

SENATE BILL REPORT

SB 5776

As Reported By Senate Committee On:
Agriculture & Rural Economic Development, February 22, 2005

Title: An act relating to extending the date when counties which have authorized facilities for agriculture promotion must allow a credit for city lodging taxes.

Brief Description: Extending the date when counties which have authorized facilities for agriculture promotion must allow a credit for city lodging taxes.

Sponsors: Senators Rasmussen, Deccio, Jacobsen, Mulliken, Shin, Zarelli, Hewitt, Morton and Honeyford.

Brief History:

Committee Activity: Agriculture & Rural Economic Development: 2/15/05, 2/22/05 [DPS-WM].

SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5776 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Rasmussen, Chair; Shin, Vice Chair; Schoesler, Ranking Minority Member; Delvin, Jacobsen, Morton and Sheldon.

Staff: Sam Thompson (786-7413)

Background: Both cities and counties may impose a hotel-motel tax, but a county imposing a hotel-motel tax must allow a credit for any hotel-motel tax imposed by a city. Accordingly, both city and county hotel-motel taxes may not be imposed in the same lodging transaction. An exemption effectively permits Yakima County to impose a hotel-motel tax simultaneously with the City of Yakima in the same lodging transaction. This exemption ends January 1, 2013.

The City of Yakima and Yakima County used revenue from hotel-motel taxes they imposed to finance an arena, the SunDome, at the Central Washington State Fair. Yakima County now proposes to use hotel-motel tax revenue to finance a fair multipurpose facility and renovate aging fair buildings. To do so, advocates request legislation extending the exemption to the hotel-motel tax credit requirement to 2021.

Summary of Substitute Bill: The exemption to the requirement that a city hotel-motel tax be credited against a county hotel-motel tax in counties that have financed and developed facilities for agricultural promotion (i.e., Yakima County) is extended from January 1, 2013, to January 1, 2021.

Substitute Bill Compared to Original Bill: Clarifying changes are intended to limit applicability of the bill to Yakima County.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: Yakima County's exemption should be extended to 2021, matching the expiration date currently applying in King County. This legislation is necessary to finance a new multipurpose arena and improve existing buildings. Upgrading of any Washington fair's facilities has a "ripple effect," helping other fairs.

Testimony Against: None.

Who Testified: PRO: Greg Stewart and Ron Newbry, Central Washington State Fair Association; Heather Hansen, Washington State Fairs Association.