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ENGROSSED SUBSTITUTE SENATE BILL 6241

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State of Washington

54th Legislature

1996 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Sellar and Snyder)

Read first time 01/26/96.

1 AN ACT Relating to hotel and motel taxes in certain cities and  
2 towns; amending RCW 67.28.210; and adding new sections to chapter 67.28  
3 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 67.28 RCW  
6 to read as follows:

7 (1) The legislative body of a town with a population of at least  
8 three hundred twenty-five but less than five hundred fifty in a county  
9 that borders on the northeastern slope of the Cascade mountains with a  
10 population of at least thirty-six thousand but less than forty-two  
11 thousand may levy and collect a special excise tax not to exceed three  
12 percent on the sale of or charge made for the furnishing of lodging by  
13 a hotel, rooming house, tourist court, motel, trailer camp, and the  
14 granting of a similar license to use real property, as distinguished  
15 from the renting or leasing of real property. For the purposes of this  
16 tax, it is presumed that the occupancy of real property for a  
17 continuous period of one month or more constitutes a rental or lease of  
18 real property and not a mere license to use or to enjoy the property.

1 (2) The tax authorized in subsection (1) of this section is in  
2 addition to any other tax authorized by law.

3 (3) A seller, as defined in RCW 82.08.010, who is required to  
4 collect a tax under this section, shall pay the tax to the town as  
5 provided in RCW 67.28.200. The deduction from state taxes under RCW  
6 67.28.190 does not apply to taxes imposed under this section.

7 (4) The tax levied and collected under this section shall be  
8 credited to a special fund in the treasury of the town. The taxes may  
9 be levied only for the purpose of tourism promotion.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 67.28 RCW  
11 to read as follows:

12 (1) The legislative body of a city with a population of at least  
13 five hundred but less than one thousand in a county with a population  
14 of at least eighty thousand but less than one hundred fifteen thousand  
15 may levy and collect a special excise tax not to exceed two percent on  
16 the sale of or charge made for the furnishing of lodging by a hotel,  
17 rooming house, tourist court, motel, trailer camp, and the granting of  
18 a similar license to use real property, as distinguished from the  
19 renting or leasing of real property. For the purposes of this tax, it  
20 is presumed that the occupancy of real property for a continuous period  
21 of one month or more constitutes a rental or lease of real property and  
22 not a mere license to use or to enjoy the property.

23 (2) The tax authorized in subsection (1) of this section is in  
24 addition to any other tax authorized by law.

25 (3) A seller, as defined in RCW 82.08.010, who is required to  
26 collect a tax under this section, shall pay the tax to the city as  
27 provided in RCW 67.28.200. The deduction from state taxes under RCW  
28 67.28.190 does not apply to taxes imposed under this section.

29 (4) The tax levied and collected under this section shall be  
30 credited to a special fund in the treasury of the city. The taxes may  
31 be levied only for the purpose of paying all or any part of the cost of  
32 acquisition, construction, or operation of a performing and visual arts  
33 center or to pay or secure the payment of all or any portion of general  
34 obligation bonds or revenue bonds issued for such purpose.

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 67.28 RCW  
36 to read as follows:

1 (1) The legislative body of a city with a population of at least  
2 forty-five thousand but less than sixty thousand in a county with a  
3 population of at least one hundred thousand but less than one hundred  
4 forty-five thousand may levy and collect a special excise tax not to  
5 exceed two percent on the sale of or charge made for the furnishing of  
6 lodging by a hotel, rooming house, tourist court, motel, trailer camp,  
7 and the granting of a similar license to use real property, as  
8 distinguished from the renting or leasing of real property. For the  
9 purposes of this tax, it is presumed that the occupancy of real  
10 property for a continuous period of one month or more constitutes a  
11 rental or lease of real property and not a mere license to use or to  
12 enjoy the property.

13 (2) The tax authorized in subsection (1) of this section is in  
14 addition to any other tax authorized by law.

15 (3) A seller, as defined in RCW 82.08.010, who is required to  
16 collect a tax under this section, shall pay the tax to the city as  
17 provided in RCW 67.28.200. The deduction from state taxes under RCW  
18 67.28.190 does not apply to the tax imposed under this section.

