
SUBSTITUTE SENATE BILL 6446

State of Washington

62nd Legislature

2012 Regular Session

By Senate Ways & Means (originally sponsored by Senators Fraser, Morton, Regala, and Kohl-Welles)

READ FIRST TIME 02/07/12.

1 AN ACT Relating to the lodging tax; amending RCW 67.28.1816;
2 reenacting and amending RCW 67.28.080; and providing expiration dates.

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

4 **Sec. 1.** RCW 67.28.1816 and 2008 c 28 s 1 are each amended to read
5 as follows:

6 (1) Lodging tax revenues under this chapter may be used, directly
7 by local jurisdictions or indirectly through a convention and visitors
8 bureau or destination marketing organization, for the marketing and
9 operations of special events and festivals and to support the
10 operations and capital expenditures of tourism-related facilities owned
11 by nonprofit organizations described under section 501(c)(3) and
12 section 501(c)(6) of the internal revenue code of 1986, as amended.

13 (2) Local jurisdictions that use the lodging tax revenues under
14 this section must submit an annual economic impact report to the
15 department of (~~community, trade, and economic development~~) commerce
16 for expenditures made beginning January 1, 2008, and each January
17 thereafter. These reports must include the expenditures by the local
18 jurisdiction for tourism promotion purposes and what is used by a
19 nonprofit organization exempt from taxation under 26 U.S.C. Sec.

1 501(c)(3) or 501(c)(6). This economic impact report, at a minimum,
2 must include: (a) The total revenue received under this chapter for
3 each year; (b) the list of festivals, special events, or nonprofit
4 501(c)(3) or 501(c)(6) organizations that received funds under this
5 chapter; (c) the list of festivals, special events, or tourism
6 facilities sponsored or owned by the local jurisdiction that received
7 funds under this chapter; (d) the amount of revenue expended on each
8 festival, special event, or tourism-related facility owned or sponsored
9 by a nonprofit 501(c)(3) or 501(c)(6) organization or local
10 jurisdiction; (e) the estimated number of tourists, persons traveling
11 over fifty miles to the destination, persons remaining at the
12 destination overnight, and lodging stays generated per festival,
13 special event, or tourism-related facility owned or sponsored by a
14 nonprofit 501(c)(3) or 501(c)(6) organization or local jurisdiction;
15 and (f) any other measurements the local government finds that
16 demonstrate the impact of the increased tourism attributable to the
17 festival, special event, or tourism-related facility owned or sponsored
18 by a nonprofit 501(c)(3) or 501(c)(6) organization or local
19 jurisdiction.

20 ~~(3) ((The joint legislative audit and review committee must report~~
21 ~~to the legislature and the governor on the use and economic impact of~~
22 ~~lodging tax revenues by local jurisdictions since January 1, 2008, to~~
23 ~~support festivals, special events, and tourism-related facilities owned~~
24 ~~or sponsored by a nonprofit organization under section 501(c)(3) or~~
25 ~~501(c)(6) of the internal revenue code of 1986, as amended, or a local~~
26 ~~jurisdiction, and the economic impact generated by these festivals,~~
27 ~~events, and facilities. This report shall be due September 1, 2012.~~

28 ~~(4) Reporting under this section must begin with calendar year~~
29 ~~2008)) By December 15th of each year, the department of commerce must~~
30 ~~compile the results of the economic impact reports to determine the~~
31 ~~economic impact of lodging revenues used to support festivals, special~~
32 ~~events, and tourism-related facilities owned or sponsored by a~~
33 ~~nonprofit organization and submit the results to the appropriate~~
34 ~~committees of the legislature.~~

35 (4) Each February, the department of commerce, with assistance from
36 associations representing cities and counties, must send notice to all
37 local jurisdictions who have failed to submit their report, as required

1 under this section, notifying them of their reporting requirement under
2 this section and notifying them of their delinquent status.

3 (5) This section expires (~~June 30, 2013~~) December 31, 2014.

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

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

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

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

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

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

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

25 (6) "Tourism promotion" means activities, operations, and
26 expenditures designed to increase tourism, including but not limited to
27 advertising, publicizing, or otherwise distributing information for the
28 purpose of attracting and welcoming tourists; developing strategies to
29 expand tourism; operating tourism promotion agencies; and funding the
30 marketing of or the operation of special events and festivals designed
31 to attract tourists.

32 (7) "Tourism-related facility" means real or tangible personal
33 property with a usable life of three or more years, or constructed with
34 volunteer labor that is: (a)(i) Owned by a public entity; (ii) owned
35 by a nonprofit organization described under section 501(c)(3) of the
36 federal internal revenue code of 1986, as amended; or (iii) owned by a
37 nonprofit organization described under section 501(c)(6) of the federal

1 internal revenue code of 1986, as amended, a business organization,
2 destination marketing organization, main street organization, lodging
3 association, or chamber of commerce and (b) used to support tourism,
4 performing arts, or to accommodate tourist activities.

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

8 (9) Amendments made in section 1, chapter 497, Laws of 2007 expire
9 (~~June 30, 2013~~) December 31, 2014.

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