

HOUSE BILL REPORT

HB 1279

As Reported by House Committee On:
Community Development, Housing & Tribal Affairs
Finance

Title: An act relating to local tourism promotion areas.

Brief Description: Modifying the definition of legislative authority for purposes of local tourism promotion areas.

Sponsors: Representatives Kochmar and Gregory.

Brief History:

Committee Activity:

Community Development, Housing & Tribal Affairs: 1/26/15, 2/2/15 [DP];
Finance: 2/13/15, 2/17/15 [DP].

Brief Summary of Bill

- Eliminates the requirement that certain cities in a county with a population of 1 million or more act jointly for purposes of establishing and operating tourism promotion areas.

HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT, HOUSING & TRIBAL AFFAIRS

Majority Report: Do pass. Signed by 7 members: Representatives Appleton, Chair; Robinson, Vice Chair; Johnson, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Hawkins, Sawyer and Van De Wege.

Staff: Kirsten Lee (786-7133).

Background:

In 2003 the Legislature authorized the creation of tourism promotion areas. Legislative authorities of counties with populations between 40,000 and 1 million, and all incorporated cities and towns located in such counties, were authorized to establish tourism promotion areas and impose a charge on lodging to increase tourism and conventions within such areas.

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.

A fee may be assessed on lodging businesses of up to \$2 per night of stay. Funding must be used for advertising, publicizing, or otherwise distributing information to attract and welcome tourists, and operating tourism destination marketing organizations, to increase convention and tourism business.

In 2009 tourism promotion areas in a county with a population of 1 million or more were authorized. A "legislative authority" for such a county is two or more jurisdictions acting under an interlocal agreement to jointly establish and operate a tourism promotion area.

Summary of Bill:

The requirement for jurisdictions within a county with a population of 1 million or more to act jointly for the purposes of establishing and operating a tourism promotion area is eliminated for cities incorporated after January 1990 with a population greater than 89,000. The "legislative authority" for these cities is the city's legislative authority.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The city of Federal Way cannot use the existing tourism promotion area tool, unless it is in partnership with another city. The city has a robust hotel sector and is distinct from other cities because it has an arts industry, so it is important to establish a tourism promotion area. At this time, there are no cities adjacent to Federal Way that are interested in joining the city to establish a tourism promotion area.

(Opposed) None.

Persons Testifying: Representative Kochmar, prime sponsor; and Jeanne Burbidge, City of Federal Way.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 14 members: Representatives Carlyle, Chair; Tharinger, Vice Chair; Nealey, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Fitzgibbon, Manweller, Reykdal, Robinson, Ryu, Springer, Stokesbary, Vick, Wilcox and Wylie.

Minority Report: Without recommendation. Signed by 1 member: Representative Condotta.

Staff: Dominique Meyers (786-7150)

Summary of Recommendation of Committee On Finance Compared to Recommendation of Committee On Community Development, Housing & Tribal Affairs:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is an important bill for the city of Federal Way. The city is in a unique location surrounded by very small cities that currently do not want to join Federal Way to create a tourism promotion area (TPA). This is a very important feature for the hotels in our city, which has a very robust tourism industry. This will help support local hotels and increase job growth in the city. Most cities have the ability to create a TPA without the need of an interlocal agreement but this is not an option for Federal Way. Unlike other larger cities in the county, Federal Way does not have any neighboring city that has the desire to join the city to create a TPA because they are much smaller with less tourism activities compared to Federal Way. Over 60 percent of hoteliers in the city are in support of creating a TPA in the city. There has been no success in partnering with another city for a TPA, but Federal Way and the hoteliers feel strongly that this will have a positive impact on tourism in the city.

(Opposed) None.

Persons Testifying: Representative Kochmar, prime sponsor; Jeanne Burbidge, City of Federal Way; and Ryan Miller, Hampton Inn and Suites.

Persons Signed In To Testify But Not Testifying: None.