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**Finance Committee**

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**HB 2473**

**Brief Description:** Authorizing a local sales and use tax for parks and recreation, trails, and open space allocation.

**Sponsors:** Representatives Conway, Campbell, Green, Kirby and Chase.

**Brief Summary of Bill**

- Authorizes a 0.1 percent local sales and use tax for parks and recreation, trails, and open space.

**Hearing Date:** 2/11/10

**Staff:** Rick Peterson (786-7150).

**Background:**

Retail sales and use taxes are imposed by the state, cities, and counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property and some services. Use taxes apply to the value of most tangible personal property and some services when used in this state, if retail sales taxes were not collected when the property or services were acquired by the user. Use tax rates are the same as retail sales tax rates. The state tax rate is 6.5 percent. Local tax rates vary from 1.0 percent to 3.0 percent. The local sales tax rate in Pierce County ranges from 1.3 percent to 2.8 percent.

Counties may impose several local sales and use taxes at various rates and for various purposes. The most widely utilized are the basic tax, which is at a rate of 0.5 percent, and an optional tax, which is at a rate of up to 0.5 percent. The basic tax does not require approval of voters in a county, but there are several taxes authorized that may be imposed by a vote of the people.

In 1999 the Legislature authorized Pierce County to impose a voter-approved 0.1 percent local sales and use tax to finance the construction and operation of zoos, aquariums, and wildlife preservation and display facilities, as well as general costs of public parks. The ballot

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proposition was submitted to the voters at the joint request of a county with a national park and population between 500,000 and 1.5 million, a metropolitan park district, and a city with a population greater than 150,000. The tax started in 2001.

A metropolitan park district is authorized to manage parks, parkways, and boulevards. A proposal to create a metropolitan park district must be approved by the voters. A metropolitan park district may impose two separate regular property tax levies on all property located in the district: (1) a levy not to exceed \$0.50 per \$1,000 of assessed valuation; and (2) a levy not to exceed \$0.25 per \$1,000 of assessed valuation. These levies are subject to the constitutional 1 percent limitation on property taxes.

**Summary of Bill:**

A county may ask voters to approve a 0.1 percent sales and use tax for the purpose of providing funds for the creation, maintenance, and upkeep of trails or parks; purchase and upkeep of part of an interconnecting trail system, and purchase of open space. The county must contain a national park and a population of more than 500,000 and less than 1,500,000. The request for a vote on the tax must come from the county, a city with population of more than 150,000 and a metropolitan park district. Funds raised by this tax are distributed within the county as follows:

1. 30 percent to any metropolitan park district that contains a city with population of 170,000;
2. 33 percent to the county;
3. 20 percent to a grant program for cities, towns, and communities for an interconnecting trail system;
4. 10 percent to open space allocation; and
5. 7 percent to other metropolitan park districts that existed in 2008.

The 20 percent share for cities, towns, and communities will be distributed to cities and towns with population less than 170,000 and to metropolitan park districts not receiving a direct distribution. A grant process will be established by a community trail advisory authority. An existing body of city and town elected officials established by inter-local agreement will appoint members of the authority from names submitted by cities, towns, and metropolitan districts. The authority membership is made up of three city council members of cities with population over 15,000, three city council members of cities with population under 15,000, and one member from a metropolitan park district.

**Appropriation:** None.

**Fiscal Note:** Available.

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