SENATE BILL REPORT
SB 5251

As of January 23, 2025

Title: An act relating to lodging tax revenues.

Brief Description: Concerning lodging tax revenues.

Sponsors: Senators Christian, Chapman and Frame.

Brief History:
Committee Activity: Business, Financial Services & Trade: 1/23/25.

Brief Summary of Bill

- Expands the uses of lodging tax revenues to include capital expenditures on tourism-related facilities owned by nonprofit organizations.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES & TRADE

Staff: Clint McCarthy (786-7319)

Background: Lodging tax revenue collected by short term rentals or hotels may be used by municipalities, convention and visitors bureaus, or a destination marketing organization for the following purposes:

- tourism marketing;
- marketing and operations costs incurred to support special events or festivals;
- supporting the operating and capital expenditures of tourism related facilities owned or operated by a municipality or a public facilities district; or
- supporting the operating expenditures of tourism related facilities owned or operated by nonprofit organizations.

Summary of Bill: The permissible uses of lodging tax revenue is expanded to include capital expenditures that support tourism related facilities that are owned by nonprofit organizations.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

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.

Staff Summary of Public Testimony: PRO: This does not increase taxes or fees. This will allow us to use these taxes for more important investments. There are facilities that need additional resources that promote tourism. One example is the Hub Soccer Field near Spokane. There is a separate tourism capital fund that keeps growing and growing that the city controls. The city council should be able to determine whether providing these funds for a non-profit is the highest and best use of funding. With these updates, great non-profit projects that attract tourists would be eligible for these funds.

CON: Over the years, there have been many carefully considered updates to these statutes. These statutes have not been carefully coordinated. The impact of the changes from this bill goes way beyond soccer fields near Spokane. Any non-profit can argue that their capital project can be eligible for expenses. Capital projects are very expensive.

Persons Testifying: PRO: Senator Leonard Christian, Prime Sponsor; Phil Champlin, HUB Sports Center; Cristella Kaminskas.

CON: Becky Bogard, WA State Destination Marketing Organizations.

Persons Signed In To Testify But Not Testifying: No one.