

SHB 1258 - S COMM AMD

By Committee on Business, Financial Services, Gaming & Trade

NOT ADOPTED 04/19/2023

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

3 **"Sec. 1.** RCW 43.384.040 and 2018 c 275 s 5 are each amended to
4 read as follows:

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

19 **Sec. 2.** RCW 82.08.225 and 2018 c 275 s 9 are each amended to
20 read as follows:

21 (~~(1)~~) Beginning (~~(July 1, 2018, 0.2)~~) on the effective date of
22 this section, 3.0 percent of taxes collected pursuant to RCW
23 82.08.020(1) on retail sales of lodging, car rentals, and restaurants
24 must be deposited into the statewide tourism marketing account
25 created in RCW 43.384.040. (~~Except as provided otherwise for fiscal~~
26 ~~year 2019 in subsection (2) of this section, future~~) Future revenue
27 collections under this section may be up to (~~three million dollars~~)
28 \$9,000,000 per biennium and must be deposited into the statewide
29 tourism marketing account created in RCW 43.384.040. The deposit
30 under this subsection to the statewide tourism marketing account may

1 only occur if the legislature authorizes the deposit in the biennial
2 omnibus appropriations act.

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

9 **Sec. 3.** RCW 43.384.800 and 2018 c 275 s 11 are each amended to
10 read as follows:

11 (1) The joint legislative audit and review committee must conduct
12 an evaluation of the performance of the authority created in this
13 chapter ~~((43.384 RCW))~~ and report its findings and recommendations,
14 in compliance with RCW 43.01.036, to the governor and the economic
15 development committees of the senate and house of representatives by
16 December 1, ~~((2023))~~ 2028. The purpose of the evaluation is to
17 determine the extent to which the authority has contributed to the
18 growth of the tourism industry and economic development of the state.
19 An interim report by the authority, submitted in compliance with RCW
20 43.01.036, is due to the governor and economic development committees
21 of the house of representatives and senate by December 1, 2021. ~~((The~~
22 report must provide an update on the authority's progress in
23 implementing a statewide tourism marketing program.))

24 (2) To assist the legislature in further understanding the
25 investment the state has made for tourism statewide, the joint
26 legislative audit and review committee shall include in their report
27 a high-level summary of information received from local governments
28 on lodging tax expenditures to determine the extent to which the tax
29 credit established under RCW 67.28.1801 has contributed to the growth
30 of the tourism industry and economic development of the state. For
31 this report, the joint legislative audit and review committee shall
32 request and receive equivalent lodging tax expenditure information as
33 deemed necessary and appropriate from any county with a population of
34 1,500,000 or more not currently required to provide this information
35 to the committee under RCW 67.28.1816.

36 (3) The report due December 1, 2028, must provide an update on
37 the authority's progress in implementing a statewide tourism
38 marketing program and a summary of investments made by local
39 governments who have enacted a lodging tax to determine the extent to

1 which the authority and the lodging taxes have contributed to the
2 growth of the tourism industry and economic development of the
3 state."

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4 On page 1, line 3 of the title, after "requirements;" strike the
5 remainder of the title and insert "and amending RCW 43.384.040,
6 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.

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