

HOUSE BILL REPORT

E2SHB 2373

As Passed House:
February 28, 2012

Title: An act relating to the state's management of its recreational resources.

Brief Description: Concerning the state's management of its recreational resources.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Van De Wege and Tharinger).

Brief History:

Committee Activity:

General Government Appropriations & Oversight: 1/26/12, 2/1/12, 2/3/12 [DPS];
Ways & Means: 2/6/12, 2/20/12 [DP2S(w/o sub APPG)].

Floor Activity:

Passed House: 2/28/12, 54-44.

Brief Summary of Engrossed Second Substitute Bill

- Includes all land and land types managed by the Washington State Department of Natural Resources (DNR), other than aquatic lands, for which a Discover Pass or day-use permit is required.
- Exempts possessor of a daily Sno-Park permit from requiring a Discover Pass or day-use permit at designated Sno-Parks.
- Modifies the validity of the Discover Pass to begin when the pass has been marked for activation.
- Allows for the single purchase of a Discover Pass or Vehicle Access Pass to be valid for two license plate numbers.
- Limits any transaction and dealer fee that causes the price of the Discover Pass or day-use permit to exceed the price in statute to be assessed only for those purchased through the Washington Department of Fish and Wildlife's (WDFW) automated licensing system.
- Allows for the Discover Pass and day-use permit to be obtained by retailers.
- Expands the options of where a Discover Pass and day-use permit can be purchased and authorizes the Washington State Parks and Recreation Commission (State Parks) to utilize unstaffed collection stations.

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.

- Redistributes local sales and use tax revenues assessed at the State Parks from local jurisdictions to a dedicated account within the State Parks.
- Provides a complimentary Discover Pass to eligible disabled Washington veterans.
- Requires free access days at state parks and suggests they be timed with National Park Service free days.
- Codifies that the DNR, the WDFW, and the State Parks must designate free 15-minute short-term parking.
- Adds exemptions for certain circumstances from requiring the Discover Pass or day-use permit.
- Adds to the types of vehicles for which the owners are given the opportunity to donate to state parks upon vehicle registration.
- Creates a \$10 state parks support fee on recreational vehicle registrations until July 1, 2015, for deposit into the Parks Renewal and Stewardship Account, with funds directed towards the operation and maintenance at the State Parks that accommodate recreational vehicles.
- Creates an up to \$50 Family Discover Pass that is transferable among any vehicle.
- Allows tsunami cleanup to count as volunteer hours towards a free Discover Pass.
- Requires the agencies to develop proposals for finding consistent state recreational policies where inconsistencies exist and to report findings to the Legislature.

HOUSE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS & OVERSIGHT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Hudgins, Chair; Miloscia, Vice Chair; Moscoso, Vice Chair; Taylor, Assistant Ranking Minority Member; Armstrong, Blake, Fitzgibbon, Ladenburg, Pedersen, Van De Wege and Wilcox.

Minority Report: Without recommendation. Signed by 2 members: Representatives McCune, Ranking Minority Member; Ahern.

Staff: Michael Bennion (786-7118).

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on General Government Appropriations & Oversight. Signed by 16 members: Representatives Hunter,

Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Carlyle, Cody, Dickerson, Haigh, Hudgins, Hunt, Kagi, Kenney, Ormsby, Pettigrew, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 11 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Haler, Hinkle, Parker, Ross, Schmick and Wilcox.

Staff: Michael Bennion (786-7118).

Background:

The Washington State Parks system, the fourth oldest in the nation, includes 117 developed parks on over 100,000 total acres. Each year, the system sees well over 40 million visitors, with many using one of the over 2,000 modern camping sites or other overnight accommodation, holding events with use of group facilities, or simply for day-use recreation purposes.

The Washington Department of Fish and Wildlife (WDFW), the Washington State Department of Natural Resources (DNR), and the Washington State Parks and Recreation Commission (State Parks) are charged with managing the public lands of the state. The WDFW owns or manages nearly one million acres of public land for fish and wildlife, habitat conservation, and wildlife-related recreation. The DNR protects and manages 5.6 million acres of state-owned land.

