

Lodging Tax Advisory Committee
Wednesday, October 30, 2013, 4:00 p.m.
City Annex, 230 Davidson Avenue
Woodland WA 98674

AGENDA

Introductions/Roll

LTAC Members:

Chair-Susan Humbyrd, Councilmember	Patti Audette, Hulda Klager Lilac Gardens
Esther Rothe, Woodland Shores RV Park	Mari Ripp, Clerk-Treasurer
Darlene Johnson, Woodland Tourist Info	
James Haas, Lewis River Inn	

Other Guests:

John "JJ" Burke, representing Woodland Historical Museum, Woodland Planter's Days	
Vivian Mosby, representing Downtown Woodland Revitalization	

Old Business

1. The Big Idea funding

New Business

2. Agency Requests for funding 2014
 - a. Woodland Tourist Information Center/Chamber \$25,000 (additional "The Big Idea" \$10,900)
 - b. Downtown Woodland Revitalization (DWR)-Hot Summer Nights \$1,000
 - c. Woodland Historical Museum \$1,000
 - d. Planter's Day Committee \$1,000
 - e. Hulda Klager Lilac Gardens \$4,500

Sub-Total \$32,500 requests from Hotel/Motel Tax Funding; Total w/TBI=\$43,400

3. Revenues: a. 2012 Actual \$28,950 b. 2013 Estimated \$26,500+\$10,935 TBI=\$37,435 c. 2014 Estimated \$26,500 +\$10,935 TBI=\$37,435	Expenditures: 2012 Actual \$31,040 + EFB\$8,403 2013 Estimated \$41,475+EFB \$4,363 2014 Estimated \$37,435+EFB \$4,363
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4. LTAC discussion and recommendation for 2014 funding
5. 2014 LTAC
 - a. Eligibility for 2014 from current members
 - b. Call for 2014 members (interested in being nominated?)
6. 2013 Reporting Requirements
7. Adjourn



Office of Administrative Services

207 Fourth Ave. North
Kelso, WA 98626
TEL (360) 577-3065
FAX (360) 423-9987

www.co.cowlitz.wa.us

Board of County Commissioners
Michael A. Karnofski District 1
George Raiter District 2
James R. Misner District 3

Office of Financial Management
Claire J. Hauge, Director

OFM
Claire J. Hauge
Director

Kathy Sauer
System Administrator

RISK MANAGEMENT
Clyde Carpenter
Risk Manager

November 21, 2012

Ms. Mari E. Ripp, City Clerk/Treasurer
City of Woodland
P.O. Box 9
Woodland, WA 98674

RECEIVED

NOV 26 2012

CITY OF WOODLAND

Re: The "Big Idea" - Interlocal Agreement

Dear Mari:

Enclosed for the City's consideration and signature is the First Addendum to Interlocal Agreement for Cowlitz County Regional Tourism Development Partnership Program a/k/a the "Big Idea". The "Big Idea" Board has been meeting for nearly a year and has proposed two changes they believe will provide better representation on the Board and more flexibility for the use of funds.

The first change is to add to the Board of Directors a representative of the Washington State Parks & Recreation Commission. The second change is to allow each entity to request up to 10% of its funds prior to the year in which it would receive its annual allocation for the purpose of advance planning and promotion.

Please review the enclosed document and if it meets with the City's approval, obtain the appropriate signatures on six copies. After you return the signed documents to me, I will present them to the Board of Commissioners at a regularly scheduled public meeting. A fully executed copy will be returned to you once we have obtained signatures from all the participating entities.

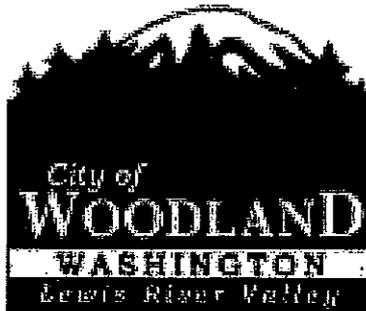
If there is any other information we can provide, please let me know.

