

FINAL BILL REPORT

SSB 5568

C 189 L 07

Synopsis as Enacted

Brief Description: Extending the date when counties east of the crest of the Cascade mountains that pledged lodging tax revenue for payment of bonds prior to June 26, 1975, must allow a credit for city lodging taxes.

Sponsors: Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Rasmussen, Clements, Shin, Schoesler, Jacobsen, Morton, Holmquist and Honeyford).

Senate Committee on Agriculture & Rural Economic Development
Senate Committee on Ways & Means
House Committee on Finance

Background: Both cities and counties may impose a hotel-motel tax, but a county imposing a hotel-motel tax must allow a credit for any hotel-motel tax imposed by a city. Accordingly, both city and county hotel-motel taxes may not be imposed in the same lodging transaction. An exemption permits Yakima County to impose a hotel-motel tax simultaneously with the City of Yakima in the same lodging transaction. This exemption ends January 1, 2013.

The City of Yakima and Yakima County used revenue from hotel-motel taxes they imposed to finance an arena, the SunDome, at the Central Washington State Fair. Yakima County now proposes to use hotel-motel tax revenue to finance a fair multipurpose facility and to renovate aging fair buildings. To do so, advocates request legislation extending the exemption to the hotel-motel tax credit requirement to 2021.

Summary: The exemption to the requirement that a city hotel-motel tax be credited against a county hotel-motel tax in any county east of the crest of the Cascades that has, prior to June 26, 1975, pledged the tax revenue for payment of city bonds (i.e., Yakima County) is extended from January 1, 2013, to January 1, 2021. The county may only use hotel-motel tax revenue for constructing or improving county-owned facilities for agricultural promotion or (after January 1, 2009) other authorized tourism-related facilities. The county must perform an annual financial audit of organizations receiving hotel-motel tax revenue on the use of the revenue.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: July 22, 2007