

SENATE BILL REPORT

SB 5210

**AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS,
FEBRUARY 10, 1993**

Brief Description: Providing for acquiring and maintaining conservation areas.

SPONSORS: Senators Haugen and M. Rasmussen

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 5210 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, and Winsley.

Minority Report: Do not pass.

Signed by Senators Oke, Owen, and von Reichbauer.

Staff: Eugene Green (786-7405)

Hearing Dates: February 3, 1993; February 10, 1993

SENATE COMMITTEE ON WAYS & MEANS

Staff: Terry Wilson (786-7715)

Hearing Dates: March 5, 1993

BACKGROUND:

Counties are authorized to levy up to a 1 percent real estate tax to acquire and maintain conservation areas. The tax requires voter approval and is imposed countywide. The buyer is liable for the tax and payment of the tax is required prior to recording of the title.

The proposal for the tax may be initiated by the county commissioners or by petition signed by 10 percent of the total number of voters voting in the last county election.

An expenditure plan must be prepared 60 days before the election if the proposition is initiated by the county legislative authority, or within six months if initiated by petition. The county must consult with cities regarding the expenditure plan.

Only San Juan County has imposed this tax. The tax has been defeated in the following counties: King, Kitsap, Pierce, Snohomish, and Thurston.

The state imposes a real estate excise tax at the rate of 1.28 percent. The seller is liable for this tax.

SUMMARY:

The authorization for counties to levy a 1 percent real estate tax to acquire and maintain conservation areas is eliminated.

An additional real estate tax of one-half of 1 percent is imposed by the state for the acquisition of a fee simple or lesser interest in conservation areas and maintenance of conservation areas. This additional tax does not apply to the acquisition of conservation areas by the state or a county, city, town, or park district.

The treasurer of a county must place 50 percent of the receipts from this tax into an account established for the county to acquire and maintain conservation areas. The county legislative authority must prepare a plan of expenditure for the county's portion of the tax and the plan must be periodically updated. The first priority for these plans is to acquire significant and critical wetland areas or development rights on the wetland areas that are threatened by incompatible land uses, development activities, or being drained and filled.

The treasurer of each county must distribute the remaining 50 percent of these tax receipts to the State Treasurer who shall place the moneys into a newly created conservation lands account in the state treasury and may be spent only after appropriation. Expenditures in this account may be used only by the Interagency Committee for Outdoor Recreation for grants to state agencies to acquire conservation areas and by other state agencies to maintain the conservation areas that are acquired by these moneys.

The Interagency Committee for Outdoor Recreation must adopt a plan identifying conservation areas to be acquired and maintained, and shall make grants for the acquisition of these conservation areas to appropriate state agencies. The first priority for these expenditures is to acquire significant and critical wetland areas or development rights on such wetland areas that are threatened by incompatible land uses, development activities, or being drained and filled.

The Interagency Committee for Outdoor Recreation shall coordinate its efforts with counties acquiring and maintaining conservation areas under this act.

This act shall be submitted to the people in November, 1993.

EFFECT OF PROPOSED SUBSTITUTE:

Any county imposing the 1 percent real estate excise tax for the acquisition and maintenance of conservation areas by January 1, 1994, may continue to impose this tax.

The county tax becomes an obligation of the seller.

Appropriation: none

Revenue: yes

Fiscal Note: available

Effective Date: Upon favorable vote of the people in November, 1993.

TESTIMONY FOR (Government Operations):

We need to act now. It is a referendum bill; let the people decide.

TESTIMONY AGAINST (Government Operations):

Home buyers should not be taxed to support a general problem. Cost of housing is high enough.

TESTIFIED (Government Operations): Greg Hanon, WA Christmas Tree Growers (pro); Bob Hart, Skagit County (pro); Paul Parker, WSAC (pro); Glen Hudson, WA Assoc. Realtors (con); Larry Phillips, King County (pro)

TESTIMONY FOR (Ways & Means):

This will preserve the quality of life in this state. It is best to buy the development rights before they cost too much. This is an investment in the future.

TESTIMONY AGAINST (Ways & Means):

This is an added burden on the seller. The state's real estate excise tax is the second highest in the nation. It reduces the seller's equity. A better source of revenues is the conservation futures property tax levy. This tax is too volatile to support the staff that will be hired to implement it.

TESTIFIED (Ways & Means): Senator Haugen, sponsor (pro); Bob Hart, Skagit County Commissioners (pro); Greg Hanon, WA Christmas Tree Growers Association (pro); Dan Coyne, Dairy Federation (pro); Paul Parker, Washington State Association of Counties (pro); Dick Ducharme (pro); Glen Hudson, Washington Association of Realtors (con)