

SENATE BILL REPORT

SB 5630

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, February 28, 2005

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

Brief Description: Providing funding for parks and recreational facilities.

Sponsors: Senator Jacobsen.

Brief History:

Committee Activity: Natural Resources, Ocean & Recreation: 2/10/05, 2/28/05 [DPS].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: That Substitute Senate Bill No. 5630 be substituted therefor, and the substitute bill do pass.

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

Staff: Curt Gavigan (786-7437)

Background: The legislative authority of any city or county may impose an excise tax on each sale of real property at a rate not exceeding one-quarter of one percent of the selling price. The revenues from this tax must be used by any city or county with a population of 5,000 or less and any city or county that does not plan under the Growth Management Act (GMA) for any capital purpose identified in a capital improvements plan and local capital improvements. For those counties and cities that are required or choose to plan under the GMA, the revenues from this tax must be used for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing relocation assistance.

The legislative authority of any city or county that plans under the GMA may impose an additional excise tax on each sale of real property at a rate not exceeding one-quarter of one percent of the selling price. The revenues from this tax must be used for financing capital projects specified in a capital facilities plan element of a comprehensive plan.

In 2001, the Legislative Task Force on Local Parks and Recreation recommended that the use of real estate excise tax revenues be expanded to include maintenance and operations of park facilities acquired or developed with real estate excise tax revenues.

Summary of Substitute Bill: Real estate excise tax revenues may be used, at the option of a city or county, for maintenance and operations of parks and recreational facilities acquired or developed with revenues from this tax after December 31, 2004. In addition, additional real estate excise tax revenues available to counties or cities that plan under the GMA may be used, at the option of a county or city, for maintenance and operations of parks facilities acquired or developed with revenues from this tax after December 31, 2004. The use of real

estate excise tax revenues for maintenance and operations of such 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 year. Revenues from these taxes may not supplant existing sources of funding for maintenance and operations of parks and recreational facilities.

Substitute Bill Compared to Original Bill: The substitute bill clarifies that the use of real estate excise tax revenues for maintenance and operations of parks and recreational facilities is a local option. The substitute bill also clarifies that revenues from real estate excise taxes used for maintenance and operations of parks and recreational facilities must not supplant "existing sources of" funding for maintenance and operations.

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: The use of real estate excise tax dollars for maintenance and operations expenses for local parks was recommended by a state task force that looked at the park funding issue in 2001. The real estate excise tax offers a tool to help fund park maintenance and operations expenses. Currently, funds are available to purchase park and recreation property, but not to maintain it properly.

Testimony Against: Though open space lands are vital, the real estate excise tax should not be used for the operation and maintenance of such lands. Capital projects should continue to receive all of these moneys. Additionally, broad based park needs should be funded by a broad based tax, not a narrow tax on the sale of real estate.

Who Testified: PRO: Craig Larson, Washington Recreation and Park Association; Mark Brown, City of Vancouver; Mary Hunt, Douglas County; Paul Parker, Washington State Association of Counties.

CON: Vern Veysey, Association of Washington Realtors.