

ESHB 1253 - S COMM AMD
By Committee on Ways & Means

ADOPTED 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 joint legislative audit
19 and review committee and members of the local lodging tax advisory
20 committee.

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

25 (d) This section does not apply to the revenues of any lodging tax
26 authorized under this chapter imposed by a county with a population of
27 one million five hundred thousand or more.

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

30 The definitions in this section apply throughout this chapter
31 unless the context clearly requires otherwise.

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

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

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

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

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

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

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

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

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

35 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
36 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 July 1, 2013."

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

EFFECT: Removes the requirement that JLARC do an economic impact study on all the uses of the lodging taxes. Instead they will do a report on all the information they receive from local governments as to the uses of the funds. King County is removed from the reporting requirements in the bill. Inadvertent references to the department of commerce are removed.

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