
SUBSTITUTE SENATE BILL 5827

State of Washington

65th Legislature

2017 Regular Session

By Senate Ways & Means (originally sponsored by Senators Braun and Rolfes)

1 AN ACT Relating to definitions and reporting requirements for
2 municipalities receiving lodging tax revenues; and amending RCW
3 67.28.080 and 67.28.1816.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 67.28.080 and 2013 c 196 s 2 are each amended to
6 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,
11 and improvement, including paying or securing the payment of all or
12 any portion of general obligation bonds, leases, revenue bonds, or
13 other obligations issued or incurred for such purpose or purposes
14 under this 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

1 corporation thereof other than county, city or town, any private
2 corporation, partnership, association, or individual.

3 (5) "Tourism" means economic activity resulting from tourists,
4 which may include the combination of the sales of overnight lodging,
5 meals, tours, gifts, or souvenirs.

6 (6) "Tourism promotion" means activities, operations, and
7 expenditures designed to increase tourism, including but not limited
8 to advertising, publicizing, or otherwise distributing information
9 for the purpose of attracting and welcoming tourists; developing
10 strategies to expand tourism; operating tourism promotion agencies;
11 and funding the marketing of or the operation of special events and
12 festivals designed to attract tourists.

13 (7) "Tourism-related facility" means real or tangible personal
14 property with a usable life of three or more years, or constructed
15 with volunteer labor that is: (a)(i) Owned by a public entity; (ii)
16 owned by a nonprofit organization described under section 501(c)(3)
17 of the federal internal revenue code of 1986, as amended; or (iii)
18 owned by a nonprofit organization described under section 501(c)(6)
19 of the federal internal revenue code of 1986, as amended, a business
20 organization, destination marketing organization, main street
21 organization, lodging association, or chamber of commerce and (b)
22 used to support tourism, performing arts, or to accommodate tourist
23 activities.

24 (8) "Tourist" means a person who travels for business or pleasure
25 on a trip:

26 (a) Away from the person's place of residence or business and
27 stays overnight in paid accommodations; or

28 (b) To a place fifty miles away or more one way by driving-
29 distance from the person's place of residence or business for the day
30 or stays overnight. However, island communities without land access
31 are exempt from the mileage requirement under this subsection (8)(b);
32 or

33 (c) From another country or state outside of the person's place
34 of residence or business.

35 **Sec. 2.** RCW 67.28.1816 and 2013 c 196 s 1 are each amended to
36 read as follows:

37 (1) Lodging tax revenues under this chapter may be used, directly
38 by any municipality or indirectly through a convention and visitors

1 bureau or destination marketing organization in accordance with the
2 process established in subsection (2)(b) of this section for:

3 (a) Tourism marketing;

4 (b) The marketing and operations of special events and festivals
5 designed to attract tourists;

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

10 (d) Supporting the operations of tourism-related facilities owned
11 or operated by nonprofit organizations described under 26 U.S.C. Sec.
12 501(c)(3) and 26 U.S.C. Sec. 501(c)(6) of the internal revenue code
13 of 1986, as amended.

14 (2)(a) Except as provided in (b) of this subsection, applicants
15 applying for use of revenues in this chapter must provide the
16 municipality to which they are applying estimates of how any moneys
17 received will result in increases in the number of people traveling
18 for business or pleasure on a trip:

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

21 (ii) To a place fifty miles or more one way by driving-distance
22 from their place of residence or business for the day or staying
23 overnight. However, island communities without land access are exempt
24 from the mileage requirement under this subsection (2)(a); or

25 (iii) From another country or state outside of their place of
26 residence or their business.

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

31 (ii) The local lodging tax advisory committee must select the
32 candidates from amongst the applicants applying for use of revenues
33 in this chapter and provide a list of such candidates and recommended
34 amounts of funding to the municipality for final determination. The
35 municipality may choose only recipients from the list of candidates
36 and recommended amounts provided by the local lodging tax advisory
37 committee.

38 (c)(i) All recipients must submit a report to the municipality
39 describing the actual number of tourists, which details the number of
40 people traveling for business or pleasure on a trip:

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

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

5 (C) From another country or state outside of their place of
6 residence or their business. A municipality receiving a report must:
7 Make such report available to the local legislative body and the
8 public; and furnish copies of the report to the joint legislative
9 audit and review committee and members of the local lodging tax
10 advisory committee.

11 (ii) The joint legislative audit and review committee must on a
12 biennial basis report to the economic development committees of the
13 legislature on the use of lodging tax revenues by municipalities.
14 Reporting under this subsection must begin in calendar year 2015.

15 (iii) Any recipient that does not submit the report required in
16 this subsection (2)(c) is ineligible to receive funds under this
17 chapter until such report is received. Any applicant who received
18 funds under this chapter prior to the effective date of this section
19 is ineligible, as of the effective date of this section, to receive
20 any additional funds under this chapter, unless such applicant
21 complies with this subsection and submits the report required herein.

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

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