
**Innovation, Community & Economic
Development, & Veterans Committee**

HB 1258

Brief Description: Increasing tourism to Washington state through enhancement of the statewide tourism marketing account and changing necessary match requirements.

Sponsors: Representatives Ryu, Volz, Steele, Walen, Reeves, Waters, Chambers, Reed, Christian, Cortes, Callan, Schmidt, Barkis and Fosse.

Brief Summary of Bill

- Requires a one-to-one, instead of two-to-one, nonstate or state fund, other than state general fund, match for all expenditures from the Statewide Tourism Marketing Account (Account).
- Increases the amount of revenue collected from the tax on the retail sales of lodging, car rentals, and restaurants that must be deposited into the Account from up to \$3 million per biennium to up to \$26 million.

Hearing Date: 1/17/23

Staff: Cassie Jones (786-7303).

Background:

Washington Tourism Marketing Authority.

Established in 2018, the Washington Tourism Marketing Authority (Authority) is responsible for contracting for statewide tourism marketing services that promote tourism in Washington. The Authority is governed by a board of directors consisting of four members of the Legislature and nine representatives, appointment by the Governor, with expertise in the tourism industry and

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.

related businesses, including hotel, restaurant, outdoor recreation, attractions, retail, and rental car businesses. A nonvoting advisory committee advises the board and is comprised of one representative from the Department of Commerce, the State Parks and Recreation Commission, the Department of Transportation, representatives of other state agencies as deemed appropriate by the Authority, and one member from a federally recognized Indian tribe.

Statewide Tourism Marketing Account.

Of the taxes collected on the retail sales of lodging, car rentals, and restaurants, 0.2 percent must be deposited into the Statewide Tourism Marketing Account (Account). Revenue collections may be up to \$3 million per biennium and must be deposited into the Account. The deposit to the Account may only occur if the Legislature authorizes the deposit in the biennial omnibus appropriation act.

Expenditures from the account may only be made for allowable expenses related to implementation of the statewide tourism program and operation of the Authority. The account is subject to appropriation. A two-to-one non-state or state fund, other than state general fund, match must be provided for all expenditures from the Account. A match may consist of nonstate or state fund, other than state general fund, cash contributions, the value of an advertising equivalency contribution, or an in-kind contribution. The Authority's board of directors must determine criteria for what qualifies as an in-kind contribution.

Use of Funds.

From amounts appropriated for the Authority and from other moneys available to it, the Authority may use funds for the following:

- entering into a contract for a multiple year statewide tourism marketing plan with a statewide nonprofit organization whose sole purpose is marketing Washington to tourists which must include focuses on: (1) rural, tourism-dependent counties; (2) natural wonders and outdoor recreation opportunities of the state; (3) attraction of international tourists; (4) identification of local offerings for tourists; and (5) assistance for tourism areas adversely impacted by natural disasters;
- contracting for the evaluation of the impact of the statewide tourism marketing program; and
- paying for administrative expenses of the Authority, which may not exceed two percent of the state portion of funds collected in any fiscal year.

Summary of Bill:

A one-to-one, instead of two-to-one, nonstate or state fund, other than state general fund, match must be provided for all expenditures from the account.

The amount of revenue collected from the tax on the retail sales of lodging, car rentals, and restaurants that must be deposited into the account is increased from up to \$3 million per

biennium to up to \$26 million.

Appropriation: None.

Fiscal Note: Requested on January 12, 2023.

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