

HOUSE BILL REPORT

SB 6080

As Passed House:

March 1, 2024

Title: An act relating to simplifying the funding provisions of the statewide tourism marketing account.

Brief Description: Simplifying the funding provisions of the statewide tourism marketing account.

Sponsors: Senators Boehnke, Dozier, Mullet and Shewmake; by request of Department of Revenue.

Brief History:

Committee Activity:

Appropriations: 2/15/24, 2/22/24 [DP].

Floor Activity:

Passed House: 3/1/24, 96-0.

Brief Summary of Bill

- Eliminates the requirement for the Legislature to authorize deposits into the Statewide Tourism Marketing Account in the operating budget.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 30 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Corry, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Connors, Assistant Ranking Minority Member; Couture, Assistant Ranking Minority Member; Berg, Callan, Chopp, Davis, Dye, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Stokesbary, Stonier, Tharinger and Wilcox.

Staff: Jessica Van Horne (786-7288).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background:

The Statewide Tourism Marketing Account (Account) was created in 2018. Expenditures from the Account may only be made by the Washington Tourism Marketing Authority (Authority) for allowable expenses related to implementation of the statewide tourism marketing program. The Account is subject to appropriation.

Allowable expenses from the Account include:

- entering into a contract for a multiple year statewide tourism marketing plan with a statewide nonprofit organization whose sole purpose is marketing Washington to tourists, which must include focuses on: (1) rural, tourism-dependent counties; (2) natural wonders and outdoor recreation opportunities of the state; (3) attraction of international tourists; (4) identification of local offerings for tourists; and (5) assistance for tourism areas adversely impacted by natural disasters;
- contracting for the evaluation of the statewide tourism marketing program; and
- paying for the administrative expenses of the Authority.

A one-to-one nonstate or state fund, other than the State General Fund, match must be provided for all expenditures from the Account.

Of the taxes collected on the retail sales of lodging, car rentals, and restaurants, 0.2 percent must be deposited into the Account, up to \$3 million per biennium. Deposits into the Account may only occur if the Legislature authorizes the deposit in the operating budget.

Summary of Bill:

Beginning July 1, 2025, the requirement for the Legislature to authorize deposits into the Account in the operating budget is removed. The underlying requirement of depositing 0.2 percent of the taxes collected on the retail sales of lodging, car rentals, and restaurants, up to \$3 million per biennium, remains the same. Additional direction regarding deposits in fiscal year 2019 is removed.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on July 1, 2025.

Staff Summary of Public Testimony:

(In support) Retailers were supporters of the original legislation that created the statewide tourism marketing program, and support the technical changes made in the bill. Tourism is very beneficial for business, including retailers, and has a strong multiplier effect. The legislation is a clean-up bill to align the law with current practice. The Legislature regularly

provided expenditure authority from the Statewide Tourism Marketing Account (Account) that assumed the deposit of funds, but did not provide explicit authorization language. The Department of Revenue has treated the expenditure authority as implicit authorization. This bill will improve administration of the Account by ensuring that the Account is subject to the same appropriations processes as other accounts, align statute with current practice, and benefit tourism and the state's economy.

(Opposed) None.

Persons Testifying: Steve Ewing, Department of Revenue; and Mark Johnson, Washington Retail Association.

Persons Signed In To Testify But Not Testifying: None.