

HOUSE BILL REPORT

HB 1651

As Reported by House Committee On:
Agriculture & Natural Resources
Appropriations

Title: An act relating to boating activities.

Brief Description: Creating the boating activities program.

Sponsors: Representatives Fromhold, Alexander, B. Sullivan, Walsh and Simpson.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 2/7/07, 2/22/07 [DP];

Appropriations: 3/3/07 [DPS].

Brief Summary of Substitute Bill

- Creates the Boating Activities Account in the State Treasury.
- Creates the Boating Activities Program within the Interagency Committee for Outdoor Recreation to administer the funding for boating activities and grants for the improvement of boating activities.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass. Signed by 11 members: Representatives B. Sullivan, Chair; Blake, Vice Chair; Warnick, Assistant Ranking Minority Member; Dickerson, Eickmeyer, Grant, Hailey, Kagi, Lantz, McCoy and VanDeWege.

Minority Report: Do not pass. Signed by 4 members: Representatives Kretz, Ranking Minority Member; Newhouse, Orcutt and Strow.

Staff: Jaclyn Ford (786-7339).

Background:

Most motor boats are required to pay an excise tax of .05 percent of the fair-market value of their vessel or \$5, whichever is greater. The tax receipts are deposited into the General Fund.

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 Department of Revenue determines the appraisal value of the vessel, and prepares a depreciation schedule for use in the determination of fair market value at least once a year. An owner may appeal the appraised value of the vessel, and the Board of Tax Appeals may request an independent appraisal of the vessel.

Summary of Bill:

The newly created Boating Activities Account collects receipts from the watercraft excise tax revenue. The Boating Activities Program in the Interagency Committee for Outdoor Recreation (IAC) may use the money, after appropriation, for boating activities and grants to improve boating activities. If the revenue is equal to or less than \$2.5 million per fiscal year, then 80 percent will be used for boating activities and 20 percent for grants. Any excess money above \$2.5 million will be divided by the Boating Activities Program among the boating activities and grants. To determine the interests of the boating community and the priorities for grant moneys, a Boating Activities Advisory Committee will be convened.

Organizations receiving grant money from the Boating Activities Account must first consider contracting with public agencies to employ the Youth Development and Conservation Corps or other youth crew to complete the grant project.

The IAC will conduct a study of boater needs by December 1, 2007, and report the findings back to the Legislature. The study on boater needs will be updated every even-numbered year beginning in 2008. Part of the initial study must look at boating-related law enforcement needs and their estimated cost.

The creation of the Boating Activities Account does not require the state expenditure limit to be lowered.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Boaters are an important part of the economy. The watercraft vessel excise tax money is currently placed into the General Fund and does not currently go directly back to boating activities. Boaters pay millions of dollars a year, and those funds should directly benefit boaters. Many significant boating programs are not currently funded or do not receive enough money to operate efficiently. More money should be given to law enforcement in order to provide extra law enforcement officers. The State Parks and Recreation Commission should be the state agency to administer the funds from the new Boating Activities Account. Organizations eligible for funding should not include federal agencies.

(Neutral) Recreational boating is increasing in Washington, but funding for boating activities has not reflected this increase.

(Opposed) None.

Persons Testifying: (In support) Representative Fromhold, prime sponsor; Cliff Webster and Michael Campbell, Northwest Marine Trade Association; Steve Greaves, Boating Issues Study Group; David Kutz, Recreational Boating Association of Washington; William Cumming, San Juan County Sheriff; Steve Mansfield, Lewis County Sheriff; and Bruce Bjork, Washington Department of Fish and Wildlife.

(Neutral) Mark Kenny, State Parks and Recreation Commission.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 32 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Buri, Chandler, Cody, Conway, Darneille, Ericks, Fromhold, Grant, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDermott, McDonald, McIntire, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist, P. Sullivan and Walsh.

Minority Report: Without recommendation. Signed by 2 members: Representatives Anderson and Dunn.

Staff: Alicia Dunkin (786-7178).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Agriculture & Natural Resources:

The substitute bill removes the deposit of watercraft excise tax revenues into the Boating Activities Account, removes the provision stating the diversion of General Fund revenue to the Boating Activities Account would not lower the state expenditure limit, and removes specific reporting dates by the interagency committee for outdoor recreation.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) We are the group behind this effort and represent a coalition of boaters and represent thousands of Washington boaters. We pay an excise tax on boats that currently goes

to the General Fund and no other recreational activity, such as skiers, snowmobiles, recreational vehicles, pay this tax. This bill will redirect these funds to the Boating Activities Account to be used for enforcement, water access and other activities. We want to grow recreational boating and encourage additional boating safety, environmental programs, access to water and this is a step in the right direction. County sheriffs are underfunded and local law enforcement needs to share the existing \$2 million annually that they receive with the entire state no matter how much frontage of water the local jurisdiction includes. For example, San Juan County gets only \$20,000 per year provided and this bill would provide funds based on need for boater education and enforcement.

(Opposed) None.

Persons Testifying: Alan Bohling, Northwest Marine Trade Association; David Kutz, Recreational Boating Association of Washington; and Christina Bridston, Washington Association of County Officials and Washington Association of County Sheriffs.

Persons Signed In To Testify But Not Testifying: None.