

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1253

Chapter 196, Laws of 2013

63rd Legislature
2013 Regular Session

LODGING TAX

EFFECTIVE DATE: 07/01/13

Passed by the House April 24, 2013
Yeas 90 Nays 7

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 15, 2013
Yeas 47 Nays 1

BRAD OWEN

President of the Senate

Approved May 10, 2013, 10:46 a.m.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1253** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

May 10, 2013

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1253

AS AMENDED BY THE SENATE

Passed Legislature - 2013 Regular Session

State of Washington

63rd Legislature

2013 Regular Session

By House Finance (originally sponsored by Representatives Blake, Orcutt, Takko, Dahlquist, Haigh, Hunt, Walsh, Lytton, Nealey, Morris, Hudgins, McCoy, Zeiger, Maxwell, Pettigrew, Bergquist, Van De Wege, Upthegrove, and Freeman)

READ FIRST TIME 03/01/13.

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))~~ any municipality or indirectly through a
9 convention and visitors bureau or destination marketing
10 organization~~(())~~ for:

11 (a) Tourism marketing;

12 (b) The marketing and operations of special events and festivals
13 designed to attract tourists ~~((and to support))~~;

14 (c) Supporting the operations and capital expenditures of tourism-
15 related facilities owned or operated by a municipality or a public
16 facilities district created under chapters 35.57 and 36.100 RCW; or

17 (d) Supporting the operations of tourism-related facilities owned
18 or operated by nonprofit organizations described under ~~((section))~~ 26

1 U.S.C. Sec. 501(c)(3) and ~~((section))~~ 26 U.S.C. Sec. 501(c)(6) of the
2 internal revenue code of 1986, as amended.

3 ~~(2) ((Local jurisdictions that use the lodging tax revenues under
4 this section must submit an annual economic impact report to the
5 department of community, trade, and economic development for
6 expenditures made beginning January 1, 2008. These reports must
7 include the expenditures by the local jurisdiction for tourism
8 promotion purposes and what is used by a nonprofit organization exempt
9 from taxation under 26 U.S.C. Sec. 501(c)(3) or 501(c)(6). This
10 economic impact report, at a minimum, must include: (a) The total
11 revenue received under this chapter for each year; (b) the list of
12 festivals, special events, or nonprofit 501(c)(3) or 501(c)(6)
13 organizations that received funds under this chapter; (c) the list of
14 festivals, special events, or tourism facilities sponsored or owned by
15 the local jurisdiction that received funds under this chapter; (d) the
16 amount of revenue expended on each festival, special event, or
17 tourism related facility owned or sponsored by a nonprofit 501(c)(3) or
18 501(c)(6) organization or local jurisdiction; (e) the estimated number
19 of tourists, persons traveling over fifty miles to the destination,
20 persons remaining at the destination overnight, and lodging stays
21 generated per festival, special event, or tourism related facility
22 owned or sponsored by a nonprofit 501(c)(3) or 501(c)(6) organization
23 or local jurisdiction; and (f) any other measurements the local
24 government finds that demonstrate the impact of the increased tourism
25 attributable to the festival, special event, or tourism related
26 facility owned or sponsored by a nonprofit 501(c)(3) or 501(c)(6)
27 organization or local jurisdiction.~~

28 ~~(3) The joint legislative audit and review committee must report to
29 the legislature and the governor on the use and economic impact of
30 lodging tax revenues by local jurisdictions since January 1, 2008, to
31 support festivals, special events, and tourism related facilities owned
32 or sponsored by a nonprofit organization under section 501(c)(3) or
33 501(c)(6) of the internal revenue code of 1986, as amended, or a local
34 jurisdiction, and the economic impact generated by these festivals,
35 events, and facilities. This report shall be due September 1, 2012.~~

36 ~~(4) Reporting under this section must begin with calendar year
37 2008.~~

1 ~~(5) This section expires June 30, 2013.)~~ (a) Except as provided in
2 (b) of this subsection, applicants applying for use of revenues in this
3 chapter must provide the municipality to which they are applying
4 estimates of how any moneys received will result in increases in the
5 number of people traveling for business or pleasure on a trip:

6 (i) Away from their place of residence or business and staying
7 overnight in paid accommodations;

8 (ii) To a place fifty miles or more one way from their place of
9 residence or business for the day or staying overnight; or

10 (iii) From another country or state outside of their place of
11 residence or their business.

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

16 (ii) The local lodging tax advisory committee must select the
17 candidates from amongst the applicants applying for use of revenues in
18 this chapter and provide a list of such candidates and recommended
19 amounts of funding to the municipality for final determination. The
20 municipality may choose only recipients from the list of candidates and
21 recommended amounts provided by the local lodging tax advisory
22 committee.

23 (c)(i) All recipients must submit a report to the municipality
24 describing the actual number of people traveling for business or
25 pleasure on a trip:

26 (A) Away from their place of residence or business and staying
27 overnight in paid accommodations;

28 (B) To a place fifty miles or more one way from their place of
29 residence or business for the day or staying overnight; or

30 (C) From another country or state outside of their place of
31 residence or their business. A municipality receiving a report must:
32 Make such report available to the local legislative body and the
33 public; and furnish copies of the report to the joint legislative audit
34 and review committee and members of the local lodging tax advisory
35 committee.

36 (ii) The joint legislative audit and review committee must on a
37 biennial basis report to the economic development committees of the

1 legislature on the use of lodging tax revenues by municipalities.
2 Reporting under this subsection must begin in calendar year 2015.

3 (d) This section does not apply to the revenues of any lodging tax
4 authorized under this chapter imposed by a county with a population of
5 one million five hundred thousand or more.

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

8 The definitions in this section apply throughout this chapter
9 unless the context clearly requires otherwise.

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

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

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

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

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

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

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

1 federal internal revenue code of 1986, as amended; or (iii) owned by a
2 nonprofit organization described under section 501(c)(6) of the federal
3 internal revenue code of 1986, as amended, a business organization,
4 destination marketing organization, main street organization, lodging
5 association, or chamber of commerce and (b) used to support tourism,
6 performing arts, or to accommodate tourist activities.

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

11 ~~(9) Amendments made in section 1, chapter 497, Laws of 2007 expire
12 June 30, 2013.)~~

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

Passed by the House April 24, 2013.

Passed by the Senate April 15, 2013.

Approved by the Governor May 10, 2013.

Filed in Office of Secretary of State May 10, 2013.