

ESHB 1253 - S COMM AMD

By Committee on Trade & Economic Development

OUT OF ORDER 04/15/2013

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 67.28.1816 and 2008 c 28 s 1 are each amended to read
4 as follows:

5 (1) Lodging tax revenues under this chapter may be used, directly
6 by ~~((local jurisdictions))~~ any municipality or indirectly through a
7 convention and visitors bureau or destination marketing
8 organization~~((r))~~ for:

9 (a) Tourism marketing;

10 (b) The marketing and operations of special events and festivals
11 designed to attract tourists ~~((and to support))~~;

12 (c) Supporting the operations and capital expenditures of tourism-
13 related facilities owned or operated by a municipality or a public
14 facilities district created under chapters 35.57 and 36.100 RCW; or

15 (d) Supporting the operations of tourism-related facilities owned
16 or operated by nonprofit organizations described under ~~((section))~~ 26
17 U.S.C. Sec. 501(c)(3) and ~~((section))~~ 26 U.S.C. Sec. 501(c)(6) of the
18 internal revenue code of 1986, as amended.

19 (2) ~~((Local jurisdictions that use the lodging tax revenues under~~
20 ~~this section must submit an annual economic impact report to the~~
21 ~~department of community, trade, and economic development for~~
22 ~~expenditures made beginning January 1, 2008. These reports must~~
23 ~~include the expenditures by the local jurisdiction for tourism~~
24 ~~promotion purposes and what is used by a nonprofit organization exempt~~
25 ~~from taxation under 26 U.S.C. Sec. 501(c)(3) or 501(c)(6). This~~
26 ~~economic impact report, at a minimum, must include: (a) The total~~
27 ~~revenue received under this chapter for each year; (b) the list of~~
28 ~~festivals, special events, or nonprofit 501(c)(3) or 501(c)(6)~~
29 ~~organizations that received funds under this chapter; (c) the list of~~
30 ~~festivals, special events, or tourism facilities sponsored or owned by~~

1 the local jurisdiction that received funds under this chapter; (d) the
2 amount of revenue expended on each festival, special event, or
3 tourism-related facility owned or sponsored by a nonprofit 501(c)(3) or
4 501(c)(6) organization or local jurisdiction; (e) the estimated number
5 of tourists, persons traveling over fifty miles to the destination,
6 persons remaining at the destination overnight, and lodging stays
7 generated per festival, special event, or tourism-related facility
8 owned or sponsored by a nonprofit 501(c)(3) or 501(c)(6) organization
9 or local jurisdiction; and (f) any other measurements the local
10 government finds that demonstrate the impact of the increased tourism
11 attributable to the festival, special event, or tourism-related
12 facility owned or sponsored by a nonprofit 501(c)(3) or 501(c)(6)
13 organization or local jurisdiction.

14 (3) The joint legislative audit and review committee must report to
15 the legislature and the governor on the use and economic impact of
16 lodging tax revenues by local jurisdictions since January 1, 2008, to
17 support festivals, special events, and tourism-related facilities owned
18 or sponsored by a nonprofit organization under section 501(c)(3) or
19 501(c)(6) of the internal revenue code of 1986, as amended, or a local
20 jurisdiction, and the economic impact generated by these festivals,
21 events, and facilities. This report shall be due September 1, 2012.

22 (4) Reporting under this section must begin with calendar year
23 2008.

24 (5) This section expires June 30, 2013.) (a) Except as provided in
25 (b) of this subsection, applicants applying for use of revenues in this
26 chapter must provide the municipality to which they are applying
27 estimates of how any moneys received will result in increases in the
28 number of people traveling for business or pleasure on a trip:

29 (i) Away from their place of residence or business and staying
30 overnight in paid accommodations;

31 (ii) To a place fifty miles or more one way from their place of
32 residence or business for the day or staying overnight; or

33 (iii) From another country or state outside of their place of
34 residence or their business.

35 (b)(i) In a municipality with a population of five thousand or
36 more, applicants applying for use of revenues in this chapter must
37 submit their applications and estimates described under (a) of this
38 subsection to the local lodging tax advisory committee.