Until July 1, 2011, there was no charge to the public for access to both the DNR or the State Parks land and recreation sites. The WDFW charged \$10 for the annual fish and wildlife lands vehicle use permit, or the permit was provided free of charge with all hunting and fishing licenses.

The State Parks have historically been funded with varying levels of the State General Fund. In response to reductions in State General Fund support and in an effort to make the State Parks self-supporting, agency request and subsequently enacted legislation in 2011 created the Discover Pass permit as a way to increase contributions from users. In 2009 the Legislature created the Opt-Out Donation Program to support the maintenance and operation of the State Parks. The donation is \$5 and is made at the time an owner registers a vehicle with the Department of Licensing (DOL).

Discover Pass Permit.

The Discover Pass allows for vehicle access in designated recreational areas located on much of the state lands owned or managed by the DNR, the WDFW, and the State Parks. The Discover Pass is the only pass needed to access recreational sites such as trailheads, parking areas, winter recreation areas, boat launches, and water trails. Visitors wishing to park on state recreational lands must obtain an annual Discover Pass or a day-use permit allowing vehicle access.

The Discover Pass permit is valid for one vehicle for 12 months from the point of purchase at a cost of \$30, while a day-use permit costs \$10. Every four years, the Office of Financial

Management must review the cost of the permits and recommend to the Legislature any adjustment to account for inflation.

A Discover Pass permit can be purchased through the DOL at the time of vehicle registration, through the WDFW's automated licensing system, over the telephone, at nearly 600 retail sporting goods and recreational license dealers, at agency headquarters in Olympia or at the actual park. Dealer and transaction fees apply in an effort to recover costs of marketing and processing permits at their full cost.

A Discover Pass or day-use permit must be visible in a vehicle. Failure to display the Discover Pass or the day-use permit is a natural resource infraction with a penalty of \$99. If an annual Discover Pass is purchased within 15 days after notice of an infraction, the penalty is reduced to \$59. The agencies are authorized to delegate and accept enforcement authority under the Interlocal Cooperation Act.

Exemptions.

A Discover Pass or day-use permit is not required for the following circumstances:

- when camping at a state park;
- when parked in a designated 30-minute short-term parking area;
- for holders of certain hunting and fishing licenses on the WDFW recreation lands and water-access sites. For those individuals, a "vehicle access pass" is required for vehicle access to the WDFW lands and boat launches;
- portions of the DNR land considered to not be for recreational purposes; and
- persons or entities who use, possess, or enter lands owned or managed by the WDFW, the DNR, and the State Parks for purposes consistent with a written authorization from the respected agency, including but not limited to leases, contracts, and easements.

State parks may be made available for access without a Discover Pass or day-use permit for up to 12 days a year.

A complimentary Discover Pass must be provided to a volunteer who performs 24 hours of service on agency-sanctioned volunteer projects in a year.

The Annual Natural Investment Permit is allowed in lieu of the Discover Pass or day-use permit at the State Parks' designated boat launch sites. Similarly, the Sno-Park Seasonal permit is allowed in lieu of the Discover Pass or day-use permit at designated Sno-Parks between November 1 and March 31 of each year.

Proceeds from Discover Pass.

Revenue from the Discover Pass and day-use permits is deposited into the Recreation Access Pass Account. The first \$71 million in revenue is distributed as follows:

- 8 percent is deposited into the State Wildlife Account (WDFW);
- 8 percent is deposited into the Park Land Trust Revolving Account (DNR); and
- 84 percent is deposited into the State Parks Renewal and Stewardship Account.

Revenue to the State Parks is intended to recover the loss of State General Fund support. Each agency is allowed broad uses for their portion of the overall revenue, with proceeds generally directed towards the maintenance and operations of their respective lands.

All revenues exceeding \$71 million each fiscal biennium are distributed equally amongst the agencies.

Currently, local sales and use tax revenues assessed on overnight accommodation at the State Parks are retained by local governments for use in local tourism projects and promotion efforts.

The Discover Pass and day-use permit are not considered a fee under the Recreational Immunity Statute for purposes of liability.

Summary of Engrossed Second Substitute Bill:

The definition of what is considered recreation land is expanded to specifically include all state land and state forest lands, other than aquatic, managed by the Washington State Department of Natural Resources (DNR).

