

HOUSE BILL REPORT

ESB 5720

As Reported By House Committee On:
Appropriations

Title: An act relating to natural resources conservation areas.

Brief Description: Repealing the natural resources conservation areas stewardship account endowment.

Sponsors: Senator Rinehart; by request of Office of Financial Management.

Brief History:

Reported by House Committee on:
Appropriations, April 3, 1993, DPA.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 21 members: Representatives Locke, Chair; Valle, Vice Chair; Carlson, Assistant Ranking Minority Member; Appelwick; Ballasiotes; Basich; Cooke; Dellwo; Dorn; Dunshee; G. Fisher; Jacobsen; Lemmon; Linville; Peery; Rust; Sehlin; Sommers; Wang; Wineberry; and Wolfe.

Minority Report: Do not pass. Signed by 4 members: Representatives Silver, Ranking Minority Member; Sheahan; Stevens; and Talcott.

Staff: Susan Nakagawa (786-7145).

Background: In 1987, the Legislature established the Natural Resource Conservation Area (NRCA) Program within the Department of Natural Resources, to preserve designated natural areas. A temporary real estate excise tax surcharge of 0.06 percent was instituted through June 30, 1989 for the purpose of acquiring NRCA's. At the same time, the natural resource conservation areas stewardship account was created to manage NRCA's.

The real estate excise tax surcharge generated approximately \$10 million for land acquisition prior to expiration of the surcharge in 1989. In 1990, \$2.8 million from the real estate excise tax surcharge was deposited into the stewardship account. The 1991 Legislature created a \$2 million endowment within the NRCA stewardship account.

Expenditure of the corpus of the endowment was prohibited. Interest earnings on the \$2 million, and any additions to the principal were statutorily restricted to expenditure in support of NRCA's, natural area preserves, and for operation of the Natural Heritage Program within the department.

The 1991-93 Legislature appropriated interest earnings from dedicated accounts for the state general fund.

Summary of Amended Bill: Interest earnings are no longer credited to the state general fund. Also, the endowment provision within the NRCA account is repealed, allowing expenditure of the corpus from the fund.

Amended Bill Compared to Engrossed Bill: A provision of the bill that would have allowed the interest on this account to be retained in the account rather than accruing to the state general fund is eliminated. The provision that repeals the endowment remains, allowing appropriation and expenditure of the corpus of the fund.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Witnesses: None.