



## INFORMATIONAL MEMORANDUM

TO: **Tukwila City Council**

FROM: **Brandon Miles, Business Relations Manager**

CC: **Mayor Ekberg**

DATE: **November 14, 2023**

SUBJECT: **Lodging Tax Advisory Committee Authorization Ordinance**

### **ISSUE**

An ordinance amending the composition of the Lodging Tax Advisory Committee (LTAC) and making changes to the annual reporting deadline.

### **BACKGROUND**

The City of Tukwila collects a 1% tax on eligible stays in overnight accommodations. Washington State requires that these funds be used solely for tourism related activities. Additionally, the City is required to have a lodging tax advisory committee to make recommendations on the use of the funds and any changes in the tax rate. The committee must be made up of an equal number of people from establishments that collect the tax (hotels, motels, extended states, and short-term rentals) and an equal number of people from entities eligible to be funded by the tax. An elected official from the City also serves as the Chair of the committee. The committee must have at least five members.

The City's LTAC is authorized under TMC 2.35. The make up of the committee is currently nine members, with two of the positions (one hotel and one non-hotel) being unfilled. Per City Council tradition, the Council President typically serves as the Chair.

State law also requires the City to make an annual report on the usage of lodging tax funds by the end of March for the preceding year. For example, the report submitted in March of 2023 reported on the expenditures for all of 2022. TMC 2.35.50 requires that an annual report be submitted to the City Council by December 31 to reflect the activities for the past 12 months.

### **DISCUSSION**

Staff are proposing to make the following changes to TMC 2.35 regarding the operation of the LTAC.

1. Reduce the total number of members from nine to seven.

Staff is suggesting that we eliminate the two vacant positions from the LTAC, thus bringing the total number of positions down to seven. Recruitment of the lodging businesses on the LTAC has always been a challenge. It's been difficult to find lodging business representatives who have a broad and expansive knowledge of marketing, sales, branding, and placemaking. Additionally, the LTAC now meets in a hybrid, virtual environment. Meeting management is much simpler with seven members versus nine.

2. Change the City Council Annual Report Deadline

Staff would like to change the deadline for reporting to the Council on the activities of the LTAC from December 31 to June 30. The report in June would be for the prior year. The reason for this change is to line it up with the State reporting requirements. Recipients of lodging tax funds

collect data on the past data usage and usually have until March 1 of the following year to submit their final reports to the City.

**FINANCIAL IMPACT**

N/A

**RECOMMENDATION**

Forward to November 27, 2023 Committee of the Whole meeting and December 4, 2023 consent agenda.

**ATTACHMENT(S)**

- Draft Ordinance.

**DRAFT**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AMENDING ORDINANCE NO. 2537 §4 AND §7, AS CODIFIED AT TUKWILA MUNICIPAL CODE (TMC) CHAPTER 2.35, “LODGING TAX ADVISORY COMMITTEE”; AMENDING THE NUMBER OF MEMBERS FOR THE LODGING TAX ADVISORY COMMITTEE AND DATE FOR SUBMISSION OF THE ANNUAL REPORT; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the Tukwila City Council adopted Ordinance No. 2537, regarding the governance and administration of the Lodging Tax Advisory Committee;

**WHEREAS**, the City wishes to impose best practices in the administration of the Lodging Tax Advisory Committee; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:**

**Section 1. TMC Section 2.35.020 Amended.** Ordinance No. 2537 §4, as codified at TMC Section 2.35.020, “Membership,” is hereby amended to read as follows:

**2.35.020 Membership**

A. **Qualifications.** Members must have a connection to a business or activity in the City of Tukwila that either collects the lodging tax or is authorized to be funded by revenue received from the tax.

B. **Number of Members.** The Committee shall ~~be comprised of nine~~ seven members that meet the requirements of TMC Section 2.35.020.A, and shall include:

1. One elected official of the City who shall serve as the Committee Chair;
2. ~~Three~~ Four representatives of businesses required to collect the lodging tax pursuant to RCW 67.28; and

3. ~~Three~~**Four** representatives involved in activities authorized to be funded by revenue received from the tax pursuant to ~~RCW~~chapter 67.28 RCW.

C. **Appointment Process.** Interested parties ~~that~~who meet the requirements stated in TMC Section 2.35.020, subparagraphs A and B, shall submit a completed Boards and Commissions Application to the Mayor's Office for processing by the City Council. The Mayor's Office will forward the application to the Committee's staff liaison. The Chair of the Lodging Tax Advisory Committee recommends appointments to the City Council ~~Committee~~ and all appointments are confirmed by the City Council.

D. **Term of Appointment.** The City Council shall review and appoint members on an annual basis.

E. **Resignations.** If a Committee member is unable to complete their term of service, a letter of resignation shall be sent to the Chair of the Committee indicating the effective date of the resignation.

F. **Vacancies.** Any appointment to a position vacated other than by the expiration of the term of the appointment shall be to fill only the unexpired portion of said term.

G. **Revocation of Appointment.** A Committee member may be removed from the position if absent without being excused for three regular meetings in a calendar year or if they no longer meet the membership qualifications as stated in TMC Section 2.35.020, subparagraphs A and B.

**Section 2. TMC Section 2.35.050 Amended.** Ordinance No. 2537 §7, as codified at TMC Section 2.35.050, "Reporting Requirements and Annual Review," is hereby amended to read as follows:

### **2.35.50 Reporting Requirements and Annual Review**

A. **Reporting Requirements.** The Committee shall keep the City of Tukwila apprised of its activities and recommendations by submitting an annual report by June 30~~December 31~~ each year summarizing the activities for the prior year.

B. **Annual Review.** Pursuant to RCW 67.28 the City Council shall review the Lodging Tax Advisory Committee on an annual basis.

**Section 3. Corrections by City Clerk or Code Reviser Authorized.** Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

**Section 4. Severability.** If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such

invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

**Section 5. Effective Date.** This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Christy O'Flaherty, MMC, City Clerk

\_\_\_\_\_  
Allan Ekberg, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk: \_\_\_\_\_

Passed by the City Council: \_\_\_\_\_

Published: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Ordinance Number: \_\_\_\_\_

\_\_\_\_\_  
Office of the City Attorney