19 (4) The tax levied and collected under this section shall be  
20 credited to a special fund in the treasury of the city. The tax may be  
21 levied only for the purpose of paying all or any part of the cost of  
22 acquisition, construction, or operation of convention center facilities  
23 or to pay or secure the payment of all or any portion of general  
24 obligation bonds or revenue bonds issued for such purpose.

25 **Sec. 4.** RCW 67.28.210 and 1995 c 290 s 1 are each amended to read  
26 as follows:

27 All taxes levied and collected under RCW 67.28.180, 67.28.240, and  
28 67.28.260 shall be credited to a special fund in the treasury of the  
29 county or city imposing such tax. Such taxes shall be levied only for  
30 the purpose of paying all or any part of the cost of acquisition,  
31 construction, or operating of stadium facilities, convention center  
32 facilities, performing arts center facilities, and/or visual arts  
33 center facilities or to pay or secure the payment of all or any portion  
34 of general obligation bonds or revenue bonds issued for such purpose or  
35 purposes under this chapter, or to pay for advertising, publicizing, or  
36 otherwise distributing information for the purpose of attracting  
37 visitors and encouraging tourist expansion when a county or city has  
38 imposed such tax for such purpose, or as one of the purposes hereunder,

1 and until withdrawn for use, the moneys accumulated in such fund or  
2 funds may be invested in interest bearing securities by the county or  
3 city treasurer in any manner authorized by law. In addition such taxes  
4 may be used to develop strategies to expand tourism: PROVIDED, That  
5 any county, and any city within a county, bordering upon Grays Harbor  
6 may use the proceeds of such taxes for construction and maintenance of  
7 a movable tall ships tourist attraction in cooperation with a tall  
8 ships restoration society, except to the extent that such proceeds are  
9 used for payment of principal and interest on debt incurred prior to  
10 June 11, 1986: PROVIDED FURTHER, That any city or county may use the  
11 proceeds of such taxes for the refurbishing and operation of a steam  
12 railway for tourism promotion purposes: PROVIDED FURTHER, That any  
13 city bordering on the Pacific Ocean or on Baker Bay with a population  
14 of not less than eight hundred and the county in which such a city is  
15 located, a city bordering on the Skagit river with a population of not  
16 less than twenty thousand, or any city within a county made up entirely  
17 of islands may use the proceeds of such taxes for funding special  
18 events or festivals, or for the acquisition, construction, or operation  
19 of publicly owned tourist promotional infrastructures, structures, or  
20 buildings including but not limited to an ocean beach boardwalk, public  
21 docks, and viewing towers: PROVIDED FURTHER, That any county which  
22 imposes a tax under RCW 67.28.182 or any city with a population less  
23 than fifty thousand in such county may use the proceeds of the tax  
24 levied and collected under RCW 67.28.180 to provide public restroom  
25 facilities available to and intended for use by visitors: PROVIDED  
26 FURTHER, That any county made up entirely of islands, and any city or  
27 town that has a population less than five thousand, may use the  
28 proceeds of the tax levied and collected under RCW 67.28.180 to provide  
29 public restroom facilities available to and intended for use by  
30 visitors: PROVIDED FURTHER, That any city or county may use the  
31 proceeds of such taxes for funding a civic festival, if the following  
32 conditions are met: The festival is a community-wide event held not  
33 more than once annually; the festival is approved by the city, town, or  
34 county in which it is held; the festival is sponsored by an exempt  
35 organization defined in section 501(c)(3), (4), or (6) of the federal  
36 internal revenue code; the festival provides family-oriented events  
37 suiting a broad segment of the community; and the proceeds of such  
38 taxes are used solely for advertising and promotional materials  
39 intended to attract overnight visitors: PROVIDED FURTHER, That any

1 city with a population of not less than ten thousand and not more than  
2 twenty-five thousand that is in a county with a population greater than  
3 seventy-five thousand in which county is located all or part of a  
4 national monument may use the proceeds of such taxes for street banners  
5 to attract and welcome tourists.

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