Sincerely,

Claire J. Hauge, OFM Director
Office of Financial Management

Enclosures

Big Idea Treasurers Report							
Contribution	2012	2013	2014	2015	2016	2017	Total
Castle Rock	\$ 1,279.00						
Woodland	\$ 2,540.00						
Kalama	\$ 352.00						
Longview	\$ 3,632.00						
Kelso	\$ 7,625.00						
Cowlitz County	\$ 18,410.00						
Sub-Total	\$ 33,838.00						
Cowlitz County Match	\$ 33,838.00						
Total	\$ 67,676.00						
Funds Payout							
Castle Rock	\$ -						
Woodland	\$ 13,000.00						
Kalama	\$ 5,000.00						
Longview	\$ -						
Kelso	\$ -						
Cowlitz County	\$ -						
Total	\$ 18,000.00						
Account Balance	\$ 54,676.00						
Funds Requested							
Woodland	\$ 13,000.00	\$ 10,935.20	\$10,935.20	\$10,935.20	\$10,935.20	\$10,935.20	\$67,676.00
Kalama	\$ 5,000.00	\$ 62,676.00					
Castle Rock			\$67,676.00				
Cowlitz County				\$67,676.00			
Longview					\$67,676.00		
Kelso						\$67,676.00	
Total	\$ 18,000.00						



City of Woodland
2014 Budget
Agency Requests

Hotel / Motel: *(see attached worksheet with prior year history)*

1. Woodland Tourist Information Center/Chamber of Commerce \$25,000
2. Downtown Woodland Revitalization (DWR)-Hot Summer Nights \$1,000
3. Woodland Historical Museum \$1,000
4. Planter's Day Committee \$1,000
5. Hulda Klager Lilac Gardens \$4,500 (Preliminary)
6. The Big Idea \$10,935

Mari Ripp

From: Darlene Johnson <darlene@gowoot.net>
Sent: Tuesday, August 27, 2013 8:41 AM
To: Mari Ripp
Cc: John J Burke; 'AL LANE'; 'BILL RAYBELL'; Christy McGraw; 'JEFF LEUTHOLD'; JOY SNEAD; 'Joyce Kleeb'; 'MARY URBAN'; 'Nelson Holmberg'; 'Nora Bain'; 'Shannon Cahoon'; 'Vivian Mosby'; 'VIVIAN MOSBY'
Subject: FW: Woodland Chamber's budget request for 2014
Attachments: budget2014.xls

Mari,

Attached is the Woodland Chamber's budget for 2014. We are requesting \$25,000 for 2014 to help fund the operational costs for the Woodland Visitors Information Center and also that it be paid quarterly in the first 3 quarters. As you can see, we are requesting \$5,000.00 from Clark County and also \$7500.00 from the Port of Woodland for the same purpose. In 2014, we anticipate receiving \$5000.00 from Pacificorp, \$10,900 from the Big Idea Fund, and the Chamber funds any shortfall, which if our budget is correct is a little over \$12,000.00. This is a synergistic partnership of government entities and businesses working together to fund a much needed service for Woodland, the county and the entire region.

Tourism is a big industry in our state and our Visitors Information Center is the most comprehensive resource for information in the region. The many destinations and recreational opportunities in Woodland and the Lewis River Valley are beneficiaries of the Visitors Information Center, as are the other regional destinations, from Mt. St. Helens to the coastal communities. Our staff works hard to provide the most accurate and up-to-date information on accessibility, costs, necessary permits, dining and lodging facilities and other pertinent data.

Additionally, as you already know, we have a great location that is well marked and easy to find--located just off I-5 at exit 21--with easy access and plenty of parking for RV's, trucks with fishing boats and even tractor trailers. We also keep track of the number of visitors, where they came from, destination information and how they found our Visitor Information Center. I am sure we out do any Visitor Center from southern Oregon to the Canadian crossing. If you should want to see any of our count numbers just let me know.

As always, if you have any questions just give me a call or email me.

