

SENATE BILL REPORT

SB 5551

As Reported By Senate Committee On:
Ways & Means, February 21, 1995

Title: An act relating to the excise taxation of lodging.

Brief Description: Authorizing special taxation of lodging.

Sponsors: Senators Sellar and Snyder.

Brief History:

Committee Activity: Ways & Means: 2/14/95, 2/21/95 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5551 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Cantu, Drew, Finkbeiner, Fraser, Hochstatter, Johnson, Long, McDonald, Moyer, Roach, Sheldon, Snyder, Spanel, Strannigan, West, Winsley and Wojahn.

Staff: Terry Wilson (786-7715)

Background: Cities and counties are authorized to levy a special excise tax of up to 2 percent on the furnishing of lodging by hotels and motels to help finance stadium facilities, convention center facilities, performing arts center facilities, and visual arts center facilities or to secure the payment of bonds issued for these purposes. City taxes are credited against county taxes, and city and county taxes are credited against the state sales tax on the furnishing of lodging.

In addition to the general tax authorization, specific taxes are authorized for various cities and counties for various purposes. These taxes are in addition to state and local sales taxes.

Summary of Substitute Bill: The legislative body of any city with a population of at least 3,000, but less than 4,000, located in a county east of the crest of the Cascade mountains with a population of at least 50,000, but less than 60,000, may levy an additional excise tax up to 3 percent on the furnishing of lodging. This tax is in addition to state and local sales taxes. Moneys collected from this tax may only be used for tourism promotion.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which the bill passed.

Testimony For: The Hotel/Motel Association initiated and unanimously supports this bill. We want Chelan to be a year-around tourist destination and need help with marketing efforts. We have been developing public trails and paths and cross-country skiing trails. The wild fires in 1994 were devastating to business because of inaccurate news reporting on the damage to the lake. We need to get correct information to the public.

Testimony Against: None.

Testified: Senator Sellar, prime sponsor (pro); Loni Rahm, Randy Green, Lake Chelan Chamber of Commerce (pro); Pat Earley, Lake Chelan Recreation Association (pro); Stella Walker, Caronet Resort Lodge (pro).