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**Community & Economic  
Development & Trade Committee**

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**HB 3035**

**Brief Description:** Regarding tourism promotion areas in large counties.

**Sponsors:** Representatives Jarrett, Rodne, Hunter, Eddy, Clibborn, Anderson and Sullivan.

**Brief Summary of Bill**

- Authorizes three or more cities or towns located within a single tourism promotion area and in a county with a population greater than one million to establish a legislative authority for tourism promotion purposes.

**Hearing Date:** 1/30/08

**Staff:** Meg Van Schoorl (786-7105).

**Background:**

Tourism promotion includes activities and expenditures designed to increase tourism and convention business. Activities include advertising, publicizing or distributing information in order to attract tourists and operating tourism destination marketing organizations.

The establishment of tourism promotion areas was first authorized in 2003 within counties that have a population between 40,000 and one million. The process begins when an initiation petition is presented to the legislative authority having jurisdiction over the location of the proposed tourism promotion area. The initiation petition must describe the area's boundaries, the proposed uses and projects to which the revenues from the charge will be put, and the total estimated costs. The initiation petition must also estimate the rate for the charge, propose a breakdown by class of lodging businesses, and provide signatures of persons who operate lodging businesses in the proposed area who would pay 60 percent or more of the charges.

After receiving a valid initiation petition, the legislative authority must adopt a resolution of its intention to establish an area, and hold a public hearing. After that, the legislative authority may adopt an ordinance to establish a tourism promotion area. The legislative authority can impose a

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charge not to exceed \$2 per night on persons who are taxable under the retail sales tax. The legislative authority can create up to six different classifications for lodging businesses, depending upon the number of rooms, room revenue and location. The charge applies only at lodging businesses having at least 40 rooms.

The lodging businesses collect the charges and remit them to the Department of Revenue which deposits the revenues into the Local Tourism Promotion Account in the State Treasury. The State Treasurer distributes money in the account on a monthly basis to the legislative authority on whose behalf the money was collected.

There is no provision for establishing a tourism promotion area in a county with a population greater than one million or smaller than 40,000.

**Summary of Bill:**

Three or more cities or towns within a county that has a population above one million that are also within a single tourism promotion area are authorized to establish a legislative authority.

**Appropriation:** None.

**Fiscal Note:** Requested on January 21, 2008.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.