Darlene <<...>>

360 225 9433

Woodland Chamber Treasurer

PS Please let me know that you received this email

WOODLAND CHAMBER OF COMMERCE						
TOTAL BOTH ENTITIES						
CASH BASIS						
ANNUALIZED	Actual 30-Jun-13		ESTIMATED 2013	2014 BUDGET	CHAMBER	VISITOR
\$ 5,191.28	\$ 2,595.64	General Sales	\$ 6,000.00	\$ 8,000.00	\$ -	\$ 8,000.00
\$ 1,072.00	\$ 536.00	Donations/Info Ctr.	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00
\$ 15,000.00	\$ 7,500.00	C. of Woodland	\$ 22,500.00	\$ 25,000.00	\$ -	\$ 25,000.00
\$ -	\$ 10,935.20	Big Idea	\$ 10,935.20	\$ 10,900.00	\$ -	\$ 10,900.00
\$ -	\$ 2,000.00	Clark County	\$ 2,000.00	\$ 5,000.00	\$ -	\$ 5,000.00
\$ -	\$ 7,500.00	Port of Woodland	\$ 7,500.00	\$ 7,500.00	\$ -	\$ 7,500.00
\$ 5,000.00	\$ 2,500.00	Pacificorp	\$ 2,500.00	\$ 5,000.00	\$ -	\$ 5,000.00
\$ 49,910.00	\$ 24,955.00	Dues	\$ 25,000.00	\$ 28,000.00	\$ 28,000.00	\$ -
\$ 58.92	\$ 29.46	Interest Income	\$ 50.00	\$ 50.00	\$ 50.00	\$ -
\$ 5,172.94	\$ 5,172.94	Banquet	\$ 5,172.94	\$ 5,400.00	\$ 5,400.00	\$ -
\$ 532.00	\$ 286.00	Donations/Chamber	\$ 500.00	\$ 800.00	\$ 800.00	\$ -
\$ 7,040.00	\$ 3,520.00	Golf Tournament	\$ 18,000.00	\$ 19,000.00	\$ 19,000.00	\$ -
\$ -	\$ 100.00	Forest passes	\$ -	\$ -	\$ -	\$ -
\$ 1,520.50	\$ 760.25	Misc. Project Income	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -
\$ -	\$ -	Directory Income	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -
\$ -	\$ 75.00	Christmas after hours	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ -
\$ 116.00	\$ 58.00	Name Tag	\$ 125.00	\$ 125.00	\$ 125.00	\$ -
\$ 1,597.00	\$ 798.50	News Letter	\$ 1,900.00	\$ 2,500.00	\$ 2,500.00	\$ -
\$ 2,400.00	\$ 1,200.00	Website Income	\$ 1,500.00	\$ 2,000.00	\$ 2,000.00	\$ -
	\$ 70,501.99	Total Revenue	\$ 113,112.14	\$ 125,275.00	\$ 62,875.00	\$ 62,400.00
Expenses:						
\$ 34,800.00	\$ 17,400.00	Payroll Wages DIR	\$ 35,000.00	\$ 36,600.00	\$ 14,640.00	\$ 21,960.00
\$ 21,819.00	\$ 10,909.50	Payroll Wages VIC	\$ 25,000.00	\$ 30,000.00	\$ -	\$ 30,000.00
\$ 4,208.94	\$ 2,104.47	Payroll Soc. Security/Med	\$ 1,697.10	\$ 5,094.90	\$ 1,119.96	\$ 3,974.94
\$ 940.60	\$ 470.30	Labor & Industries	\$ 950.00	\$ 1,200.00	\$ 300.00	\$ 900.00
\$ 395.86	\$ 197.93	State Unemployment	\$ 700.00	\$ 900.00	\$ 225.00	\$ 675.00
\$ 234.26	\$ 117.13	Federal Unemployment	\$ 168.00	\$ 168.00	\$ 42.00	\$ 126.00
\$ 241.80	\$ 120.90	Advertising - General	\$ 500.00	\$ 900.00	\$ 378.00	\$ 522.00
\$ -	\$ -	Advertising - Brochures	\$ -	\$ -	\$ -	\$ -
\$ 278.42	\$ 139.21	Maint. - Building	\$ 2,000.00	\$ 2,000.00	\$ 400.00	\$ 1,600.00
\$ 169.56	\$ 84.79	Maint. - Landscape	\$ 200.00	\$ 200.00	\$ 200.00	\$ 160.00
