

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5647

60th Legislature
2007 Regular Session

Passed by the Senate April 17, 2007
YEAS 41 NAYS 8

President of the Senate

Passed by the House April 12, 2007
YEAS 73 NAYS 25

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5647** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5647

AS AMENDED BY THE HOUSE

Passed Legislature - 2007 Regular Session

State of Washington 60th Legislature 2007 Regular Session

By Senate Committee on Economic Development, Trade & Management
(originally sponsored by Senators Fraser, Morton, McAuliffe, Fairley,
Swecker, Regala, Hatfield, Spanel, Rockefeller, Kohl-Welles and
Rasmussen)

READ FIRST TIME 02/23/07.

1 AN ACT Relating to clarifying the use of existing lodging tax
2 revenues for tourism promotion; amending RCW 67.28.080; adding a new
3 section to chapter 67.28 RCW; and providing expiration dates.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 67.28.080 and 1997 c 452 s 2 are each amended to read
6 as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

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

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

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

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

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

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

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

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

29 (9) Amendments made in section 1 of this act (chapter . . ., Laws
30 of 2007) expire June 30, 2013.

31 NEW SECTION. Sec. 2. A new section is added to chapter 67.28 RCW
32 to read as follows:

33 (1) Lodging tax revenues under this chapter may be used, directly
34 by local jurisdictions or indirectly through a convention and visitors
35 bureau or destination marketing organization, for the marketing and
36 operations of special events and festivals and to support the

1 operations and capital expenditures of tourism-related facilities owned
2 by nonprofit organizations described under 501(c)(3) and 501(c)(6) of
3 the internal revenue code of 1986, as amended.

4 (2) Local jurisdictions that use the lodging tax revenues under
5 this section must submit an annual economic impact report for these
6 expenditures to the department of community, trade, and economic
7 development beginning January 1, 2008. This economic impact report, at
8 a minimum, must include: (a) The total revenue received under this
9 chapter for each year; (b) the list of festivals, special events, or
10 nonprofit 501(c)(3) or 501(c)(6) organizations that received funds
11 under this chapter; (c) the amount of revenue expended on each
12 festival, special event, or tourism-related facility owned by a
13 nonprofit 501(c)(3) or 501(c)(6) organization; (d) the estimated number
14 of tourists, persons traveling over fifty miles to the destination,
15 persons remaining at the destination overnight, and lodging stays
16 generated per festival, special event, or tourism-related facility
17 owned by a nonprofit 501(c)(3) or 501(c)(6) organization; (e) an
18 estimated increase in sales and use tax revenues attributable to the
19 special event, festival, or tourism-related facility owned by a
20 nonprofit 501(c)(3) or 501(c)(6) organization; and (f) any other
21 measurements the local government finds that demonstrate the impact of
22 the increased tourism attributable to the festival, special event, or
23 tourism-related facility owned by a nonprofit 501(c)(3) or 501(c)(6)
24 organization.

25 (3) The joint legislative audit and review committee must report to
26 the legislature and the governor on the use and economic impact of
27 lodging tax revenues by local jurisdictions since the effective date of
28 this act to support festivals, special events, and tourism-related
29 facilities owned by a nonprofit organization under section 501(c)(3) or
30 501(c)(6) of the internal revenue code of 1986, as amended, and the
31 economic impact generated by these festivals, events, and facilities.
32 This report shall be due September 1, 2012.

33 (4) This section expires June 30, 2013.

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