15 Washington.

16 (3) "Operation" includes, but is not limited to, operation,
17 management, and marketing.

18 (4) "Person" means the federal government or any agency thereof,

1 the state or any agency, subdivision, taxing district or municipal
2 corporation thereof other than county, city or town, any private
3 corporation, partnership, association, or individual.

4 (5) "Tourism" means economic activity resulting from tourists,
5 which may include sales of overnight lodging, meals, tours, gifts, or
6 souvenirs.

7 (6) "Tourism promotion" means activities and expenditures designed
8 to increase tourism, including but not limited to advertising,
9 publicizing, or otherwise distributing information for the purpose of
10 attracting and welcoming tourists; developing strategies to expand
11 tourism; operating tourism promotion agencies; familiarization tours;
12 and funding marketing of special events and festivals designed to
13 attract tourists.

14 (7) "Tourism-related facility" means real or tangible personal
15 property with a usable life of three or more years, or constructed with
16 volunteer labor, and used to support tourism, (~~performing arts,~~) or
17 to accommodate tourist activities which may include the performing
18 arts.

19 (8) "Tourist" means a person who travels from a place of residence
20 to a different town, city, county, state, or country, for purposes of
21 paid overnight stay related to business, pleasure, recreation,
22 education, arts, heritage, or culture.

23 **Sec. 2.** RCW 67.28.1817 and 1998 c 35 s 3 are each amended to read
24 as follows:

25 (1) Any municipality that has imposed a tax under this chapter or
26 before proposing imposition of a new tax under this chapter, an
27 increase in the rate of a tax imposed under this chapter, repeal of an
28 exemption from a tax imposed under this chapter, or a change in the use
29 of revenue received under this chapter, a municipality (~~with a~~
30 population of five thousand or more)) where more than five thousand
31 dollars were generated during the previous calendar year for the fund
32 established under RCW 67.28.1815 shall establish a lodging tax
33 (~~advisory~~) committee under this section. A lodging tax (~~advisory~~)
34 committee shall consist of at least five members, appointed by the
35 legislative body of the municipality(~~, unless the municipality has a~~
36 ~~charter providing for a different appointment authority~~). The
37 committee membership shall (~~include~~) consist of the following: (a)

1 ~~((At least))~~ Two members who are representatives of businesses required
2 to collect tax under this chapter; ~~((and))~~ (b) ~~((at least))~~ two members
3 who are persons involved in activities authorized to be funded by
4 revenue received under this chapter; and (c) one member who is an
5 elected official of the municipality who shall serve as chair. Persons
6 who are eligible for appointment under (a) of this subsection are not
7 eligible for appointment under (b) of this subsection. ~~((Persons who~~
8 ~~are eligible for appointment under (b) of this subsection are not~~
9 ~~eligible for appointment under (a) of this subsection.))~~ Organizations
10 representing businesses required to collect tax under this chapter,
11 organizations involved in activities authorized to be funded by revenue
12 received under this chapter, and local agencies involved in tourism
13 promotion may submit recommendations to the committee for membership on
14 the committee. ~~((The number of members who are representatives of~~
15 ~~businesses required to collect tax under this chapter shall equal the~~
16 ~~number of members who are involved in activities authorized to be~~
17 ~~funded by revenue received under this chapter. One member shall be an~~
18 ~~elected official of the municipality who shall serve as chair of the~~
19 ~~committee. An advisory))~~ A committee for a county may include one
20 nonvoting member who is an elected official of a city or town in the
21 county. ~~((An advisory))~~ A committee for a city or town may include one
22 nonvoting member who is an elected official of the county in which the
23 city or town is located. ~~((The appointing authority shall review the~~
24 ~~membership of the advisory committee annually and make changes as~~
25 ~~appropriate.))~~ When a vacancy occurs the committee shall submit three
26 names per position from which the legislative authority of the
27 municipality shall appoint within ninety days. Each term shall be for
28 two years subsequent from the appointing authorities' appointment.

29 (2) ~~((Any municipality))~~ The lodging tax committee that proposes
30 imposition of a tax under this chapter, an increase in the rate of a
31 tax imposed under this chapter, repeal of an exemption from a tax
32 imposed under this chapter, or a change in the use of revenue received
33 under this chapter shall submit the proposal to the ~~((lodging tax~~
34 ~~advisory committee))~~ legislative body of the municipality for review
35 and comment and final approval. ~~((The submission shall occur at least~~
36 ~~forty five days before final action on or passage))~~ Within ninety days
37 following the submission of the proposal by the ~~((municipality. The~~
38 ~~advisory committee shall submit comments on the proposal in a timely~~

1 ~~manner through generally applicable public comment procedures))~~ lodging
2 tax committee and through generally applicable public comment
3 procedures, the legislative authority of the municipality may approve
4 recommendations and delete recommendations but shall not add additional
5 projects to the recommended proposal by the lodging tax committee. The
6 comments shall include reasons for approval or rejection of any lodging
7 tax committee's recommended proposals, including an analysis of the
8 extent to which the proposal will accommodate activities for tourists
9 or increase tourism, and the extent to which the proposal will affect
10 the long-term stability of the fund created under RCW 67.28.1815.
11 ~~((Failure of the advisory committee to submit comments before final~~
12 ~~action on or passage of the proposal shall not prevent the municipality~~
13 ~~from acting on the proposal. A municipality is not required to submit~~
14 ~~an amended proposal to an advisory committee under this section.))~~ All
15 multiyear expenditures from the fund for a project or proposal shall be
16 reviewed by the lodging tax committee annually and changes may be
17 submitted to the legislative authority of the municipality for their
18 approval, except if an expenditure is to secure financing or to retire
19 debt for a tourist-related facility. The lodging tax committee shall
20 meet annually or as often as the lodging tax committee deems
21 appropriate. No use of funds can be approved by the municipality until
22 the committee has approved its use.

23 **Sec. 3.** RCW 67.28.1815 and 1997 c 452 s 4 are each amended to read
24 as follows:

25 All revenue from taxes imposed under this chapter shall be credited
26 to a special fund in the treasury of the municipality imposing such tax
27 and used solely for the purpose of paying all or any part of the cost
28 of tourism promotion, acquisition of tourism-related facilities, or
29 operation of tourism-related facilities. Municipalities may, under
30 chapter 39.34 RCW, agree to the utilization of revenue from taxes
31 imposed under this chapter for the purposes of funding a
32 multijurisdictional tourism-related facility. Municipalities must use
33 ninety percent or pledge twenty-five percent of the ninety percent of
34 the funds generated every calendar year. All funds pledged for capital
35 expenditures that are not used within five years shall revert back to
36 the lodging tax committee's recommendations as described under this
37 chapter.

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