
SUBSTITUTE SENATE BILL 5262

State of Washington

63rd Legislature

2013 Regular Session

By Senate Trade & Economic Development (originally sponsored by Senators Fraser, Dammeier, Ranker, King, Eide, Becker, Hasegawa, and Shin)

READ FIRST TIME 02/22/13.

1 AN ACT Relating to the lodging tax; amending RCW 67.28.1816;
2 reenacting and amending RCW 67.28.080; providing an effective date; and
3 declaring an emergency.

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

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

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

15 ~~(2) ((Local jurisdictions that use the lodging tax revenues under~~
16 ~~this section must submit an annual economic impact report to the~~
17 ~~department of community, trade, and economic development for~~
18 ~~expenditures made beginning January 1, 2008. These reports must~~
19 ~~include the expenditures by the local jurisdiction for tourism~~

1 promotion purposes and what is used by a nonprofit organization exempt
2 from taxation under 26 U.S.C. Sec. 501(c)(3) or 501(c)(6). This
3 economic impact report, at a minimum, must include: (a) The total
4 revenue received under this chapter for each year; (b) the list of
5 festivals, special events, or nonprofit 501(c)(3) or 501(c)(6)
6 organizations that received funds under this chapter; (c) the list of
7 festivals, special events, or tourism facilities sponsored or owned by
8 the local jurisdiction that received funds under this chapter; (d) the
9 amount of revenue expended on each festival, special event, or
10 tourism-related facility owned or sponsored by a nonprofit 501(c)(3) or
11 501(c)(6) organization or local jurisdiction; (e) the estimated number
12 of tourists, persons traveling over fifty miles to the destination,
13 persons remaining at the destination overnight, and lodging stays
14 generated per festival, special event, or tourism-related facility
15 owned or sponsored by a nonprofit 501(c)(3) or 501(c)(6) organization
16 or local jurisdiction; and (f) any other measurements the local
17 government finds that demonstrate the impact of the increased tourism
18 attributable to the festival, special event, or tourism-related
19 facility owned or sponsored by a nonprofit 501(c)(3) or 501(c)(6)
20 organization or local jurisdiction.

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

29 (4) Reporting under this section must begin with calendar year
30 2008.

31 (5) This section expires June 30, 2013.)) (a) Except as provided in
32 (b) of this subsection, applicants applying for use of revenues in this
33 chapter must provide the local jurisdiction to which they are applying
34 estimates of how any moneys received will result in increases in:

35 (i) The number of tourists visiting the local jurisdiction
36 including anticipated overnight stays; and

37 (ii) Tourism-related economic benefits to the local jurisdiction.

1 (b)(i) In a municipality with a population of five thousand or
2 more, applicants applying for use of revenues in this chapter must
3 submit their applications and estimates described under (a) of this
4 subsection to the local lodging tax advisory committee.

5 (ii) The local lodging tax advisory committee must select
6 candidates from amongst the applicants applying for use of revenues in
7 this chapter and provide a list of such candidates and recommended
8 amounts of funding to the local jurisdiction for final determination.
9 The local jurisdiction may only choose recipients from the list of
10 candidates provided by the local lodging tax advisory committee.

11 (c)(i) All recipients must submit a report to the local
12 jurisdiction reporting pertinent data evaluating tourism benefits
13 resulting from the use of the funds as compared with the estimates
14 contained in the application. A local jurisdiction receiving a report
15 must: Make such report available to the local legislative body and the
16 public; and furnish copies of the report to the department of commerce
17 and members of the local lodging tax advisory committee.

18 (ii) On a biennial basis, and in compliance with RCW 43.01.036, the
19 joint legislative audit and review committee must submit a report to
20 the economic development committees of the legislature that details the
21 use and economic impact of lodging tax revenues by local jurisdictions
22 based on the reports furnished to the department of commerce under
23 (c)(i) of this subsection. Reporting under this subsection must begin
24 in calendar year 2015.

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

27 The definitions in this section apply throughout this chapter
28 unless the context clearly requires otherwise.

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

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

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

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

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

10 (6) "Tourism promotion" means activities, operations, and
11 expenditures designed to increase tourism, including but not limited to
12 advertising, publicizing, or otherwise distributing information for the
13 purpose of attracting and welcoming tourists; developing strategies to
14 expand tourism; operating tourism promotion agencies; and funding the
15 marketing of or the operation of special events and festivals designed
16 to attract tourists.

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

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

31 ~~(9) Amendments made in section 1, chapter 497, Laws of 2007 expire~~
32 ~~June 30, 2013)) for business or pleasure on a trip: Away from their~~
33 ~~place of residence or business and stays overnight in paid~~
34 ~~accommodations; to a place fifty miles or more one way from their place~~
35 ~~of residence or their business for the day or stays overnight; or from~~
36 ~~another country or state outside of their place of residence or their~~
37 ~~business.~~

1 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 July 1, 2013.

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