

# SENATE BILL REPORT

## SB 5254

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As Reported By Senate Committee On:  
State & Local Government, March 5, 2001

**Title:** An act relating to providing funding for parks and recreation facilities.

**Brief Description:** Providing funding for parks and recreation facilities.

**Sponsors:** Senators Jacobsen, Fairley, Swecker, Haugen, Oke, Regala, T. Sheldon, Kline, Prentice, Parlette, Constantine, Gardner, Hale, McAuliffe and Kohl-Welles.

**Brief History:**

**Committee Activity:** State & Local Government: 2/19/01, 3/5/01 [DPS, DNP].

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### SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

**Majority Report:** That Substitute Senate Bill No. 5254 be substituted therefor, and the substitute bill do pass.

Signed by Senators Patterson, Chair; Fairley, Vice Chair; Gardner, Haugen, Kline and Swecker.

**Minority Report:** Do not pass.

Signed by Senators Hale, Horn, McCaslin, Roach and T. Sheldon.

**Staff:** Eugene Green (786-7405)

**Background:** The legislative authority of any city, town, or county may impose an excise tax on each sale of real property at a rate not exceeding one-quarter of 1 percent of the selling price. The revenues from this tax may be used by any city, town or county with a population of 5,000 or less and any city or county that does not plan under the Growth Management Act for any capital purpose identified in a capital improvements plan. For those cities with a population of 5,000 or more, the revenues from this tax are restricted to the following uses: planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and/or judicial facilities; and river and/or waterway flood control projects by those jurisdictions that, prior to June 11, 1992, have expended funds derived from this tax for this purpose.

The legislative authority of any city, town, or county that plans under the Growth Management Act (GMA) may impose a second excise tax on the each sale of real property at a rate not exceeding one-quarter of 1 percent of the selling price. The use of revenues from this tax are more restricted than the use of the first excise tax in that the revenues may only be used for: planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting

systems, traffic signals, bridges, domestic water systems, and storm and sanitary sewer systems, and parks.

**Summary of Substitute Bill:** The real estate excise tax may be used by a county or city for maintenance or operations of park and recreational facilities acquired or developed with revenues from this tax after December 31, 2000. The GMA real estate excise tax may be used by a county or city for maintenance or operations of only park facilities acquired or developed with revenues from this tax after December 31, 2000. The use of the real estate excise tax for maintenance or operations of park and recreation facilities is limited to no more than 25 percent of the total amount of the tax collected by the county or city in the preceding fiscal year. Revenues from this tax may not supplant existing funding for maintenance and operations of park and recreation facilities.

**Substitute Bill Compared to Original Bill:** The GMA real estate excise tax may only support park facilities.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Park and recreational facilities badly need an infusion of a new source of revenue for maintenance and operation. The amount is limited and can only be used for parks purchased with this tax after December 31, 2000.

**Testimony Against:** We don't want to see the funds from this tax diluted away from vital infrastructure projects.

**Testified:** Al Dams, WA Recreation and Parks Assn. (pro); Mike Flynn, Realtors (con); Paul Parker, WA State Assn. of Counties (pro); Judy Wilson.