

**FINAL BILL REPORT**

**ESB 5720**

**C 437 L 93**

**SYNOPSIS AS ENACTED**

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

**SPONSORS:** Senator Rinehart; by request of Office of Financial Management

**SENATE COMMITTEE ON WAYS & MEANS**

**HOUSE COMMITTEE ON APPROPRIATIONS**

**BACKGROUND:**

In 1987 the Legislature instituted a temporary real estate excise tax surcharge for the purpose of acquiring Natural Resource Conservation Areas (NRCAs). At the same time, the natural resource conservation areas stewardship account was created for the purpose of funding the management of NRCAs. Funds for management purposes were to be derived from appropriations of state general funds, income derived from the management of NRCAs and gifts and donations.

The real estate excise tax surcharge provided approximately \$10 million for land purchases prior to expiration of the surcharge in 1989. An additional \$2 million of revenue provided by the surcharge was deposited into the natural resource conservation area stewardship account as an endowment for future management of the NRCAs.

The endowment was created in 1991 and expenditure of the corpus of the endowment was prohibited. Interest earnings on the \$2 million, and any subsequent additions to the corpus by the Legislature, were statutorily restricted to expenditure for management of Natural Resources Conservation Areas, Natural Area Preserves and for the operation of the Natural Heritage Program administered by the Department of Natural Resources.

The interest earnings provisions of the endowment were subsequently overridden and the State Treasurer directed to deposit the interest earnings of the account into the general fund.

**SUMMARY:**

The endowment provisions are repealed allowing the corpus of the fund to be appropriated.

**VOTES ON FINAL PASSAGE:**

Senate	48	0	
House	66	28	(House amended)
Senate	28	19	(Senate concurred)

**EFFECTIVE:** July 25, 1993