# HISTORY OF LOCAL LODGING TAXES

#### Local TLT Established

### **1940**s

Local governments (cities and counties) adopt local TLT with no state restrictions.

#### State TLT Created, Locals Preempted

### 2003

HB 2267(2003) established the state's TLT and froze local agreements of pre-2003 tax and required any new or increased local TLTs to provide at least 70% to "tourism promotion" or "tourism related facilities."

#### Local TLT Flexibility Attempts Fail

### 2017

HB 2744(2017) and HB 2768(2017) tried to expand local TLT definitions around "tourism-related facilities" and "tourism promotion" to cover more tourist related attractions, but failed.

### Lodging Provider Reimbursement

### 2001

Local governments allowed to permit lodging providers (like hotels) to retain 5% for collecting local lodging tax revenues because of HB 2934(2001).

> State TLT Decreases Percentage towards Tourism Promotion 2016

HB 4146(2016) temporarily increased the state TLT and reduced funding dedicated to tourism promotion from 80% to 65% to general tourism programs not just marketing. 10% goes towards a grant program for tourism-related facilities and tourism-generated events, likes sports. 20% goes to the Regional Cooperative Tourism Program.

> Local TLT Flexibility for Housing Fails

## 2019

SB 595(2019) proposed adjusting the allocation percentages from new or increased local transient lodging taxes to allow up to 30% of such revenue to be used to fund affordable workforce housing. It failed.

#### Local TLT Flexibility for Public Safety Fails

# 2023

HB 2494(2023) would have authorized local governments to impose a local transient lodging tax at a rate not to exceed 3% to fund law enforcement and emergency services, contingent upon voter approval.

5 Local TLT bills introduced 2025

HBs 3556, 3325 and 3962; and SBs 453 and 457 were introduced this session relating to local TLTs. Some ideas proposed were adding a definition of "tourismimpacted services" to the 70% restricted portion of post 2003 taxes; another was creating a mechanism for giving high tourism areas more flexibility. HB 3962A comes after Rep. Nathanson convened stakeholders and help public hearings and informational meetings on local TLTs. HB 3962A is a compromise - it gives locals flexibility while maintaining a portion of funding for "tourism promotion" and "tourism facilities."

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