

07/22/97 11:26 AM

Introduced By:

ROB MCKENNA
Jane Hague

Proposed No.:

97 - 462

MOTION NO. **10289**

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A MOTION asking the Governor of the State of Washington and the Washington State Legislature to permanently eliminate the unintended hotel-motel tax increase for the city of Bellevue and other cities, and to enable the city of Bellevue and other cities to honor prior bond pledges of existing hotel-motel tax revenue.

WHEREAS, the Washington State Legislature passed two bills in the 1997 session amending similar sections of the state law relating to the hotel-motel sales taxes collected in Washington State, and

WHEREAS, by signing the bills but vetoing certain sections of SB 5867, the Governor of the State of Washington inadvertently eliminated the two percent state sales tax credit for the hoteliers in the cities of Bellevue and Yakima, resulting in a two percent tax increase for hoteliers in those cities, and

WHEREAS, the two percent hotel-motel tax increase may result in the loss of over 100 conventions and other events which would contribute an estimated \$94 million to the economies of the city of Bellevue and King County, and

WHEREAS, the partial veto of SB 5867 also reduces the city of Bellevue's lodging tax authority from five percent to two percent; and

1 WHEREAS, revenues from the city of Bellevue's five percent lodging tax have
2 been pledged through bond covenants by the city and the Bellevue Convention Center
3 Authority to retire the debt on Meydenbauer Center, and

4 WHEREAS, Meydenbauer Center is a convention and meeting resource for all of
5 King County employing 32 full-time and 150 to 200 part-time staff and generating \$22.5
6 million in business in 1996, and

7 WHEREAS, all of these factors could jeopardize the health of the hotel and motel
8 industry in the city of Bellevue and King County for many years to come; and

9 WHEREAS, the Thurston County Superior Court has temporarily resolved this
10 situation by issuing a preliminary injunction requiring the state to continue to collect the
11 full five percent hotel-motel tax on behalf of the cities, and to continue to recognize the
12 two percent state sales tax credit applicable to this collection;

13 NOW, THEREFORE BE IT MOVED by the Council of King County:

14 The metropolitan King County council requests that the Governor of the State of
15 Washington and the Washington State Legislature do everything within their power during
16 the 1998 legislative session to:

- 17 a. permanently eliminate the unintended hotel-motel tax increase in the city of
18 Bellevue and other cities and
19 b. permanently enable the city of Bellevue and the Bellevue Convention Center

1 Authority to honor the prior bond pledges of existing hotel/motel tax revenue
2 for Meydenbauer Center and other facilities.

3 PASSED by a vote of 12 to 0 this 2nd day of September,
4 1997.

5 KING COUNTY COUNCIL
6 KING COUNTY, WASHINGTON

7 Jane Hague
8 Chair

9 ATTEST:

10 Janet Masno
11 Clerk of the Council

12 Attachments:
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