

SENATE BILL REPORT

SB 5005

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, February 2, 2006

Title: An act relating to nature-based tourism.

Brief Description: Supporting nature-based tourism.

Sponsors: Senators Jacobsen, Oke, Kline, Parlette, Fraser and Shin.

Brief History:

Committee Activity: Natural Resources, Ocean & Recreation: 2/1/06, 2/2/06 [DP2S, DNP].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: That Second Substitute Senate Bill No. 5005 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Jacobsen, Chair; Doumit, Vice Chair; Oke, Ranking Minority Member; Fraser, Hargrove and Spanel.

Minority Report: Do not pass.

Signed by Senators Morton and Stevens.

Staff: Curt Gavigan (786-7437)

Background: Tourism based on wildlife viewing is the fastest growing segment of Washington State's tourism industry, contributing well over one billion dollars to the economy per year. Working farms, woodlands, and open space lands provide a significant portion of the wildlife habitat that attracts tourists to the state.

Under RCW 67.28, counties and cities may levy taxes on charges for the furnishing of lodging. The revenue from lodging taxes may only be used to pay for tourism promotion, acquisition of tourism-related facilities, or operation of such facilities. The chapter defines tourism promotion as "activities and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of special events and festivals designed to attract tourists." Current law does not expressly authorize the use of revenue from lodging taxes to assist landowners providing wildlife habitat.

Summary of Second Substitute Bill: The legislative body of any municipality may impose, at its option, an excise tax on charges made for the furnishing of lodging. This is a distinct source of revenue from existing lodging taxes. The rate of the tax must not exceed one-half of one percent.

Where both a county and city impose this tax, there is a credit against the county tax for the full amount imposed by a city or town. Thus, the county tax does not apply to lodging transactions to the extent that a city within that county also imposes the tax.

Revenue from this tax must be used to fund agreements with the owners of forest lands, open space lands, farm and agricultural lands, or timber lands to provide public access to private lands and to manage wildlife habitat for the promotion of tourism.

Second Substitute Bill Compared to Original Bill: The original bill amended the definition of the term "tourism promotion" to include payments to the owners of farms, forests, and open lands for habitat management that promotes wildlife tourism. The substitute bill, however, creates a new source of local revenue for funding landowner activities that promote nature-based tourism.

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: Wildlife viewing, or nature based tourism, is the fastest growing recreational activity in the state and brings a great deal of money to the state's economy. This bill provides a tool by which local governments may encourage this type of tourism in the state.

Testimony Against: The local lodging tax monies should go only for activities that promote tourism to the state, not for the development of infrastructure. There is concern that this bill circumvents local lodging tax advisory committees and constitutes a gift of public funds.

Who Testified: PRO: Heath Packard, Audubon.

CON: T.K. Bentler, Washington State Hotel and Lodging Association.