Resolution No. 10-06
To Amend Mason County Code Chapter 2.96 Lodging Tax Advisory Committee

Chapter 2.96 of the Mason County Code is amended to read as follow:

2.96.010 Established. There is established a Lodging Tax Advisory Committee as required by RCW 67.28.1817.

2.96.020 Purpose. The Lodging Tax Advisory Committee will review and make recommendations to the Board of Mason County Commissioners regarding: 1) Plans to impose any new lodging tax or to increase the rate of an existing tax; 2) Plans to repeal an exemption from the lodging tax; and/or 3) Proposed changes to the use of lodging tax proceeds.

The Lodging Tax Advisory Committee will comply with all local, state, and federal statutes regarding the Open Meetings Act, the Public Disclosure Act, and Lodging Tax.

2.96.030 Composition—Appointment of Members. The Lodging Tax Advisory Committee shall consist of at least five members appointed by the Board of Mason County Commissioners. The Committee shall include: at least two representatives of businesses that are required to collect the lodging tax; at least two members who are persons involved in activities that are authorized to be funded by lodging tax revenue; and one Mason County Commissioner who shall serve as the chair of the Lodging Tax Advisory Committee.

2.96.040 Terms of Office. The Board of Mason County Commissioners shall review the membership of the Lodging Tax Advisory Committee annually and make changes as appropriate.

Sections 2.96.050, 2.96.060, 2.96.070, 2.96.080, 2.96.090, and 2.96.100 of the Mason County Code are hereby repealed.

Approved this 21st day of February 2006.

Board of Mason County Commissioners

Lynda Ring Erickson, Chairperson

Tim Sheldon, Commissioner

Rebecca S. Rogers, Clerk of the Board

Michael Clift, C. Deputy Prosecutor

Jayni L. Kamin, Commissioner
Hotel-Motel Taxes

Washington State Auditor’s Office
July 28, 2004
Introduction

Today we'll talk about....

➢ Hotel-motel tax rates and intended uses
➢ Related requirements
➢ Best practices
➢ Your questions
Hotel-Motel Tax Overview

- Municipalities may impose a "basic" 2 percent tax under RCW 67.28.180. This tax is taken as a credit against the state sales tax, so that the total tax that a patron pays in retail sales tax and the hotel-motel tax combined is equal to the retail sales tax in the jurisdiction.

- In addition, municipalities may levy an additional tax of up to 2 percent, for a total rate of four percent, under RCW 67.28.181(1).
Overview Continued

Hotel-motel tax funds are statutorily restricted to the following activities:

- Tourism promotion.
- Acquisition of tourism-related facilities.
- Operation of tourism-related facilities.
Vocabulary

"Tourism promotion" means activities and expenditures designed to increase tourism, including but not limited to:

- Advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists.
- Developing strategies to expand tourism.
- Operating tourism promotion agencies.
- Funding marketing of special events and festivals designed to attract tourists.

RCW 67.28.080(6)
Vocabulary Continued...

"Tourism-related facility" means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities. RCW 67.28.080(7)

"Tourist" means a person who travels from a place of residence to a different town, city, county, state, or country, for purposes of business, pleasure, recreation, education, arts, heritage, or culture. RCW 67.28.080(8)
Vocabulary Continued...

"Tourism" is defined as:
Economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.

RCW 67.28.080(5)
Lodging Tax Advisory Committee

Municipalities with a population of more than 5,000 must form a lodging tax advisory committee and submit to it any:

➢ Plans to impose a new hotel-motel tax or to increase the rate of an existing tax.
➢ Plans to repeal an exemption.
➢ Proposed changes to the use of the tax proceeds.
Lodging Tax Advisory Committee

The committee must have at least five members, appointed by the legislative body of the municipality, including:

- At least two representatives of businesses that are required to collect the hotel-motel tax.
- Two people who are involved in activities that are authorized to be funded by this tax.
- One elected official of the municipality, who serves as chair of the committee.
- A city's committee may include a non-voting county elected official.
- A county's committee may include a non-voting city elected official.

9/9/2004
Lodging Tax Advisory Committee

- The number of committee members from organizations representing the hotels and motels and the number from organizations involved in activities that can be funded must be equal.
- Organizations representing hotels and motels and organizations involved in activities that may be funded by this tax may recommend people for membership.
- The appointing authority shall review the membership of the committee annually.

9/9/2004
Our Audit Approach

- Legislative intent was local control
- Focus on Lodging Tax Advisory Committee analysis.
- If no committee, we will look to governing council analysis.
- Focus on the process and resulting analysis.
- Communicated to our staff and associations this past Spring.
Best Practices

- **Put It in Writing.** Services related to tourism promotion and operation of a tourist-related facility should be formalized in a written agreement.

- **Document Analysis.** We will review this analysis to help us decide whether expenditures appear appropriate.

- **Conflict of Interest.** Be very conscientious when it comes to any appearance of conflict of interest.
Questions

And

Answers