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SENATE BILL 6592

66th Legislature

State of Washington

2020 Regular Session

By Senators Holy, Hunt, Takko, and Keiser

- AN ACT Relating to tourism authorities; amending RCW 35.101.010, 1
- 35.101.050, and 35.101.130; and adding new sections to chapter 43.131
- 3 RCW.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- RCW 35.101.010 and 2015 c 131 s 1 are each amended to 5 Sec. 1. 6 read as follows:
 - Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.
 - (1) "Area" means a tourism promotion area.
- 10 Except as otherwise provided in this subsection, 11 "legislative authority" means the legislative authority of any county 12 ((with a population greater than forty thousand)), or of any city or town within such a county, including unclassified cities or towns 13 14 operating under special charters.
- 15 (b) Except as provided in (c) of this subsection, in any county with a population of one million or more, "legislative authority" 16 means two or more jurisdictions acting jointly as the legislative 17 18 authority under an interlocal agreement created under chapter 39.34 19 RCW for the joint establishment and operation of a tourism promotion 20 area.

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- 1 (c) For a city incorporated after January 1990, with a population 2 greater than eighty-nine thousand, and located in a county described 3 in (b) of this subsection, "legislative authority" means the city's 4 legislative authority.
 - (3) "Lodging business" means a person that furnishes lodging taxable by the state under chapter 82.08 RCW that has forty or more lodging units.

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- (4) "Tourism promotion" means activities and expenditures designed to increase tourism and convention business, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing organizations.
- (5) "Tourist" means a person that travels to a place fifty miles
 away or more one way by driving distance from the person's place of
 residence or business primarily for overnight stays in paid
 accommodations.
- 17 **Sec. 2.** RCW 35.101.050 and 2003 c 148 s 5 are each amended to 18 read as follows:
- A legislative authority may impose a charge on the furnishing of lodging by a lodging business located in the area.
- 21 (1) There shall not be more than six classifications upon which a 22 charge can be imposed.
- 23 (2) Classifications can be based upon the number of rooms, room 24 revenue, or location within the area.
- 25 (3) Each classification may have its own rate, which shall be expressed in terms of nights of stay.
- 27 (4) In no case may the rate under this section be in excess of ((two)) five dollars per night of stay.
- 29 **Sec. 3.** RCW 35.101.130 and 2003 c 148 s 13 are each amended to 30 read as follows:
 - (1) The legislative authority imposing the charge shall have sole discretion as to how the revenue derived from the charge is to be used to promote tourism that increases the number of tourists to the area. However, the legislative authority may appoint existing advisory boards or commissions to make recommendations as to its use, or the legislative authority may create a new advisory board or commission for ((the [that])) that purpose.

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(2) The legislative authority may contract with tourism destination marketing organizations or other similar organizations to administer the operation of the area, so long as the administration complies with all applicable provisions of law, including this chapter, and with all county, city, or town resolutions and ordinances, and with all regulations lawfully imposed by the state auditor or other state agencies.

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- (3) Lodging businesses that believe that the tourism promotion area charges imposed under RCW 35.101.050 are not having a significant economic impact by increasing the actual number of tourists to the area may petition the legislative authority to remove the charge in accordance with subsection (4) of this section.
- 13 (4) The petition for removing the charge must be signed by a
 14 majority of the lodging businesses within the area in order to
 15 receive consideration by the legislative authority. The legislative
 16 authority must remove the charge if the petition is signed by all
 17 lodging businesses affected within the area. Petitions for removal of
 18 the charge must be considered by the legislative authority within
 19 thirty days.
- NEW SECTION. Sec. 4. A new section is added to chapter 43.131 RCW to read as follows:
- 22 (1) The additional tourism promotion area charge established in 23 section 2, chapter ..., Laws of 2020 (section 2 of this act) is 24 terminated July 1, 2025, as provided in section 5 of this act.
 - (2) The joint legislative audit and review committee must conduct a program review of the additional tourism promotion area charge established in sections 1 through 3, chapter ..., Laws of 2020 (sections 1 through 3 of this act). The review must be completed by January 1, 2024. The review must:
- 30 (a) Analyze how tourism promotion area charge funds were used 31 during the five-year period;
- 32 (b) Identify additional marketing and promotional measures 33 conducted or purchased with additional funds beyond the current two 34 dollar charge;
 - (c) Assess whether additional tourism promotion area charges above two dollars contributed to an actual increase in the number of tourists, as defined in RCW 35.101.010, to each tourism promotion area;

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- 1 (d) Assess the average additional cost per visit per tourist due 2 to additional tourism promotion area charges above two dollars; and
- 3 (e) Analyze tourists gained and lost in tourism promotion areas 4 where the charge was removed during the five-year period.
- 5 <u>NEW SECTION.</u> **Sec. 5.** A new section is added to chapter 43.131 6 RCW to read as follows:
- 7 The following acts or parts of acts, as now existing or hereafter 8 amended, are each repealed, effective July 1, 2026:
 - (1) 2020 c ... s 1 (section 1 of this act);
- 10 (2) 2020 c ... s 2 (section 2 of this act); and
- 11 (3) 2020 c ... s 3 (section 3 of this act).

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