\$ 867.22	\$ 433.61	Office Supplies	\$ 1,200.00	\$ 2,000.00	\$ 1,600.00	\$ 400.00
\$ 1,080.44	\$ 540.22	Visa Fees	\$ 1,200.00	\$ 1,200.00	\$ 960.00	\$ 240.00
\$ 132.16	\$ 66.08	Postage	\$ 300.00	\$ 500.00	\$ 125.00	\$ 375.00
\$ 975.74	\$ 487.87	Guest Lunches	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -
\$ 204.66	\$ 102.33	Dues, Subscriptions & Cr	\$ 500.00	\$ 500.00	\$ 375.00	\$ 125.00
\$ 132.28	\$ 66.14	Tax & License	\$ 100.00	\$ 150.00	\$ 30.00	\$ 120.00
\$ 1,921.40	\$ 960.70	Utilities	\$ 1,950.00	\$ 2,200.00	\$ 440.00	\$ 1,760.00
\$ -	\$ -	Medical Insurance - direc	\$ -	\$ -	\$ -	\$ -
\$ 3,974.00	\$ 1,987.00	Insurance	\$ 2,000.00	\$ 2,000.00	\$ 1,500.00	\$ 500.00
\$ 343.06	\$ 171.54	Sunshine	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ -
\$ 1,856.64	\$ 928.32	Deprec.-Building & equip	\$ 1,856.64	\$ 1,850.00	\$ 703.00	\$ 1,147.00
\$ -	\$ -	Office Equipment	\$ 1,000.00	\$ 800.00	\$ 400.00	\$ 400.00
\$ 828.12	\$ 414.06	Telephone	\$ 900.00	\$ 1,000.00	\$ 200.00	\$ 800.00
\$ 1,506.32	\$ 753.16	Name Tag & Member De	\$ 1,200.00	\$ 1,000.00	\$ 1,000.00	\$ -
\$ 3,353.42	\$ 1,676.71	Cost of goods sold	\$ 4,000.00	\$ 6,000.00	\$ -	\$ 6,000.00
\$ -	\$ -	Sep - director	\$ -	\$ -	\$ -	\$ -
\$ 377.74	\$ 188.87	Professional Services	\$ 2,000.00	\$ 500.00	\$ 500.00	\$ -
\$ 1,318.02	\$ 659.01	Meeting/Travel Expense	\$ 1,600.00	\$ 1,700.00	\$ 680.00	\$ 1,020.00
\$ 218.22	\$ 109.11	Website Expense	\$ 400.00	\$ 500.00	\$ 250.00	\$ 250.00
\$ -	\$ -	Chamber directory	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -
\$ 2,093.80	\$ 1,046.90	Copier maintenance	\$ 2,100.00	\$ 2,100.00	\$ 420.00	\$ 1,680.00
\$ 91.84	\$ 45.92	Professional Developme	\$ 100.00	\$ 150.00	\$ -	\$ 150.00
\$ 577.02	\$ 288.51	Golf Expense	\$ 8,200.00	\$ 8,200.00	\$ 8,200.00	\$ -
\$ 153.00	\$ 76.50	Misc. Project Expense	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ -
\$ -	\$ -	After hours	\$ 300.00	\$ 400.00	\$ 500.00	\$ -
\$ -	\$ -	After hours Christmas	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -
\$ 10,830.00	\$ 5,415.00	Banquet Ex	\$ 5,415.00	\$ 5,400.00	\$ 5,400.00	\$ -
\$ 1,516.20	\$ 758.10	News Letter Production	\$ 1,600.00	\$ 1,500.00	\$ 1,500.00	\$ -
\$ 473.78	\$ 236.89	News Letter Postage	\$ 500.00	\$ 600.00	\$ 600.00	\$ -
\$ 4,197.48	\$ 2,098.74	News Letter copier expen	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ -
\$ 300.00	\$ 150.00	Misc	\$ 150.00	\$ 150.00	\$ 150.00	\$ -
\$ 102,411.04	\$ 51,205.52	Total Expenses	\$ 116,186.74	\$ 126,662.90	\$ 52,037.96	\$ 74,884.94
	\$ 19,296.47		\$ (8,074.60)	\$ (1,387.90)	\$ 10,837.04	\$ (12,484.94)

