



LODGING TAX GUIDELINES

Pursuant to RCW 67.28, the City of Fife imposes an excise tax (lodging tax) on the sale of, or charge made for, the furnishing of lodging.

Who may apply for lodging tax revenues?

Entities that may apply for lodging tax revenues are:

- a. Convention and visitors' bureaus;
- b. Destination marketing organizations;
- c. Nonprofits, including main street organizations, lodging associations, or chambers of commerce; and
- d. Municipalities (defined as any city, town, county).

For what can lodging tax revenues be used?

Lodging tax revenues can be used for:

- a. Tourism marketing;
- b. Marketing and operations of special events and festivals designed to attract tourists. Grant funds can be used for operational expenses of the event or festival, including marketing and promotion, security, traffic control, etc. Grant funds shall not be used for salaries and/or benefits for event organizers, or other key staff, insurance, or gifts of appreciation to volunteers or staff after the event or festival has completed;
- c. Operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district; or
- d. operations of tourism-related facilities owned or operated by nonprofit organizations (but not capital expenditures).

What information must applicants for lodging tax revenues provide to Fife's Lodging Tax Advisory Commission?

Applicants that apply for use of lodging tax revenues must provide to Fife's Lodging Tax Advisory Commission estimates of how moneys received will result in increases in the number of people traveling for business or pleasure on a trip:

- a. Away from their place of residence or business and staying overnight in paid accommodations;
- b. To a place fifty miles or more one way from their place of residence or business for the day or staying overnight; or
- c. From another country or state outside their place of residence or business.

How are recipients of lodging tax revenues selected?

Fife's Lodging Tax Advisory Commission selects the candidates from among the applicants applying for use of revenues. The Commission provides a list of such candidates and recommended amounts of funding to the City Council for final determination. The City Council

can choose only recipients from the list of candidates and recommended amounts provided by the Lodging Tax Advisory Commission.

What do “operation,” “tourism,” “tourism promotion” and “tourism related facility” mean?

- a. “Operation” includes, but is not limited to, operation, management, and marketing.
- b. “Tourism” means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
- c. “Tourism promotion” means activities, operations, and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding the marketing of or the operation of special events and festivals designed to attract tourists.
- d. “Tourism-related facility” means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is: (a)(i) Owned by a public entity; (ii) owned by a nonprofit organization described under section 501(c)(3) of the federal internal revenue code of 1986, as amended; or (iii) owned by a nonprofit organization described under section 501(c)(6) of the federal internal revenue code of 1986, as amended, a business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce and (b) used to support tourism, performing arts, or to accommodate tourist activities.

Notes: Applicants for Lodging Tax funding must submit an application to the Fife Lodging Tax Advisory Commission by the deadline established by the Program Manager. The Lodging Tax Advisory Commission may require or allow applicants to make oral presentations to the Commission. Recipients of funding must sign a Lodging Tax Award Contract and submit reports to the City on a form and with content as required by the Program Manager.