

BOARD OF COUNTY COMMISSIONERS
COUNTY OF KITTITAS
STATE OF WASHINGTON

ORDINANCE NO. 2009- 10

IMPOSING AN ADDITIONAL 2% LODGING TAX AS AUTHORIZED UNDER
RCW 67.28.181

- WHEREAS, RCW 67.28.181 provides for levying of a 2% lodging tax; and
- WHEREAS, The Kittitas County Lodging Tax Advisory Committee, in its letter dated April 16, 2009, attached hereto as Exhibit "A," recommended the imposition of such an additional tax; and
- WHEREAS, Kittitas County desires to impose such a lodging tax; and
- WHEREAS, A public hearing was held by the Kittitas County Board of Commissioners on ~~May~~ ^{March} 3, 2009, after due notice; and,
- WHEREAS, The Board of County Commissioners took testimony from all who wished to speak at that public hearing; and
- WHEREAS, The Board of County Commissioners for Kittitas County did consider the public benefit and did duly deliberate.

BE IT HEREBY ORDAINED: That the Board of County Commissioners of Kittitas County, Washington, pursuant to RCW 67.28.181, hereby establishes a Special Excise Lodging Tax; and

BE IT FURTHER ORDAINED: The newly established Lodging Tax Advisory Committee shall continue in existence and function as described in Ch 67.28 RCW as currently existing or as subsequently amended, and shall perform the reporting, administrative, and recommendatory functions outlined therein, including the reporting requirements of RCW 67.28.8001; and

BE IT FURTHER ORDAINED: That Chapter 3.20 KCC is hereby amended to add the following new sections:

3.20.015 Special Lodging Excise Tax Levy

There is levied and there shall be collected, subject to the conditions set forth in this chapter, a Special Lodging Excise Tax Levy as authorized by RCW 67.28.181 of two percent on the sale of or charge made for the furnishing of lodging by a hotel, motel, rooming house, tourist court, trailer camp, and the granting of any similar license to use real estate, as distinguished from the

renting or leasing of real property, provided that it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same

3.20.025 Credit Against State Sales Tax

The tax collected under KCC 3.20.010 shall be credited against the amount of sales tax due to the state under chapter 82.08 RCW on the same sale of lodging services;

and

BE IT FURTHER ORDAINED: That the following sections of the Kittitas County Code shall be amended to read as follows:

3.20.020 Allowance of Credit Against Tax.

A credit is herewith allowed against the taxes imposed herein for the full amount of any city tax imposed pursuant to RCW 67.28.180 or 67.28.181.

3.20.030 Collection by Seller

The taxes herein imposed shall be collected by every person who makes a sale of the services herein defined whether as an agent, broker, or principal. The percentage of tax herewith imposed shall be imposed upon the full selling price. The collection of taxes imposed by KCC 3.20.015 shall commence upon July 1, 2009, as allowed under RCW 82.14.055(3)(a).

3.20.060 Proceeds to be Credited to a Special Fund-Limitation on Use-Investment.

All taxes levied and collected under this chapter shall be credited to a special fund in the treasury of the county. Such taxes shall be levied only for the purpose of paying all or any part of the cost of acquisition, construction or operating a stadium facilities, convention center facilities, performing arts center facilities and/or visual art center facilities or to pay or secure the payment of all or any portion of general obligation bonds or revenue bonds issued for such purpose or purposes under Chapter 67.28 RCW, or to pay for advertising, publicizing or otherwise distributing information for the purpose of attracting visitors and encouraging tourist expansion within the county, and until withdrawn for use, the moneys accumulated in such fund or funds may be invested in interest-bearing securities by the county treasurer in any manner authorized by law.

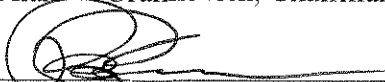
and

BE IT FURTHER ORDAINED: Notice of this levy and code amendment shall immediately be sent to the Washington Department of Revenue as contemplated by RCW 82.14.055.

ADOPTED this 19th day of May 2009.

BOARD OF COUNTY COMMISSIONERS
KITITAS COUNTY, WASHINGTON


Alan A. Crankovich, Chairman

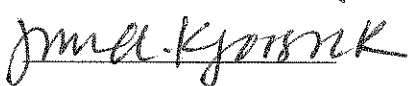

Paul Jewell, Vice Chairman

ABSENT

Mark McClain, Commissioner



CLERK OF THE BOARD



Julie A. Kjorsvik
Clerk of the Board

APPROVED AS TO FORM:

 WSBA#31759

Greg Zempel, Prosecuting Attorney
WSBA#12686

EXHIBIT

"A"

April 16, 2009

Kittitas County Board of County Commissioners
205 West 5th Avenue, Suite 108
Ellensburg, WA 98926-2887

Honorable Commissioners,

The Revised Code of Washington (RCW) 67.28.1817(2) states, "Any municipality that proposes... an increase in the rate of a tax imposed under this chapter,... shall submit the proposal to the lodging tax advisory committee for review and comment." In accordance with this statute, the Kittitas County Lodging Tax Advisory Committee (LTAC) met today and reviewed a 2% increase in Kittitas County's Transient Occupancy Tax as proposed by the Kittitas County Board of County Commissioners (BOCC).

By unanimous decision, the LTAC supports the proposed increase. As you are aware, Kittitas County currently authorizes a 2% tax on the sale of or charge made for the furnishing of lodging according to RCW 67.28.180. Kittitas County is allowed, under RCW 67.28.181, to increase that tax by an additional 2%, raising the overall tax to 4%. All funds collected under this tax must be used for tourism promotion, facilities, and related purposes as defined by statute.

Currently, the major cities within Kittitas County assess the full 4% tax as authorized by law, while the county only charges 2%. The proposed increase would relieve the inequity between city and county tax assessments and create a consistent environment in which to conduct lodging-type business across the county.

The tax, as structured, is charged for lodging. Tourism is a valuable industry for our local economy. The funds collected are spent promoting Kittitas County, local festivals, and events to draw more tourists to our area. The increased funding resources created by the additional 2% tax will provide more opportunities to promote Kittitas County, thereby generating increased economic activity from tourism, and supporting and creating tourism-related jobs.

Finally, we believe an increase in the tax will have no negative impact on the long term stability of the fund created under RCW 67.28.1815. As stated earlier, the proposed increase simply "levels the playing field" for all lodging-related businesses across the county as the major cities already assess the tax at the 4% level.

In 2008, the BOCC provided resources from the fund to local non-profit organizations and others for tourism-related projects of approximately \$85,000. Additional funds were also allocated for early repayment of a bond for tourism-related facilities at the Kittitas Valley Event Center. The proposed 2% will likely increase the revenue stream for the fund dramatically and provide additional funding for investment and promotion in our growing tourism industry.

We urge the Kittitas County BOCC to authorize the proposed 2% increase in the current Transient Occupancy Tax.

Sincerely,

Paul Jewell
Chair, Kittitas County Lodging Tax Advisory Committee