

Joint Legislative Audit and Review Committee (JLARC)



E-mail: JLARC@leg.wa.gov
 Web site: www.jlarc.leg.wa.gov

LEGISLATIVE AUDITOR

Keenan Konopaski
 1300 Quince St SE
 PO Box 40910
 Olympia, WA 98504-0910

Phone: 360-786-5171
 FAX: 360-786-5180
 TDD: 1-800-635-9993

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To: Washington cities, counties, and towns using lodging tax revenues

From: Keenan Konopaski, Legislative Auditor

Date: October 29, 2014

Subject: Reporting Use of Lodging Tax Funds for Tourism Promotion

The Joint Legislative Audit and Review Committee (JLARC) staff have developed a web-based system for Washington local governments to use in reporting their use of lodging tax funds during calendar year 2014 as required by RCW 67.28.1816.

The reporting system was developed with considerable input from Washington counties and municipalities. In addition, a number of local governments pre-tested the system and offered suggestions to improve clarity and ease of use.

The reporting system is now available to all Washington municipalities for data entry. Please recall that this reporting is required by state statute.

Access questions and issues addressed during the system's development are below.

1. **Who must report?** All entities receiving lodging tax funds during 2014 must provide information to their respective local government on their use of these funds as required by RCW 67.28.1816. This includes local governments that directly use lodging tax funds for municipal purposes, such as municipal facilities or community events. Local governments will then, in turn, report this information to JLARC using the on-line system.
2. **Establishing an account:** Local governments may access the lodging tax reporting system by sending an e-mail to JLARC at jlarc@leg.wa.gov with the subject header "Request for lodging tax system access." New users will find instructions on how to establish a user account and password for their respective localities. (Users who participated in the system pre-test may use their previously established accounts which have retained the data entered during the pre-test.)
3. **Data entry:** Once users establish an account, they may begin entering data for specific lodging tax recipients at any time. To avoid last-minute problems we encourage users to enter data as it becomes available, such as estimated tourism impacts from recipient

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applications or information from completed events and activities, rather than waiting until after December 31, 2014.

4. **Data entry cutoff:** Users will be able to enter data and edit through March 15, 2015. After that date JLARC staff will close the system to 2014 tax fund use and begin preparing the report on 2014 lodging taxes.
5. **Actual attendance:** Although the law uses the term “actual” attendance, in instances where obtaining an actual count of attendance by traveler category is not practical, **a good faith best-estimate should be made.** Local governments and Lodging Tax Advisory Committees are to request that applicants for lodging tax funds state how they will determine attendance.
6. **Technical assistance:** There are two areas where assistance may be needed. Please note that the system includes many prompts and answers many FAQs. If you need additional assistance:
 - a. Logging in, entering/editing data: For basic questions on how to use the system, please send an e-mail to JLARC at jlarc@leg.wa.gov with the subject header “Lodging tax system question.”
 - b. Estimating attendance/entering “actual” attendance and traveler information: Local governments should work with the Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC) to identify resources to assist lodging tax recipients with determining attendance.

JLARC and association staff recognize that there are areas of complexity in reporting lodging tax use (e.g. determining traveler information, consortia, etc.). Staff will continue to work with cities, counties, and towns to determine preferred practices and communicate those practices.