

Tourism Promotion Area (TPA)

Background Information

Washington State Law – RCW 35.101

Tourism Promotion Area (TPA):

- Creates a geographic boundary of lodging establishments with 40 or more units.
- Establishes a per unit per night of occupancy rate of no more than \$2 per unit -
 - May be up to six (6) different rate classifications
 - Collected by State Department of Revenue {DOR must be notified 75 days before effective date of ordinance establishing the TPA}
 - Disbursed monthly to the jurisdiction(s) who formed the TPA. [Lodging establishments on tribal property are most likely exempt.]
 - May only be used for purposes stated in the petition.
- Established by a city, town, or county after receiving a petition from lodging establishments representing at least 60% of the proposed fees to be collected in the designated area.
 - TPA boundary may be all or a portion of a jurisdiction.
 - Cities may adopt interlocal agreements to establish a tourism promotion area greater than their individual boundaries.
 - A county may establish a TPA that includes area within incorporated cities if the respective city(ies) if the cities participate in an interlocal agreement with the county.
 - Jurisdictions have discretion on how the money is spent; however, it must conform with uses in the petition.
 - Jurisdiction(s) may designate an advisory commission to recommend how the money is spent. {Spokane ordinance forms a commission appointed by the jurisdictions from a list submitted by TPA establishments. Members must be operators or employees of TPA establishments.}
 - Jurisdiction(s) may contract with a tourism destination marketing organization or similar organization to administer the operation of the area.
- Lodging establishments control whether or not the process is started.
 - By petition, define the TPA boundaries, rates, methods for changing rates, and specific uses for revenue generated by the TPA.
 - May be specific about the uses.
- Lodging establishments may include language in the petition about dissolution.
 - Spokane County has language regarding dissolution based on petition by 40% of TPA establishments.

The Steps:

1. Eligible lodging establishments representing at least 60% of proposed fees to be collected within the boundaries **MAY** submit a petition to the County or individual cities.

The petition **MUST** include:

- A description of the TPA boundaries
- The proposed uses and projects to which the proposed revenue from the TPA shall be put and the estimated costs. The uses may be general or specific.
- The estimated rate of charge, not more than \$2 per unit per night of stay, and for no more than six (6) classifications. Classifications may be based on the number of rooms, room revenue, or location within the area.

2. After receiving a valid petition, the jurisdiction **MUST** adopt a resolution of Intent to establish the area.

The resolution **MUST** include:

- The three items listed above from the petition
- The time and place of a public hearing to be held by the jurisdiction on the establishment of the proposed TPA.

3. The jurisdiction **MUST** notice and hold a public hearing. Action on the petition **will** terminate if protest is made by lodging businesses in the area who would pay a majority of the proposed charges.

4. The jurisdiction **MAY** adopt an ordinance forming a TPA after holding the public hearing, if qualifying protest is not received.

The ordinance **MUST** include:

- The number, date and title of the Resolution.
- The time and place of the public hearing.
- A description of the TPA boundaries
- The uses and projects to which the revenue from the TPA shall be put and the estimated costs. The uses **MUST** conform to the uses declared in the petition.
- The estimated rate of charge, not more than \$2 per unit per night of stay, and for no more than six (6) classifications. Classifications may be based on the number of rooms, room revenue, or location within the area.
- A statement that a TPA has been established.