
**Community Development, Housing &
Tribal Affairs Committee**

HB 1187

Brief Description: Concerning grants for community outdoor and indoor athletic facilities.

Sponsors: Representatives Stanford, Warnick, Dunshee, Zeiger, Appleton, Ryu, Bergquist and Fey.

Brief Summary of Bill

- Requires an annual transfer of certain tax revenues to the Youth Athletic Facility Account from the State General Fund to fund community outdoor and indoor athletic facilities that serve youth or communities.
- Revises several elements of the Youth Athletic Facilities Program.

Hearing Date: 1/30/13

Staff: Meg Van Schoorl (786-7105).

Background:

Youth Athletic Facility Account.

The Youth Athletic Facility Account (YAF Account) was created as a non-appropriated account in the State Treasury as part of the Stadium and Exhibition Center Bond Issue approved by voters as Referendum 48 in 1997. Referendum 48 required the professional football team affiliate to deposit at least \$10 million into the YAF Account, and \$10 million was deposited. The YAF Account's current unobligated balance is \$190,000. Referendum 48 also required that any moneys in the Stadium and Exhibition Center Account not required or permitted for payment of bond principal and interest or for reserves must be transferred into the YAF Account. Bond principal and interest payments for the stadium and exhibition center project are scheduled to end in 2021, and no transfers to the YAF Account have yet occurred.

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.

Youth Athletic Facilities Program.

Moneys in the YAF Account may only be used by the state's Recreation and Conservation Office (RCO) to make competitive grants or loans to cities, counties and qualified nonprofit organizations. These grants or loans must be used to acquire, develop, equip, maintain, and improve community outdoor athletic facilities. Funding must be provided in proportion to the population of the jurisdiction where the project is located, and must be divided equally between development, maintenance and improvement projects. The RCO administrative overhead for the Youth Athletic Facilities Program (YAF Program) is capped at 1.5 percent.

The RCO has not conducted a competitive application round since the 2007-09 biennium due to insufficient funds in the YAF Account.

Youth Athletic Facilities projects have included developing ball fields, swimming pools, tennis and basketball courts; renovating fields by adding artificial turf, lights and drainage systems; and buying land for athletic complexes. Funding has always been provided in the form of grants, not loans. Maximums set by the RCO for previous competitive application rounds were \$150,000 for developing new facilities, \$75,000 for improving existing facilities, and \$25,000 for maintaining existing facilities. The RCO also required applicants to provide 50 percent cash or in-kind resources as match for the state funds.

Sales and Use Tax on Charges for Amusement and Recreation Services.

Charges for amusement and recreation services are subject to state sales and use taxes. Amusement and recreation services include activities such as golf, pool, billiards, skating, bowling, swimming, bungee jumping, ski lifts and tows, basketball, racquetball, handball, squash, tennis, all batting cages, and related facilities. The Department of Revenue (Department) has initiated a rulemaking process to clarify the tax-reporting responsibilities of those providing amusement and recreation services, including the question of when charges for sporting activities and events are subject to the tax.

Summary of Bill:

Transfer of Tax Revenues.

By October 1, 2013 and every third year thereafter, the Department must estimate the amount of state sales and use taxes collected in the previous fiscal year on the sale of or charges made for the right to participate in competitive team sports activities, including competitive team sport tournaments. The Department must provide the estimate to the State Treasurer. By November 1, 2013 and every November 1 thereafter, the State Treasurer must transfer 50 percent of that estimated amount from the state general fund into the YAF Account. For purposes of the estimate and transfer, "competitive team sport" is defined.

Revisions to the YAF Program.

Several clarifications and revisions are made to the existing YAF Program.

Project Purposes. Grants are to be used for community outdoor and indoor athletic facilities that are designed to serve youth or communities. Project categories include acquisition of land to support facilities; development; renovation; or equipping facilities.

Required Outcomes. Land acquisition and facilities development projects must provide new youth and community athletic opportunities. Renovation projects must increase playing capacity of an existing facility by changing its use, extending its use, or expanding its size. Maintenance projects must result in continuing or retaining the originally-designed and built use and capacity of the existing facility.

Eligibility. Metropolitan park districts become eligible for funding. Nonprofit organizations are removed from eligibility. Indoor facilities become eligible for funding; outdoor facilities remain eligible. Projects must meet eligibility criteria established by the Recreation and Conservation Funding Board rather than by the director of the RCO.

Funding. Funding will be in the form of grants, not loans. Funding a project in proportion to the population size of the jurisdiction in which it is located is not required. Dividing the funds equally between development, maintenance and improvement projects is not required.

Program Administration. The RCO's administrative overhead is capped at 3 percent.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.