

SSB 5647 - H COMM AMD

By Committee on Community & Economic Development & Trade

ADOPTED AS AMENDED 04/12/2007

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 67.28.080 and 1997 c 452 s 2 are each amended to read
4 as follows:

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

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

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

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

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

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

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

1 (7) "Tourism-related facility" means real or tangible personal
2 property with a usable life of three or more years, or constructed with
3 volunteer labor((7)) that is: (a)(i) Owned by a public entity; (ii)
4 owned by a nonprofit organization described under section 501(c)(3) of
5 the federal internal revenue code of 1986, as amended; or (iii) owned
6 by a nonprofit organization described under section 501(c)(6) of the
7 federal internal revenue code of 1986, as amended, a business
8 organization, destination marketing organization, main street
9 organization, lodging association, or chamber of commerce and (b) used
10 to support tourism, performing arts, or to accommodate tourist
11 activities.

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

15 NEW SECTION. Sec. 2. A new section is added to chapter 67.28 RCW
16 to read as follows:

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

24 (2) Local jurisdictions that use the lodging tax revenues under
25 this section must submit an annual economic impact report for these
26 expenditures to the department of community, trade, and economic
27 development beginning January 1, 2008. This economic impact report, at
28 a minimum, must include: (a) The total revenue received under this
29 chapter for each year; (b) the list of festivals, special events, or
30 nonprofit 501(c)(3) or 501(c)(6) organizations that received funds
31 under this chapter; (c) the amount of revenue expended on each
32 festival, special event, or tourism-related facility owned by a
33 nonprofit 501(c)(3) or 501(c)(6) organization; (d) the estimated number
34 of tourists and lodging stays generated per festival, special event, or
35 tourism-related facility owned by a nonprofit 501(c)(3) or 501(c)(6)
36 organization; (e) an estimated increase in sales and use tax revenues
37 attributable to the special event, festival, or tourism-related

1 facility owned by a nonprofit 501(c)(3) or 501(c)(6) organization; and
2 (f) any other measurements the local government finds that demonstrate
3 the impact of the increased tourism attributable to the festival,
4 special event, or tourism-related facility owned by a nonprofit
5 501(c)(3) or 501(c)(6) organization.

6 (3) The joint legislative audit and review committee must report to
7 the legislature and the governor on the use and economic impact of
8 lodging tax revenues by local jurisdictions since the effective date of
9 this act to support festivals, special events, and tourism-related
10 facilities owned by a nonprofit organization under section 501(c)(3) or
11 501(c)(6) of the internal revenue code of 1986, as amended, and the
12 economic impact generated by these festivals, events, and facilities.
13 This report shall be due September 1, 2012.

14 NEW SECTION. **Sec. 3.** This act expires June 30, 2013."

15 Correct the title.

EFFECT: (1) Clarifies 501(c)(6) like organizations such as
business organizations, destination marketing organizations, main
street organizations, lodging associations, and chambers of commerce
may operate a tourism-related facility.

(2) Allows a local jurisdiction's lodging tax to be used for the
operation and marketing of festivals and special events as well as the
operations and capital expenditures of tourism-related facilities owned
by a nonprofit 501(c)(3) organization. Requires annual accountability
reports on the use of funds for festivals, special events, and tourism-
related facilities owned by a 501(c)(3) or 501(c)(6) nonprofit
organization. Requires a report by the Joint Legislative Audit and
Review Committee to the Legislature and the Governor by September 1,
2012, regarding the expenditures and economic impact of the festivals,
special events, and tourism-related facilities owned by a 501(c)(3) or
501(c)(6) nonprofit organization.

(3) Expires the authorization for lodging tax revenues to be used
for festivals, special events, and tourism-related facilities owned by
a 501(c)(3) or 501(c)(6) nonprofit organization on June 30, 2013.

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