A Family Discover Pass is made available for \$50 and can be transferred to any vehicle.

The Discover Pass becomes valid for 12 months upon marking for activation, which may differ from when the Discover Pass is purchased. Each Discover Pass, in addition to a Vehicle Access Pass, is required to contain space for two vehicle license plate numbers to be written on the pass. No agency is permitted to refund money for either pass prior to the effective date.

Locations in which the Discover Pass and day-use permit are or may be currently available are codified, in addition to the Department of Licensing (DOL) service centers, county auditors, or other agents and subagents of the DOL. Vendors under contract with the Washington State Parks and Recreation Commission (State Parks) may purchase passes and permits at a price lower than in current statute, but must sell at the price in current statute. The State Parks is authorized to use unstaffed collection stations for fee collection. The DNR, the Washington Department of Fish and Wildlife (WDFW), and the State Parks have responsibility for delivering the Discover Pass to the purchaser.

Only Discover Pass and day-use permits purchased through the WDFW's automated system may be assessed transaction and dealer fees that cause the amount of the permit to go above that in current statute. The State Parks is required to provide 12 free access days each year and, when practicable, coordinate those days with National Park Service free days. In addition, tsunami debris cleanup volunteers and eligible disabled veterans are provided complimentary Discover Passes.

Several exemptions to the requirement of a Discover Pass or day-use permit are added, including: daily Sno-Park permit holders; members of any nonprofit organization that has paid at least \$250,000 to the agency to hold an event lasting at least two weekend days and that is open to the general public; and any person who has secured the ability to access

specific recreation land through payment to the WDFW, the DNR, or the State Parks. Each agency must designate 15-minute short-term parking for which the Discover Pass or day-use permit is not required.

The \$5 opt-out donation to the State Parks included with annual vehicle registrations is expanded to include the following vehicle types: commercial trailers, mopeds, off-road vehicles, private use single-axle trailers, trailers over 2,000 pounds, and on trucks, buses, and for-hire vehicles with a gross weight of less than 12,000 pounds.

A \$10 state parks support fee is added to each recreational vehicle registration until July 1, 2015, and deposited into the State Parks Renewal and Stewardship Account (PSRA). Recreational vehicles subject to the support fee include only campers, motor homes, and travel trailers.

Additionally, the sales and use tax collected on specific transactions at the State Parks is permanently redistributed from the Local Sales and Use Tax Account to the PSRA.

Appropriation: None.

Fiscal Note: Available on substitute bill. New fiscal note requested on February 24, 2012.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony (General Government Appropriations & Oversight):

(In support) None.

(With concerns) There are many diverse provisions. With budget cuts this biennium and in previous biennia, some of the provisions may reduce revenue, but in an such a shortfall everything needs to be filtered in the context of what would reduce revenue. The Washington State Parks and Recreation Commission (State Parks) is very important for the success of the state parks because of its citizen outreach and the input they take in making their budget decisions. Discounts and offering the pass to vendors at less than retail would both act to reduce revenues. Despite the shortfall, revenues thus far directed to the Washington Department of Fish and Wildlife have kept the agency's recreation land open. The fact that the Discover Pass is transferrable will serve to increase revenue and is a large concern to households who own more than one vehicle. Hunters and fishers have a long tradition of supporting our lands and last year they supported increased fees. Additional charges would be a double hit to them. Legislation should avoid price disparity in the Discover Pass at retail, and avoid removing the incentive for retailers to sell the product.

(Other) If made into a cabinet agency, the State Parks would have been subject to the mandatory reductions and almost certainly would have closed parks. The State Parks is valuable for its role in citizen input into the meetings and budgetary process. The gift card option idea should be expanded so that all Discover Passes should be made valid for 12 months with flexible starting dates. There is an assumption that campers do not buy the Discover Pass. Expanding the purchasing options should be explored, but the policy should

not reduce revenues. Removal of the Vehicle Access Pass is likely to create a backlash with the hunting community. There are also concerns with the broad title of the bill.

