

SENATE BILL REPORT

ESHB 1631

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, March 30, 2005

Title: An act relating to using revenues under the county conservation futures levy.

Brief Description: Using revenues under the county conservation futures levy.

Sponsors: House Committee on Local Government (originally sponsored by Representatives Clibborn, Fromhold, Moeller, Wallace and Jarrett).

Brief History: Passed House: 3/14/05, 55-41.

Committee Activity: Natural Resources, Ocean & Recreation: 3/21/05, 3/30/05 [DPA, DNP].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: Do pass as amended.

Signed by Senators Jacobsen, Chair; Doumit, Vice Chair; Oke, Ranking Minority Member; Fraser, Morton, Spanel and Swecker.

Minority Report: Do not pass.

Signed by Senator Stevens.

Staff: Curt Gavigan (786-7437)

Background: In 2001, the State Parks and Outdoor Recreation Funding Task Force recommended that counties be given the option of using a portion of their conservation futures tax revenue for operation and maintenance of properties acquired.

The conservation futures tax is a local option property tax assessed at the county level, at a maximum rate of 6.25 cents per \$1,000 of assessed value. Revenue from the tax may be used to purchase or acquire development rights for open space, agricultural, and timber lands. The tax was enacted to help fund the preservation of such lands in light of increasing urban and metropolitan development.

Under the state Constitution, aggregate property tax levies are limited to 1 percent of value, or \$10 per \$1,000 of assessed value, without a vote of the people. The state levy is limited to \$3.60 per \$1,000 of assessed value for the support of the common schools, equalized to adjust for assessment at less than market value. The levies by the cities, counties, road districts, and junior taxing districts are limited in total to \$5.90 per \$1,000 of assessed value. If the combined rates of these districts exceed \$5.90, the rates of these taxing districts are reduced according to statutorily set priorities until the combined rate is within the \$5.90 rate limit.

Outside this \$5.90 statutory rate limit, but subject to the 1 percent limit, are several levies, including the conservation futures tax. If the total property tax rate exceeds the 1 percent

limit, however, levies outside of the \$5.90 limit are reduced according to a statutory mechanism.

Summary of Amended Bill: The maximum rate of the conservation futures levy is increased to 10 cents per \$1,000 of assessed value. Revenues may be used for the purpose of acquiring rights and interests in real property, and for the maintenance and operation of property acquired with these funds. Up to 15 percent of the revenues may be used for maintenance and operation of parks and recreational land. Revenues may not be used to supplant existing maintenance and operation funding. Any rights or interests in real property acquired with these revenues must be located within the county assessing the tax. Counties are encouraged to use conservation futures for salmon preservation purposes. Also, counties with populations exceeding 100,000 must develop a process to ensure that the tax is distributed throughout the county.

If the combined property tax levy rate exceeds the 1 percent limit, the portion of any conservation futures levy in excess of 6.25 cents per \$1,000 of assessed valuation must be reduced before other levies are reduced.

Before July 1, 2008, a county with a population density of fewer than four persons per square mile may enact an ordinance offering a ballot proposal to determine whether the county may make a one-time emergency reallocation of unspent conservation futures funds for other county government purposes.

Amended Bill Compared to Original Bill: The amendment: (1) states that revenues may, instead of must, be used for property acquisition and maintenance and operation of property; (2) changes the cap on the use of funds for maintenance and operation of park and recreational land from 25 percent to 15 percent; (3) recommends that funds be used for salmon preservation instead of restoration; (4) changes the use of the term "parks and recreational facilities" to "parks and recreational land"; (5) clarifies that funds for maintenance and operation of properties may only be used for properties acquired with conservation futures funds; and (6) adds language authorizing a one-time ballot proposal for the reallocation of conservation futures funds in counties with a population density of fewer than four persons per square mile.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: Allowing conservation futures revenues to be used for operation and maintenance of lands acquired would allow counties to be better neighbors. That is, increased funding would be available for such projects as weed and invasive species control. The conservation futures levy is complementary to the Growth Management Act because higher density urban areas make open space acquisition even more important.

Testimony Against: The conservation futures levy is built around the idea that growth is haphazard. But, with the enactment of the Growth Management Act, growth is now managed

and this program is unnecessary. By acquiring lands through this program, counties lock in land use and lose flexibility over management of their lands. Additionally, Washington property taxes are already high and an increase would be excessive.

Who Testified: PRO: Dawn Vyvyan, Washington Recreation and Park Association; Elliot Silvers, Washington Association of Realtors; Sharon Wylie, Clark County; Dave Williams, Association of Washington Cities.

CON: Trent Matson, Building Industry Association of Washington; Tom McBride, Association of Washington Businesses.