

# SENATE BILL REPORT

## SB 6241

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As Reported By Senate Committee On:  
Ways & Means, January 24, 1996

**Title:** An act relating to hotel and motel taxes in certain towns.

**Brief Description:** Allowing certain towns to maintain hotel/motel taxes for tourism promotion.

**Sponsors:** Senators Sellar and Snyder.

**Brief History:**

**Committee Activity:** Ways & Means: 1/23/96, 1/24/96 [DPS].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6241 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Fraser, Hargrove, Johnson, Long, McDonald, Moyer, Roach, Sheldon, Spanel, West and Winsley.

**Staff:** David Schumacher (786-7715)

**Background:** Cities and counties are authorized to levy up to a 2 percent special excise tax on the furnishing of lodging by hotels and motels, known as the "state shared" hotel motel tax. The revenues from this tax may be used 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. The city tax is credited against the county tax and both the city and county taxes are credited against the state tax.

In addition, specific excise taxes are also authorized for various cities and counties for various specified purposes. These "special" hotel motel taxes are in addition to state and local taxes.

**Summary of Substitute Bill:** The legislative body of any town with a population of at least 325, but less than 550, in a county that borders the northeastern slope of the Cascade mountains with a population of at least 36,000 but less than 42,000 may levy an additional excise tax of up to 3 percent on the furnishing of lodging.

Moneys collected from this tax may be used only for the purpose of tourism promotion.

This tax is in addition to state and local sales taxes.

Based on current population, the city of Winthrop in Okanogan County is eligible to impose this tax.

A city with a population between 10,000 and 25,000 in a county with population greater than 75,000, in which county is located a national monument, is allowed to use the proceeds from the 2 percent "state shared" hotel/motel tax for street banners to attract and welcome tourists. Based on current population, Kelso is eligible to impose this tax.

A city with population between 45,000 and 60,000 in a county with a population between 100,000 and 145,000 is allowed to levy an "additional" 2 percent hotel/motel tax for the purpose of constructing and operating a convention center. Based on current population, Kennewick is eligible to impose this tax.

**Substitute Bill Compared to the Original Bill:** The original bill did not include the provisions for Kelso or Kennewick.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** Jim Justin, Association of Washington Cities (pro).