Mari Ripp

From: John JJ Burke <jj@woodlandwachamber.com>
Sent: Wednesday, August 07, 2013 7:57 AM
To: Mari Ripp
Cc: VIVIAN MOSBY; Tom Golik
Subject: Hotel/Motel Tax

Mari,

Downtown Woodland Revitalization request \$1000.00 from the Hotel/Motel tax to help fund the Hot Summer Nights on the Plaza series for the year 2014.

Respectfully Submitted,

John "JJ" Burke 
Secretary
Downtown Woodland Revitalization Committee

Mari Ripp

From: John JJ Burke <jj@woodlandwachamber.com>
Sent: Wednesday, August 07, 2013 8:03 AM
To: Mari Ripp
Subject: Funds Request for 2014 funds from Hotel/Motel Tax

Mari,

Woodland Historical Museum Society request \$1000.00 from the Hotel/Motel tax to help fund the Woodland Planters Days Historical Museum Society events for the year 2014.

Respectfully Submitted,

John "JJ" Burke 

President

Woodland Historical Museum Society

Mari Ripp

From: John JJ Burke <jj@woodlandwachamber.com>
Sent: Wednesday, August 07, 2013 8:01 AM
To: Mari Ripp
Subject: Hotel Motel Funds Request 2014

Mari,

Woodland Planters Days Committee request \$1000.00 from the Hotel/Motel tax to help fund the Woodland Planters Days Celebration for the year 2014.

Respectfully Submitted,

John "JJ" Burke 

President

Woodland Planters Days Committee

Mari Ripp

From: Pattiaud43@aol.com
Sent: Tuesday, October 08, 2013 4:16 PM
To: Mari Ripp
Subject: Response to 2014 call to Budget
Attachments: Publicity Lilac Days Expenses 2013.docx; TouristFunds2013 a.docx

Hi Mari

Please forgive me for overlooking this request. It came around the last week of July and I was out of town this week and the first week of August. I just didn't see it (I did go back yesterday and found it after receiving your email.) I also found the budget sent to me from my publicity chairman. Today I updated the letter. I will attached them both. I am always right on things but I dropped this one!

This last year I have been having health issues (had major surgery earlier this year) and am still working out several others including a torn meniscus in my knee and just general fatigue. Getting tired just going to doctors. But no life threatening stuff so far.

Thank you so much for reminding me.

Patti Audette
Hulda Klager Lilac Gardens

September 1, 2013

City of Woodland
Woodland City Council
Mayor Grover Laseke
230 Davidson
Woodland, WA 98674

RE Request for Tourism Tax Funds

The Hulda Klager Lilac Gardens is an internationally known Lilac Garden and brings thousands of tourists to Woodland throughout the year. During Lilac Days 2013, over 15,000 people visited the Lilac Gardens. Year around our volunteers encourage visitors to eat, shop and stay at local businesses.

Our publicity expenses this year included print ads in many newspapers, ads in on-line gardening newsletters, and commercials on "Garden Time" television show. We also paid our share to hang and take down the Woodland In Bloom banners in the downtown area. We pay to update our website was to draw more out-of-town visitors and to provide more detail on our activities.

A total of \$4477.00 was spent on publicity for 2013. Attached are our Lilac Garden expenses for 2013. Receipts are not attached but are available upon request.

This year we were happy to once more host Jane Kirkpatrick at the garden for another book-signing on her book "**Where Lilacs Still Bloom**" based on the history of the Lilac Gardens that was released April 2012. Again her book signing attracted many of her fans to Woodland. The Hulda Klager gift shop sold out of her books. Kirkpatrick also plans to visit the Gardens for Lilac Days in 2014 for another book-signing event, which is sure to draw another crowd of Kirkpatrick admirers. Note: Jane was awarded the American Christian Writers (ACFW) Carol Award this year for "Where Lilacs Still Bloom".

We are almost exclusively a volunteer organization committed to promoting the Hulda Klager Lilac Gardens and the Woodland community. Each year thousands of volunteer hours are required to keep up the buildings and gardens.

We appreciate the continuing help and support that we receive from the Woodland Chamber of Commerce and the Information Center. Bringing visitors to the Lilac Gardens and Woodland helps us continue our work of preserving Hulda's Historic home with its gardens and brings international recognition to Woodland.

The Hulda Klager Lilac Gardens respectfully requests \$4500 from the Tourism Tax for 2014 to be used for advertisement and publicity. We pledge our support to continue to promote Woodland businesses both during Lilac Days and year around.

