
ENGROSSED SUBSTITUTE SENATE BILL 6026

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senator West)

READ FIRST TIME 03/10/03.

1 AN ACT Relating to authorizing special assessments to fund
2 convention and tourism promotion; amending RCW 35.87A.010 and
3 35.87A.020; reenacting and amending RCW 43.79A.040; and adding a new
4 section to chapter 35.87A RCW.

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

6 **Sec. 1.** RCW 35.87A.010 and 2000 c 201 s 1 are each amended to read
7 as follows:

8 To aid general economic development and neighborhood
9 revitalization, and to facilitate the cooperation of merchants,
10 businesses, and residential property owners which assists trade,
11 economic viability, and liveability, the legislature hereby authorizes
12 all counties and all incorporated cities and towns, including
13 unclassified cities and towns operating under special charters:

14 (1) To establish, after a petition submitted by the operators
15 responsible for sixty percent of the assessments by businesses and
16 multifamily residential or mixed-use projects within the area, parking
17 and business improvement areas, hereafter referred to as area or areas,
18 for the following purposes:

1 (a) The acquisition, construction or maintenance of parking
2 facilities for the benefit of the area;

3 (b) Decoration of any public place in the area;

4 (c) Sponsorship or promotion of public events which are to take
5 place on or in public places in the area;

6 (d) Furnishing of music in any public place in the area;

7 (e) Providing professional management, planning, and promotion for
8 the area, including the management and promotion of retail trade and
9 tourism activities in the area; or

10 (f) Providing maintenance and security for common, public areas.

11 (2) To levy special assessments on all businesses and multifamily
12 residential or mixed-use projects within the area and specially
13 benefited by a parking and business improvement area to pay in whole or
14 in part the damages or costs incurred therein as provided in this
15 chapter.

16 (3) To impose a convention and tourism promotion charge in the
17 parking and business improvement area as authorized under section 3 of
18 this act, the proceeds of which shall be used for the purpose of
19 funding convention and tourism promotion.

20 **Sec. 2.** RCW 35.87A.020 and 1993 c 429 s 2 are each amended to read
21 as follows:

22 Unless the context clearly requires otherwise, the definitions in
23 this section apply throughout this chapter.

24 (1) "Business" means all types of business, including professions.

25 (2) "Convention and tourism promotion" means (a) activities and
26 expenditures designed to increase tourism and convention business,
27 including but not limited to advertising, publicizing, or otherwise
28 distributing information for the purpose of attracting and welcoming
29 tourists; developing strategies to expand tourism; and operating
30 tourism destination marketing organizations; and (b) the activities
31 under (a) of this subsection that are located in a county with a
32 population greater than four hundred thousand, but less than one
33 million.

34 (3) "Legislative authority" means the legislative authority of any
35 city or town, including unclassified cities or towns operating under
36 special charters, or the legislative authority of any county.

1 (~~(3)~~) (4) "Multifamily residential or mixed-use project" means
2 any building or buildings containing four or more residential units or
3 a combination of residential and commercial units, whether title to the
4 entire property is held in single or undivided ownership or title to
5 individual units is held by owners who also, directly or indirectly
6 through an association, own real property in common with the other unit
7 owners.

8 (~~(4)~~) (5) "Residential operator" means the owner or operator of
9 a multifamily residential or mixed-use project if title is held in
10 single or undivided ownership, or, if title is held in a form of common
11 interest ownership, the association of unit owners, condominium
12 association, homeowners' association, property owners' association, or
13 residential cooperative corporation.

14 NEW SECTION. Sec. 3. A new section is added to chapter 35.87A RCW
15 to read as follows:

16 (1) A legislative authority that has created a parking and business
17 improvement area under this chapter may impose a convention and tourism
18 promotion charge on the furnishing of lodging in the parking and
19 business improvement area, as provided in this section. The charge
20 shall be in addition to any other assessments, fees, or taxes
21 authorized by law, including the special assessment already authorized
22 under this chapter prior to the effective date of this act.

