

SENATE BILL REPORT

SB 5575

As of February 11, 2013

Title: An act relating to state parks funding.

Brief Description: Concerning state parks funding.

Sponsors: Senators Pearson, Bailey, Becker, Sheldon, Carrell, Hill, Holmquist Newbry, Tom, Parlette, Smith and Braun.

Brief History:

Committee Activity: Natural Resources & Parks: 2/07/13.

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Staff: Curt Gavigan (786-7437)

Background: State Parks Operations and Funding. The State Parks and Recreation Commission (State Parks) manages a system that includes 117 developed parks stretching across approximately 120,000 acres throughout the state.

Between 2001 and 2011, the Legislature took a number of policy and fiscal actions related to the funding of State Parks. These include, at various times, the use of funding mechanisms including parking fees, voluntary donations, and various fund transfers for the support of State Parks. During that period, the state general fund (GF-S) support ranged from a high of \$95 million in the 2007-2009 biennium to a low of \$41 million in the 2009-2011 biennium.

In 2011, the Legislature created the Discover Pass and generally required its purchase for access to state recreation lands, including state parks. The 2011 Operating Budget provided one-time funding of approximately \$17 million of GF-S funds to assist State Parks to move toward the goal of becoming a self-supporting agency. Due to lower than expected Discover Pass revenue, State Parks received an additional \$4 million in one-time funding from state aquatic lands revenue in 2012. While initial 2011 projections estimated approximately \$64 million in Discover Pass revenue for the biennium, actual revenue totaled about \$15.7 million for fiscal year 2012.

Litter Tax. Established in 1971, the litter tax is levied on manufacturers, wholesalers, and retailers of products including groceries, tobacco products, soft drinks, and beer and wine.

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.

The tax rate is 0.015 percent of the value of products manufactured in the state and the gross proceeds of products sold at wholesale or retail.

Revenues from the tax are deposited in the Waste Reduction, Recycling, and Litter Control Account (account). Generally, funds in the account are allocated as follows:

- 50 percent for state litter control programs;
- 20 percent for local government funding for waste reduction, litter control, and recycling activities; and
- 30 percent for waste reduction and recycling efforts.

The Legislature has transferred funds from the account to the GF-S in each of the last two biennia.

Washington Wildlife and Recreation Program (WWRP). The WWRP provides funds for the acquisition and development of outdoor recreation, habitat conservation areas, and farmland preservation. Eligible recipients include state agencies, local governments, tribes, and nonprofits. The program includes a number of funding categories, that each receive a statutorily specified percentage of funds provided by the Legislature.

State Parks is the recipient of one funding category within WWRP, that provides funds specific to the acquisition and development of state parks. Current law provides that at least half of that money must be used for land acquisition.

Summary of Bill: Litter Tax Revenue is Transferred to State Parks. Litter tax revenue must be collected and deposited in the State Parks' Renewal and Stewardship Account, which is the general depository for camping and other funds collected by State Parks. Use of the litter tax revenue is limited to operating, maintaining, repairing, and renovating state parks.

State Parks' WWRP Funding Category is Modified. Instead of acquisition and development, the funding category specific to State Parks must be used for the renovation and repair of State Parks' facilities.

Sets an Expiration Date. Key provisions of the bill, including the litter tax transfer and modification to the WWRP funding category, expire in June 2017.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: There is a void that needs to be filled in regard to State Parks funding, with notable attention to the centennial celebration of Washington State's Parks program. Litter tax money has been swept in the past, if it is going to be swept again, State Parks is a good cause for which to use these funds on a temporary basis.

CON: Many programs effected by this legislation already have shrinking revenue; park projects currently in progress aimed at generating funding will be terminated creating not only a lack of funding but a lack of an approach to correct this deficiency. A shift of funding from the litter sales tax means less reliance on state parks by those groups being incorporated, thereby abandoning a generation of Discovery Pass sales revenue. Washington State needs to continue to be a leader in waste management for the sake of the environment, human health, and the economy. Funding should not be limited from capital funds to operations and maintenance of state parks only. The state needs to continue to commit general fund money to the state parks system.

OTHER: While this bill gives operations money to parks, the shift of the litter sales tax is not a viable option for funding. Many projects that plan to generate revenue will lose funding and in turn, growth in park activity that these projects had aimed at creating will be lost. The litter tax is a critical element of Washington State's waste management program. Reallocating funds could result in a dramatic increase in roadside litter, a lack of maintenance in other areas in order to maintain litter control, and even an increase in unemployment for young adults.

Persons Testifying: PRO: Senator Pearson, prime sponsor.

CON: Julie Chapman, Back Country Horsemen of WA; Suellen Mele, Zero Waste WA; Adam Baylor, Beacon Rock Climbing Assn.; Glen Glover, Evergreen Mountain Bike Alliance; Carolyn Logue, WA Food Industry Assn.; Laurie Davies, Department of Ecology; Art Starry, Thurston County Public Health, WA Environmental Health Directors; Holly Chisa, NW Grocery Assn.; Bill Robinson, The Nature Conservancy; TK Bentler, WA Assn. of Neighborhood Stores; Joe Mentor, WA Wildlife and Recreation Coalition.

OTHER: Alia Griffing, WA Federation of State Employees; Betty Tabbutt, League of Women Voters of WA; Rico Baroga, WA State Department of Transportation.