Thank you for your consideration.

The Hulda Klager Lilac Garden Publicity Committee

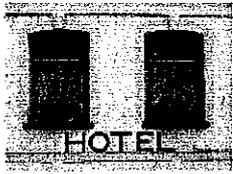
Publicity Lilac Days Expenses 2013

Name	Amount	Notes
Advance Electric	275	Street Banner installation
PIP	1301	HKLG Brochures
Garden Time	580	TV ads and Web ads
HKLG Website	55	Updates
Infinity Internet	284	Website Hosting
Lewis River Review	175	1 ad
NW Marketing	235	Woodland Map – thousands distributed at Welcome Centers in Kalama and Woodland
Stephouse Internet	420	Internet service \$35/month
The Columbian	960	1 small ad run 8x
The Reflector	192	2 ads
Total	\$4477	

Catherine Trahin
360-606-7359
email cdtrahin@yahoo.com

The Sun Is Still Shining: Most Uses of Lodging Tax Revenues are Preserved

Posted on May 20, 2013 by Judy Cox



In a nutshell: With the passage of ESHB 1253, all the current allowed uses of lodging tax funds have been preserved except one—***lodging tax funds may no longer be spent on capital expenditures for tourism-related facilities owned by nonprofit organizations.*** In this bill, the legislature also:

- added some application requirements;
- changed the procedures for making funding decisions in cities and counties with a population of 5,000 or more; and
- revised the reporting requirements.

As some of you may recall, the new uses of lodging tax funds introduced by legislation in 2007 were due to sunset on June 30, 2013. These uses – 1) operation (as opposed to just “marketing”) of special events and/or festivals designed to attract tourists; and 2) support of the operations and capital expenditures of tourism-related facilities owned by non-profit organizations – were very popular with some cities and counties. The Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC) tried last year to get the sunset dates removed or extended (see my blog, “Hotel-Motel Tax Alert,” June 15, 2012), but they were unsuccessful.

This year was a different story. Through the diligent efforts of Victoria Lincoln, AWC Government Relations Advocate; Serena Dolly, AWC Government Relations Analyst; and Josh Weiss, WSAC Director, Policy and Legislative Relations and General Counsel, almost all these uses were preserved in ESHB 1253. They did a great job.

What Are the Allowable Uses Now?

ESHB 1253 repealed the sunset clauses and made some amendments to RCW 67.28.1816. RCW 67.28.1815, which also lists uses, is unchanged. The sum total of these changes leaves us with all the same uses that have been allowed since 2007 ***except*** spending lodging tax funds on capital expenditures for tourism-related facilities owned by non-profit organizations. As a result:

- You can still spend lodging tax funds on tourism promotion, including operating special events and festivals in addition to marketing. All the language in the definition in RCW 67.28.080(6) is still there!
- You can spend lodging tax funds for ***operating expenditures*** of tourism-related facilities owned or operated by nonprofit organizations.
- Spending lodging tax funds for the ***operations and capital expenditures of city- and county-owned facilities*** was never at risk, so they are still permitted uses and are now specifically mentioned in Section 1(1)(c) of ESHB 1253.

Review pages 32-33 in *A Revenue Guide for Washington Cities and Towns* or pages 40-41 in *A Revenue Guide for Counties* for a discussion of all these allowed uses.

What Are the New Application Requirements?

Section 1(2)(a) of ESHB 1253 states that applicants for any use of lodging tax revenues must now provide:

estimates of how any moneys received will result in increases in the number of people traveling for business or pleasure on a trip:

- (i) Away from their place of residence or business and staying overnight in paid accommodations;
- (ii) To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or
- (iii) From another country or state outside of their place of residence or their business.

Applicants to a city or county with a population of less than 5,000 submit their applications to the city or county as they have done in the past.

What Additional Procedures Apply to Cities and Counties with a Population of 5,000 or More?

As set out in Section 1(2)(b) of this bill, applicants for lodging tax funding from a city or county with a population of 5,000 or more must now submit their applications (which must include the estimates listed above) to the city or county lodging tax advisory committee (LTAC). The LTAC must select the candidates for funding from these applicants and provide a list of the candidates and recommended amounts of funding to the city or county for final determination. The city or county legislative body may choose to make awards in the recommended amounts to all, some, or none of the candidates on this list.