23 (2) The legislative authority may not provide for more than six
24 classifications upon which the charge shall be imposed.
25 Classifications can be based on the number of rooms, room revenue, or
26 location within the area. Each classification may have its own rate,
27 which shall be expressed in terms of nights of stay. In no case may
28 the rate under this section be in excess of two dollars per night of
29 stay. The legislative authority shall provide for exemptions from the
30 charge that parallels any exemptions in regard to furnishing lodging
31 under chapter 82.08 RCW.

32 (3)(a) For administrative ease the charge shall be administered by
33 the department of revenue and shall be collected from those persons who
34 are taxable by the state under chapter 82.08 RCW.

35 (b) Chapter 82.32 RCW applies to the charge imposed under this
36 section.

1 (c) The legislative authority shall contract for, at least seventy-
2 five days prior to the effective date of a resolution or ordinance
3 imposing the charge, the administration and collection by the
4 department of revenue. The remainder of any portion of any charge
5 authorized by this chapter that is collected by the department of
6 revenue shall be deposited by the department of revenue in the
7 convention and tourism promotion account hereby created as an account
8 in the custody of the state treasurer. The state treasurer shall
9 distribute the moneys in the account on a monthly basis to the
10 legislative authority on whose behalf the money was collected.

11 (4) Moneys received from any charge imposed under this section
12 shall be used to fund convention and tourism promotion.

13 (5) The charge imposed under this section is not a tax on the "sale
14 of lodging" as that term is defined in RCW 82.14.410.

15 **Sec. 4.** RCW 43.79A.040 and 2002 c 322 s 5, 2002 c 204 s 7, and
16 2002 c 61 s 6 are each reenacted and amended to read as follows:

17 (1) Money in the treasurer's trust fund may be deposited, invested,
18 and reinvested by the state treasurer in accordance with RCW 43.84.080
19 in the same manner and to the same extent as if the money were in the
20 state treasury.

21 (2) All income received from investment of the treasurer's trust
22 fund shall be set aside in an account in the treasury trust fund to be
23 known as the investment income account.

24 (3) The investment income account may be utilized for the payment
25 of purchased banking services on behalf of treasurer's trust funds
26 including, but not limited to, depository, safekeeping, and
27 disbursement functions for the state treasurer or affected state
28 agencies. The investment income account is subject in all respects to
29 chapter 43.88 RCW, but no appropriation is required for payments to
30 financial institutions. Payments shall occur prior to distribution of
31 earnings set forth in subsection (4) of this section.

32 (4)(a) Monthly, the state treasurer shall distribute the earnings
33 credited to the investment income account to the state general fund
34 except under (b) and (c) of this subsection.

35 (b) The following accounts and funds shall receive their
36 proportionate share of earnings based upon each account's or fund's
37 average daily balance for the period: The Washington promise

1 scholarship account, the college savings program account, the
2 Washington advanced college tuition payment program account, the
3 agricultural local fund, the American Indian scholarship endowment
4 fund, the basic health plan self-insurance reserve account, the
5 Washington state combined fund drive account, the Washington
6 international exchange scholarship endowment fund, the developmental
7 disabilities endowment trust fund, the energy account, the fair fund,
8 the fruit and vegetable inspection account, the game farm alternative
9 account, the grain inspection revolving fund, the juvenile
10 accountability incentive account, the convention and tourism promotion
11 account, the rural rehabilitation account, the stadium and exhibition
12 center account, the youth athletic facility account, the self-insurance
13 revolving fund, the sulfur dioxide abatement account, and the
14 children's trust fund. However, the earnings to be distributed shall
15 first be reduced by the allocation to the state treasurer's service
16 fund pursuant to RCW 43.08.190.

17 (c) The following accounts and funds shall receive eighty percent
18 of their proportionate share of earnings based upon each account's or
19 fund's average daily balance for the period: The advanced right of way
20 revolving fund, the advanced environmental mitigation revolving
21 account, the city and county advance right-of-way revolving fund, the
22 federal narcotics asset forfeitures account, the high occupancy vehicle
23 account, the local rail service assistance account, and the
24 miscellaneous transportation programs account.

25 (5) In conformance with Article II, section 37 of the state
26 Constitution, no trust accounts or funds shall be allocated earnings
27 without the specific affirmative directive of this section.

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