

SENATE BILL REPORT

ESB 5720

AS PASSED SENATE, MARCH 19, 1993

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

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Bluechel, Hargrove, Hochstatter, Jesernig, Moyer, Quigley, Snyder, Sutherland, Talmadge, West, and Williams.

Staff: Michael Groesch (786-7715)

Hearing Dates: February 17, 1993; February 24, 1993

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 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:

Interest earned by the natural resources conservation areas account shall be retained in the account rather than transferred to the general fund.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

Removal of the endowment provision will allow the remaining funds to be spent according to the provisions outlined in statute.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Randy Acker, Dept. of Natural Resources; Jim Cahill, Office of Financial Management

HOUSE AMENDMENT(S):

The endowment provision within the natural resources conservation areas account is repealed, thus allowing the corpus of the fund to be expended.