How do we “harmonize” this new application requirement with the procedures set out in RCW 67.28.1817(2)?

Under RCW 67.28.1817, in a city or county of 5,000 or more, applicants submit their funding requests to the city or county, not the LTAC. Section 2 of the statute reads:

Any municipality that proposes imposition of a tax under this chapter, an increase in the rate of a tax imposed under this chapter, repeal of an exemption from a tax imposed under this chapter, or a change in the use of revenue received under this chapter shall submit the proposal to the lodging tax advisory committee for review and comment. The submission shall occur at least forty-five days before final action on or passage of the proposal by the municipality. The advisory committee shall submit comments on the proposal in a timely manner through generally applicable public comment procedures. The comments shall include an analysis of the extent to which the proposal will accommodate activities for tourists or increase tourism, and the extent to which the proposal will affect the long-term stability of the fund created under RCW 67.28.1815. Failure of the advisory committee to submit comments before final action on or passage of the proposal shall not prevent the municipality from acting on the proposal. A municipality is not required to submit an amended proposal to an advisory committee under this section.

If the city or county is proposing, say, the initial imposition of a lodging tax or an increase in the rate of a tax, it would still send the request to the LTAC for review and comment, and the remaining provisions of RCW 67.28.1817(2) will still apply. There are no changes. However, when the issue is the “use” of the funds or a “change in use,” then we need to harmonize this language with the new language in Section 1(2)(b) of ESHB

1253.

Bob Meinig, the MRSC attorney who has graciously allowed me to draft him into working on lodging tax issues, offers the following suggestion:

When an applicant for lodging tax money submits their application to the LTAC, the council could not act on any application that is included among the candidates selected by the LTAC until at least 45 days after the particular application was submitted to the LTAC. It's a bit tortured, but it's the best way I see right now to harmonize these two statutes. I think each jurisdiction should establish a schedule by which applications must be made, for that year or six-month period or whatever, and the council or board (if county) would then not act on the applications until at least 45 days after that deadline.

I think that either the city council or the board of county commissioners or the LTAC, with the consent of the council or board, could establish procedures regarding calls for applications, deadlines, etc.

What Are the New Reporting Requirements?

Section 1(2)(c)(i) of the bill provides:

All recipients must provide a report to the municipality describing the actual number of people traveling for business or pleasure on a trip:

(A) away from their place of residence or business and staying overnight in paid accommodations;

(B) to a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or

(C) from another country or state outside of their place of residence or their business.

The city or county receiving a report must make it available to the legislative body and the public and furnish copies to the Joint Legislative Audit and Review Committee (JLARC) and members of the local LTAC. The JLARC must biennially report to the legislature's economic development committees on the use of lodging tax revenues by municipalities. Reporting under this subsection must begin in calendar year 2015.

The statutes say nothing about *when* cities and counties must forward the reports to their legislative body and the JLARC. The JLARC will presumably be coming up with some instructions.

If We Sign a Contract by June 30, 2013, to Fund Activities That Take Place After June 30, 2013, Can We Do the Funding Under the "Old" Process?

Yes, except that every recipient of funds will probably have to do its reporting under the new rules because the old reporting rules will be repealed on June 30, 2013. Here are some situations in which cities and counties might find themselves:

1. Some cities and counties have already approved funding and have a contract in place for spending after June 30, 2013. They do not have to go through the new LTAC process.
2. Some have made contingent awards for funding festivals or special events, waiting to see if the sunset

clauses were lifted. They should sign the contracts by June 30; then they do not need to go through the new application or LTAC process.

- 3. Some entities might have some new ideas for programs they want to fund during the latter half of 2013. Cities and counties with a population under 5,000 may do so under the old process so long as they execute a contract by June 30. Larger cities and counties will have to follow the new rules, because there is not enough time between now and June 30 to give the LTAC the 45 days to consider the proposals that RCW 67.28.1817(2) requires.

So, the sun is still shining on most uses of lodging tax revenues.

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About Judy Cox

Judy is MRSC's expert on budgeting, revenue options and forecasting, financing capital projects, and everything else related to local government finance. If you've got a money question, Judy's your go-to resource.

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