SENATE BILL REPORT
HB 2137

As of February 12, 2024

Title: An act relating to technical changes to allowable exemptions from charges for tourism promotion area assessments.

Brief Description: Concerning technical changes to allowable exemptions for tourism promotion area assessments.

Sponsors: Representatives Berg, Orcutt, Sandlin, Doglio, Dent and Reeves.

Brief History: Passed House: 2/8/24, 97-0.
Committee Activity:

Brief Summary of Bill

- Allows a Tourism Promotion Area's (TPA) legislative authority to designate exemptions to the TPA lodging charge.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

Staff: Kellee Gunn (786-7429)

Background: Tourism Promotion Areas. The legislative authority of any city or county may form a tourism promotion area (TPA) to generate revenue for tourism promotion. As of June 11, 2020, any county, city, or town may create a TPA. A TPA may include the entire jurisdiction or only a portion, and multiple jurisdictions may establish a joint TPA through interlocal agreement. A county TPA may only include unincorporated areas unless the county has signed an interlocal agreement with one or more cities to form a joint TPA. In a county with a population of 1 million or more, the legislative body must be comprised of two or more jurisdictions acting under an interlocal agreement.

Lodging Charge. A legislative authority may assess up to a $2 lodging charge on certain lodging businesses within the TPA. The charge is limited to lodging businesses that have 40

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or more rooms or lodging units. Up to six kinds of classifications can be imposed based on the number of rooms, room revenue, and location.

In 2020, the Legislature enacted legislation allowing for an addition $3 charge to be imposed on those lodging businesses with 40 or more units in a TPA. Certain information must be collected by the TPA's legislative authority or its advisory board on the use of the additional funds and those affected by it along with a program review that must be submitted to the Legislature.

The Department of Revenue collects TPA revenues and distributes them to the appropriate legislative authorities.

Exemptions. The TPA lodging charge does not apply to temporary medical housing.

Summary of Bill: A legislative authority may designate an exemption to the TPA lodging charge to any lodging business, lodging unit, or lodging guest.

This act applies prospectively and retroactively.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.