



# MONROE CITY COUNCIL

## Agenda Bill No. 20-100

<b>SUBJECT:</b>	<b>2020-2021 Lodging Tax Advisory Committee Appointments</b>
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<b>DATE:</b>	<b>DEPT:</b>	<b>CONTACT:</b>	<b>PRESENTER:</b>	<b>ITEM:</b>
07/14/2020	Administration	Rich Huebner	Rich Huebner	Consent Agenda #11

**Discussion:** 07/14/2020

**Attachments:** 1. Monroe Municipal Code § 4.40.010 through 4.40.050

**REQUESTED ACTION:** Move to appoint Mike Buse and Doug Hobbs to City of Monroe Lodging Tax Advisory Committee (LTAC) for the July 1, 2020 to June 30, 2021 term.

### POLICY CONSIDERATIONS

*Chapter 67.28.1817 of the Revised Code of Washington (RCW) requires that all cities with a population over five thousand establish a Lodging Tax Advisory Committee (LTAC) to make recommendations on the use of the City's lodging tax revenues. RCW 67.28.1817 and Chapter 4.40 of the Monroe Municipal Code (MCC) also establishes the qualifications which must be met to serve on this committee, and requires the City Council conduct a review of committee membership annually.*

### DESCRIPTION/BACKGROUND

Since 1988, the City of Monroe has levied a two percent lodging excise tax on the sale of or charge made for the furnishing of lodging in hotel and motel rooms; this is variously referred to as the lodging tax, the hotel/motel tax, or the tourism tax. The use of the funds collected pursuant to this tax is governed by RCW 67.28.

As required, the City has established a Lodging Tax Advisory Committee (LTAC) to recommend to the City Council how the funds collected from the lodging tax be used. LTAC membership must include at least two representatives of businesses that collect the lodging tax, at least two representatives of businesses or activities eligible to receive funding from the lodging tax, and one elected official of the City who shall serve as Chairperson of the LTAC. MCC 4.40.010 further states that the elected official shall be the Mayor, or a City Councilmember designated by the Mayor. The City of Monroe LTAC consists of five members in total.

Appointments to the LTAC are for one year terms. These terms run from July 1 of each year through June 30 of the next calendar year.

The following individuals were members of the LTAC who's terms expired June 30, 2020; each listed individual has communicated to City staff their continued interest in serving on the LTAC for the next term:

- Mayor Geoffrey Thomas: City of Monroe – Chairperson
- Mike Buse: President, Monroe Chamber of Commerce Board – Eligible Recipient
- Doug Hobbs: President, Evergreen Speedway – Eligible Recipient

City staff is actively recruiting for the two vacant hotel positions.

MCC 4.40.030 requires that the City Council review the LTAC membership annually and make changes as appropriate.



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It is staff's recommendation, to maintain continuity with the City's lodging tax program, that Mayor Geoffrey Thomas continue as the LTAC Chairperson, and the Council reappoint the two eligible recipients listed above. Staff will continue to recruit for hotel representatives to ensure the membership meets all statutory and code requirements.

### **FISCAL IMPACTS**

None. However, lodging tax funds cannot be awarded without an active Lodging Tax Advisory Committee.

### **TIME CONSTRAINTS**

Direction is needed at the July 14, 2020 City Council meeting in order to move forward with the 2021 funding cycle.

### **ALTERNATIVES**

1. Reappoint current incumbents. Staff will continue to recruit for hotel representatives.
2. Direct staff to open all but the elected official position for recruitment. (*By code, only the Mayor or a Councilmember designated by the Mayor may serve in the elected official position.*) The challenge associated with this alternative is the limited pool from which the City may appoint members to the LTAC.
3. Do not appoint members to the LTAC. If the Council chooses this alternative, the lodging tax money may not be expended beyond current awards until such time as a statutorily compliant LTAC is formed and can make recommendations to the Council.

## Chapter 4.40

### LODGING TAX ADVISORY COMMITTEE

Sections:

- 4.40.010 Lodging tax advisory committee established.**
- 4.40.020 Appointment.**
- 4.40.030 Annual review – Vacancies.**
- 4.40.040 Review of proposals by committee.**
- 4.40.050 Severability.**

#### **4.40.010 Lodging tax advisory committee established.**

Pursuant to Chapter [67.28](#) RCW and Substitute Senate Bill 5867, Chapter 452, Laws of 1997, there is hereby established a lodging tax advisory committee of the city of Monroe. The lodging tax advisory committee shall consist of five members. The committee membership shall include:

- A. Two members who are representatives of hotel-motel businesses required to collect the lodging tax (business);
- B. Two members who are persons involved in activities authorized to be funded by revenue received from the lodging tax (activities); and
- C. The mayor, or a councilmember designated by the mayor, shall be a member of the committee and shall serve as chair. (Ord. 017/2019 § 7)

#### **4.40.020 Appointment.**

Organizations representing businesses collecting the lodging tax, and organizations involved in activities authorized to be funded by the lodging tax, and local agencies involved in tourism promotion may submit recommendations to the city council for membership on the committee. The committee members representing business and persons involved in activities shall be appointed by the city council. (Ord. 017/2019 § 7)

#### **4.40.030 Annual review – Vacancies.**

The city council shall review the membership of the lodging tax advisory committee annually and make changes as appropriate. Vacancies on the committee shall be filled by the city council by motion. The term of membership shall be through June 30th of the year following appointment; provided, that a member's term shall not expire until the appointment of a new member is effective. (Ord. 017/2019 § 7)

#### **4.40.040 Review of proposals by committee.**

A. A proposal for any of the following shall be submitted to the lodging tax advisory committee for review and comment on:

1. The imposition of a tax under Chapter [67.28](#) RCW;
2. An increase in the rate of tax imposed under Chapter [67.28](#) RCW;
3. The repeal of an exemption from a tax imposed under Chapter [67.28](#) RCW; or
4. A change in the use of revenue received under Chapter [67.28](#) RCW.

B. Such proposal(s) shall be submitted to the committee at least forty-five days before final action on or passage of the proposal by the city council.

C. The advisory committee shall submit comments to the city council on the proposal in a timely manner through generally applicable public comment procedures. The comments shall include an analysis of:

1. The extent to which the proposal will accommodate activities for tourists or increase tourism; and
2. The extent to which the proposal will affect the long-term stability of the fund created by RCW [67.28.1815](#), the fund used for paying the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities.

D. Failure of the advisory committee to submit comments before final action on or passage of the proposal shall not prevent the city council from acting on the proposal. The city is not required to submit an amended proposal to the committee. (Ord. 017/2019 § 7)

#### **4.40.050 Severability.**

If any section, sentence, clause or phrase of this chapter should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this chapter. (Ord. 017/2019 § 7)

**The Monroe Municipal Code is current through Ordinance 005/2020, passed June 9, 2020.**

Disclaimer: The city clerk's office has the official version of the Monroe Municipal Code. Users should contact the city clerk's office for ordinances passed subsequent to the ordinance cited above.

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