1 (ii) The local lodging tax advisory committee must select the
2 candidates from amongst the applicants applying for use of revenues in
3 this chapter and provide a list of such candidates and recommended
4 amounts of funding to the municipality for final determination. The
5 municipality may choose only recipients from the list of candidates and
6 recommended amounts provided by the local lodging tax advisory
7 committee.

8 (c)(i) All recipients must submit a report to the municipality
9 describing the actual number of people traveling for business or
10 pleasure on a trip:

11 (A) Away from their place of residence or business and staying
12 overnight in paid accommodations;

13 (B) To a place fifty miles or more one way from their place of
14 residence or business for the day or staying overnight; or

15 (C) From another country or state outside of their place of
16 residence or their business. A municipality receiving a report must:
17 Make such report available to the local legislative body and the
18 public; and furnish copies of the report to the department of commerce
19 and members of the local lodging tax advisory committee.

20 (ii) The joint legislative audit and review committee must on a
21 biennial basis report to the economic development committees of the
22 legislature on the use and economic impact of lodging tax revenues by
23 municipalities based on the reports furnished to the department of
24 commerce under (c)(i) of this subsection. Reporting under this
25 subsection must begin in calendar year 2015.

26 **Sec. 2.** RCW 67.28.080 and 2007 c 497 s 1 are each reenacted and
27 amended to read as follows:

28 The definitions in this section apply throughout this chapter
29 unless the context clearly requires otherwise.

30 (1) "Acquisition" includes, but is not limited to, siting,
31 acquisition, design, construction, refurbishing, expansion, repair, and
32 improvement, including paying or securing the payment of all or any
33 portion of general obligation bonds, leases, revenue bonds, or other
34 obligations issued or incurred for such purpose or purposes under this
35 chapter.

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

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

3 (4) "Person" means the federal government or any agency thereof,
4 the state or any agency, subdivision, taxing district or municipal
5 corporation thereof other than county, city or town, any private
6 corporation, partnership, association, or individual.

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

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

17 (7) "Tourism-related facility" means real or tangible personal
18 property with a usable life of three or more years, or constructed with
19 volunteer labor that is: (a)(i) Owned by a public entity; (ii) owned
20 by a nonprofit organization described under section 501(c)(3) of the
21 federal internal revenue code of 1986, as amended; or (iii) owned by a
22 nonprofit organization described under section 501(c)(6) of the federal
23 internal revenue code of 1986, as amended, a business organization,
24 destination marketing organization, main street organization, lodging
25 association, or chamber of commerce and (b) used to support tourism,
26 performing arts, or to accommodate tourist activities.

27 ~~((8) "Tourist" means a person who travels from a place of
28 residence to a different town, city, county, state, or country, for
29 purposes of business, pleasure, recreation, education, arts, heritage,
30 or culture.~~

31 ~~(9) Amendments made in section 1, chapter 497, Laws of 2007 expire
32 June 30, 2013.)~~

33 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
34 preservation of the public peace, health, or safety, or support of the
35 state government and its existing public institutions, and takes effect
36 July 1, 2013."

OUT OF ORDER 04/15/2013

1 On page 1, line 1 of the title, after "tax;" strike the remainder
2 of the title and insert "amending RCW 67.28.1816; reenacting and
3 amending RCW 67.28.080; providing an effective date; and declaring an
4 emergency."

EFFECT: Removes the June 30, 2013, sunset clause;

Provides that lodging tax revenues may be used to fund (1) tourism marketing, (2) the marketing and operations of special events and festivals designed to attract tourists, (3) the operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district, and (4) the operations of tourism-related facilities owned by nonprofit organizations;

Provides that when applicants apply for funding they must give estimates on how the moneys they receive will increase the number of tourists visiting the municipality including anticipated overnight stays;

Requires applicants in a municipality with a population of over 5,000 to submit their applications to the local tax advisory committee for initial funding determination;

Requires municipalities to select final recipients for funding based on the list provided by the local tax advisory committee;

Requires recipients to submit a report to the municipality comparing the estimated tourism benefits with the actual outcomes to the municipality;

Requires JLARC to conduct a biennial economic impact study of the lodging tax revenue expenditures beginning in 2015; and

Amends the definition of tourist.

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