(Opposed) The half-price off for campers may have been included with good intentions but it will not generate additional money. Reducing the costs means you have to increase sales, and the focus should instead be on eliminating exemptions and focusing discounts on needs based. The State Parks has a great background with diverse members who are out in the field and active in the state parks communities. The State Parks should remain. The public good is not served by removing the State Parks and many unique small state parks have avoided the chopping block because of the public input and access to the State Parks. Please reconsider State General Fund support for the State Parks. When you suddenly start charging for something that has for a century been free, there is inevitably going to be resistance. Let the policy have time to grow and for the agencies to work with stakeholders to improve it. Keep it simple. Do not complicate the bill and confuse the public, but instead address transferability only. Changes need to be made in order for the Washington State Department of Natural Resources to be in support of the bill. The State Parks has seen dramatic budget cuts with staffing reductions, a regional office closure, and overhead. The focus needs to be on marketing and engaging the public. The State Parks provides a linkage between the public and state government.

Staff Summary of Public Testimony (Ways & Means):

(In support) The Citizens for Parks and Recreation (CPR) are very much in support of the bill. We believe the policy changes in the bill address the concerns raised by the public. As you make a better product, sales will go up. The CPR is more skeptical than the agencies as far as revenue projections and believe that if expectations were initially set lower, then we would have been much happier. The Washington Federation of State Employees (WFSE) is in support of the bill and the package of modifications with the goal of raising revenue. The WFSE is moving ahead with the restructuring plan. Almost half of the park rangers will be laid off or moved to seasonal employment. In addition to being a public safety concern, it will lead to high turnover as many rangers will not be able to get by on part-time employment. Please keep in mind the impact of discounts and freebies as it relates to sustaining the program. One minor concern is the lack of a definition for the word "family" in "family pass."

(In support with concerns) The State Parks and Recreation Commission (State Parks) is in the middle of a difficult and painful transition due to budget constraints. The State Parks has flattened our management, shifted to a more seasonal staffing model, and are not closing any parks. While this bill would not solve the problem entirely, it would significantly stabilize the budget. Transferability has been the largest issue that the State Parks has faced with the program. The bill broadens the number of sale platforms, making new strategies for marketing possible. It provides the administrative flexibility needed and resolves a number of technical issues. Most of the provisions will lead to increased participation and thus revenue. The additional revenue is important to the State Parks as a way of insurance to make it through this biennium. The Washington Department of Fish and Wildlife (WDFW) appreciates the Vehicle Access Pass being maintained, acknowledging the contribution of hunters and fishers via their license and permit fees. The WDFW also heard continually about transferability and this bill addresses that. We have concerns over the impacts of the

business model, particularly over the price disparity. The Department of Natural Resources (DNR) supports the bill in its current form and believes it makes the changes that will enable the DNR to support and sustain critical recreational opportunities in the state.

The spring survey was overly optimistic in its participation rate projections. The results from the second survey, conducted during the fall of 2011, found that transferability would increase the participation rate to near its original projections. The surveys were statistically valid. In a new program, without a track record, there is less certainty in estimating those numbers. It is the State Parks' hope that with more time, projections for participation and revenue can be made more accurately.

(Opposed) None.

Persons Testifying (General Government Appropriations & Oversight): (With concerns) Don Hall, Washington Federation of State Employees; Ted Jackson, Sky Valley Recreation Group; and Jennifer Quan, Department of Fish and Wildlife.

(Other) Jim King, Citizens for Parks and Recreation.

(Opposed) Patt Doyle, Daniel Farber, and Joe Taller, Washington State Parks and Recreation Commission; Stet Palmer, Friends of State Parks; Trina Young; Cullen Stephenson, Washington State Department of Natural Resources; and Peter Reid, Washington State Parks Foundation.

Persons Testifying (Ways & Means): (In support) Jim King, Citizens for Parks and Recreation; and Brian Yearout, Washington Federation of State Employees.

(In support with concerns) Daniel Farber, Washington State Parks and Recreation Commission; Jennifer Quan, Washington Department of Fish and Wildlife; and Cullen Stephenson, Department of Natural Resources.

Persons Signed In To Testify But Not Testifying (General Government Appropriations & Oversight): None.

Persons Signed In To Testify But Not Testifying (Ways & Means): None.