**1258-S AMS BFGT S2494.1 - NOT FOR FLOOR USE**

**SHB 1258** - S COMM AMD

By Committee on Business, Financial Services, Gaming & Trade

**NOT ADOPTED 04/19/2023**

Strike everything after the enacting clause and insert the following:

**"Sec.**  RCW 43.384.040 and 2018 c 275 s 5 are each amended to read as follows:

The statewide tourism marketing account is created in the state treasury. All receipts from tax revenues under RCW 82.08.225 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for expenditures of the department that are related to implementation of a statewide tourism marketing program and operation of the authority. A ((~~two-to-one~~)) one-to-one nonstate or state fund, other than general fund state, match must be provided for all expenditures from the account. A match may consist of nonstate or state fund, other than general fund state, cash contributions deposited in the private local account created under RCW 43.384.020(4), the value of an advertising equivalency contribution, or an in-kind contribution. The board must determine criteria for what qualifies as an in-kind contribution.

**Sec.**  RCW 82.08.225 and 2018 c 275 s 9 are each amended to read as follows:

((~~(1)~~)) Beginning ((~~July 1, 2018, 0.2~~)) on the effective date of this section, 3.0 percent of taxes collected pursuant to RCW 82.08.020(1) on retail sales of lodging, car rentals, and restaurants must be deposited into the statewide tourism marketing account created in RCW 43.384.040. ((~~Except as provided otherwise for fiscal year 2019 in subsection (2) of this section, future~~)) Future revenue collections under this section may be up to ((~~three million dollars~~)) $9,000,000 per biennium and must be deposited into the statewide tourism marketing account created in RCW 43.384.040. The deposit under this subsection to the statewide tourism marketing account may only occur if the legislature authorizes the deposit in the biennial omnibus appropriations act.

((~~(2) For fiscal year 2019, up to a maximum of one million five hundred thousand dollars must be deposited in the statewide tourism marketing account created in RCW 43.384.040. The deposit under this subsection to the statewide tourism marketing account may only occur if the legislature authorizes the deposit in the biennial omnibus appropriations act.~~))

**Sec.**  RCW 43.384.800 and 2018 c 275 s 11 are each amended to read as follows:

(1) The joint legislative audit and review committee must conduct an evaluation of the performance of the authority created in this chapter ((~~43.384 RCW~~)) and report its findings and recommendations, in compliance with RCW 43.01.036, to the governor and the economic development committees of the senate and house of representatives by December 1, ((~~2023~~)) 2028. The purpose of the evaluation is to determine the extent to which the authority has contributed to the growth of the tourism industry and economic development of the state. An interim report by the authority, submitted in compliance with RCW 43.01.036, is due to the governor and economic development committees of the house of representatives and senate by December 1, 2021. ((~~The report must provide an update on the authority's progress in implementing a statewide tourism marketing program.~~))

(2) To assist the legislature in further understanding the investment the state has made for tourism statewide, the joint legislative audit and review committee shall include in their report a high-level summary of information received from local governments on lodging tax expenditures to determine the extent to which the tax credit established under RCW 67.28.1801 has contributed to the growth of the tourism industry and economic development of the state. For this report, the joint legislative audit and review committee shall request and receive equivalent lodging tax expenditure information as deemed necessary and appropriate from any county with a population of 1,500,000 or more not currently required to provide this information to the committee under RCW 67.28.1816.

(3) The report due December 1, 2028, must provide an update on the authority's progress in implementing a statewide tourism marketing program and a summary of investments made by local governments who have enacted a lodging tax to determine the extent to which the authority and the lodging taxes have contributed to the growth of the tourism industry and economic development of the state."

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On page 1, line 3 of the title, after "requirements;" strike the remainder of the title and insert "and amending RCW 43.384.040, 82.08.225, and 43.384.800."

EFFECT: Increases the proportion of state sales and use taxes collected on certain hospitality industries and deposited into the Statewide Tourism Marketing Account from 0.2% to 3%;

Changes the date the JLARC evaluation on the Washington tourism marketing authority is due to the legislature from December 1, 2023, to December 1, 2028;

Requires JLARC to include in their report to the legislature a summary of local governments' lodging tax expenditures to further understand the investment the state has made for tourism statewide;

Requires counties with a population of one million five hundred thousand or more to provide information on their lodging tax expenditures to JLARC; and

Clarifies that the report due December 1, 2028, must provide an update on the authority's progress in implementing a statewide tourism marketing program and a summary of investments made by local governments who have enacted a lodging tax to determine the extent to which the authority and the lodging taxes have contributed to the growth of the tourism industry and economic development of the state.