

SENATE BILL REPORT

SB 5220

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, February 19, 2007

Title: An act relating to providing incentives to promote nature-based tourism.

Brief Description: Supporting nature-based tourism.

Sponsors: Senators Jacobsen, Kohl-Welles and Fraser.

Brief History:

Committee Activity: Natural Resources, Ocean & Recreation: 2/05/07, 2/19/07 [DP-WM, w/oRec].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Jacobsen, Chair; Rockefeller, Vice Chair; Morton, Ranking Minority Member; Fraser, Hargrove, Poulsen, Spanel and Swecker.

Minority Report: That it be referred without recommendation.

Signed by Senator Stevens.

Staff: Curt Gavigan (786-7437)

Background: According to figures from a 2004 report from the Department of Fish and Wildlife (DFW), tourism based on wildlife viewing, or nature-based tourism, brings in over one billion dollars to Washington's economy per year.

Pursuant to RCW 67.28, counties and cities may levy taxes on charges for the furnishing of lodging. The revenue from lodging taxes may only be used to pay for tourism promotion, acquisition of tourism-related facilities, or operation of such facilities. The chapter defines tourism promotion as "activities and expenditures designed to increase tourism," such as advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists.

Current law does not expressly authorize the use of revenue from lodging taxes to assist landowners providing public access and wildlife habitat.

Summary of Bill: The legislative body of any municipality may impose, at its option, an excise tax on charges made for the furnishing of lodging. This is a distinct source of revenue from existing lodging taxes. The rate of the tax must not exceed one-half of one percent.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Where both a county and city impose this tax, there is a credit against the county tax for the full amount imposed by a city or town. Thus, the county tax does not apply to lodging transactions to the extent that a city within that county also imposes the tax.

Revenue from this tax must be used to fund agreements with the owners of forest lands, open space lands, farm and agricultural lands, or timber lands to provide public access to private lands and to manage wildlife habitat for the promotion of tourism.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill provides equity since nature tourists, such as birders, fill up hotels while the landowners who provide the wildlife habitat rarely receive any benefit. This would provide a means for local governments to work with and encourage landowners whose land management activities benefit tourism.

CON: Although watchable wildlife is a worthy cause, this bill adds new taxation on top of the already heavily taxed hotel industry. A proposal put forth by the Governor that would provide grants to local governments for tourism enhancement is a better vehicle to promote the intent of this bill. Any legislation relating to the use of lodging tax moneys should contain criteria for how revenues should be used and to make sure it will actually promote tourism.

Persons Testifying: PRO: Michael O'Malley, DFW.

CON: Becky Bogard, Washington Association of Convention and Visitors Bureau; Greg Taylor, Phoenix Inn & Suites; T.K. Bentler, Washington State Hotel & Lodging Association.