
SENATE BILL 5262

State of Washington 63rd Legislature 2013 Regular Session

By Senators Fraser, Dammeier, Ranker, King, Eide, Becker, and Hasegawa

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 and to support the
11 operations and capital expenditures of tourism-related facilities owned
12 by nonprofit organizations described under section 501(c)(3) and
13 section 501(c)(6) of the internal revenue code of 1986, as amended.

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

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

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

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

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

- 34 (i) The number of tourists visiting the local jurisdiction; and
- 35 (ii) Tourism-related economic benefits to the local jurisdiction.

36 (b) All applicants must submit a postevent report to the local
37 jurisdiction reporting pertinent data evaluating tourism benefits
38 resulting from the use of the funds as compared with the estimates

1 contained in the application. A local jurisdiction receiving a
2 postevent report must: Make such report available to the local
3 legislative body and the public; and furnish copies of the report to
4 members of the local lodging tax advisory committee.

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

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

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

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

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

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

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

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

33 (7) "Tourism-related facility" means real or tangible personal
34 property with a usable life of three or more years, or constructed with
35 volunteer labor that is: (a)(i) Owned by a public entity; (ii) owned
36 by a nonprofit organization described under section 501(c)(3) of the
37 federal internal revenue code of 1986, as amended; or (iii) owned by a

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

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

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

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

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