

SENATE BILL REPORT

SB 5043

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, January 28, 2008

Title: An act relating to dedicating a portion of the state property tax levy to state parks.

Brief Description: Dedicating a portion of the state property tax levy to state parks.

Sponsors: Senators Haugen, Jacobsen, Fairley, Keiser, Regala, Hatfield, Berkey, Fraser, Sheldon, Poulsen, Rasmussen and Kohl-Welles.

Brief History:

Committee Activity: Natural Resources, Ocean & Recreation: 1/24/07, 2/07/07 [DPS-WM, DNP, w/oRec]; 1/28/08 [DP2S-WM, w/oRec].

Ways & Means: 2/19/07; 1/16/08 [w/oRec-NROR], 2/12/08.

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: That Second Substitute Senate Bill No. 5043 be substituted therefor, and the second substitute bill do pass and be referred to Committee on Ways & Means.

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

Minority Report: That it be referred without recommendation.

Signed by Senator Stevens.

Staff: Sherry McNamara (786-7402)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: Property taxes apply to the assessed value of all taxable property, which includes all real property located within the state, unless that property is specifically exempted. Most real property is assessed based on its fair market value, according to its highest and best use. However, the Legislature has created programs to assess certain land, including open space and designated forestland, based on the current use of a property.

Washington levies a state property tax for the support of common schools that is limited to \$3.60 per \$1,000 of fair market value. In 2006, this state levy generated over \$1.6 billion.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A 2001 report identified \$300 million worth of major facility renovation needs for the state park system. The State Parks and Recreation Commission has identified funding needs over the next seven years to complete half of these major renovations, as well as over 1,000 deferred maintenance projects.

The Parks Renewal and Stewardship Account is an appropriated account used for purposes including the operation of state parks, the development and renovation of park facilities, and for undertaking deferred maintenance.

Summary of Bill: The bill as referred to committee not considered.

SUMMARY OF BILL (Recommended Second Substitute): A new state property tax levy for the support of state parks is created. The levy rate equals one cent per \$1,000 of assessed property value. The new state property tax will be levied for collection in 2009 through 2014. Once fully implemented, the new levy will generate approximately \$9 million annually. Revenue from the new property tax levy must be deposited in the Parks Renewal and Stewardship Account.

The Parks Renewal and Stewardship Account may accept receipts from the new state property tax levy. Monies from this levy may only be used for the deferred and preventive maintenance and historical preservation, renovation, and repair of existing state park facilities, and land.

The new property tax levy for state parks may not be used for the purposes of the Community Revitalization Financing program, under Chapter 39.89 RCW, or for purposes of the Local Infrastructure Financing Tool program, under Chapter 39.102 RCW.

The bill contains a referendum clause that will require this Act to be submitted to the people for their adoption and ratification, or rejection, at the next general election held by the state.

EFFECT OF CHANGES MADE BY NATURAL RESOURCES, OCEAN & RECREATION COMMITTEE (Recommended Second Substitute): The new state property tax levy for the support of state parks applies to taxes levied for collection in 2009 through 2014. The substantive provisions of the bill expire July 1, 2015. Added a referendum clause. The revenue from the new property tax levy deposited in the Parks Renewal and Stewardship Account may only be used for deferred and preventive maintenance, historical preservation, renovation, and repair of existing state park facilities and land.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on First Recommended Substitute (Natural Resources, Ocean & Recreation): (From 2007) PRO: The state needs to make a commitment to preserve its state parks. Dedicating a state property tax levy for the preservation of state park resources is a way that everyone can contribute to this cause.

Persons Testifying (Natural Resources, Ocean & Recreation): PRO: Senator Haugen, prime sponsor.

Staff Summary of Public Testimony on First Recommended Substitute (Ways & Means): PRO: The parks are in better shape now than they were ten years ago. However, we are really concerned about the future with the elimination of the parking fee. We would like to maintain the level of spending that we had last year. This bill would be up to the people.

Persons Testifying (Ways & Means): PRO: James King, Citizens for Parks and Recreation.