

# HOUSE BILL REPORT

## HB 3105

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### As Reported By House Committee On:

Finance

**Title:** An act relating to apportioning a sales and use tax for zoos, aquariums, wildlife preserves, and regional parks.

**Brief Description:** Apportioning a sales and use tax for zoos, aquariums, wildlife preserves, and regional parks.

**Sponsors:** Representatives McDonald, Lantz, Talcott, Bush, Campbell, Huff and Kastama.

### Brief History:

#### Committee Activity:

Finance: 2/28/00 [DPS].

### Brief Summary of Substitute Bill

- Upon the joint request of a metropolitan park district and a city with a population over 150,000, a county with a national park and a population between 500,000 and 1,500,000 may submit to its voters a ballot proposition authorizing no more than a 1/10 of 1 percent sales and use tax. The joint request and ballot proposition may be worded to spend either all of the tax revenues on zoo, aquarium, and wildlife preservation and display facilities or half of the tax revenues on those facilities and the other half on parks located throughout the county.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Dunshee, Democratic Co-Chair; Thomas, Republican Co-Chair; Cairnes, Republican Vice Chair; Reardon, Democratic Vice Chair; Carrell; Conway; Cox; Dickerson; Pennington; Santos and Van Luven.

**Staff:** Linda Brooks (786-7153).

### Background:

In 1999, the Legislature authorized a county with a population between 500,000 and one million to submit to the voters a ballot proposition authorizing no more than a 1/10 of 1 percent local sales and use tax to generate revenues for zoo, aquarium, and wildlife preservation and display facilities. A county may submit this proposition to voters only if the county receives a joint request for the ballot proposition from a metropolitan park district and a city with a population greater than 150,000.

If voters approve the ballot proposition authorizing the tax, then the county is required to establish a zoo and aquarium advisory authority. In a manner consistent with any limitations in the local government agreement which initiates the tax, this authority expends revenues generated from the tax and may:

- acquire, construct, expand, improve, replace, repair, maintain and operate zoo, aquarium, and wildlife preservation and display facilities;
- participate in legal actions;
- contract with public or private facilities for such facilities or their operation; and
- fix rates and charges for use of such facilities.

Generally, the Department of Revenue deducts 1 percent of local sales and use taxes collected to cover the state's administrative costs. However, in the case of a local sales and use tax for zoo, aquarium, and wildlife preservation and display facilities, the Department of Revenue must collect the tax on a county's behalf at no cost to the county.

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### **Summary of Substitute Bill:**

Upon the joint request of a metropolitan park district and a city with a population over 150,000, a county with a national park and a population between 500,000 and 1,500,000 may submit to the voters a ballot proposition authorizing no more than a 1/10 of 1 percent local sales and use tax. In a manner consistent with the joint request made, a ballot proposition must be worded to provide:

- 100 percent of the tax revenue for zoo, aquarium, and wildlife preservation and display facilities; or
- 50 percent of the tax revenue for zoo, aquarium, and wildlife preservation and display facilities and 50 percent of the tax revenue for parks located within the county.

If the option dividing the revenues into two 50 percent halves is chosen, then revenues from the 50 percent half dedicated to parks located within the county are distributed on a per capita basis to the following entities:

- metropolitan park district (on basis of the number of persons residing in the district);
- cities and towns not contained within the metropolitan park district (on basis of each city or town's respective population); and
- county (on basis of the population in the county's unincorporated areas.)

Before expending any revenues received for parks, a county must establish a process to consider park needs throughout its unincorporated areas in consultation with community advisory councils. A county cannot use any park revenues received to replace or supplant existing per capita funding. After December 31, 2005, the county and any city with a population over 80,000 also must match every \$2 of park tax revenues received with a least \$1 from other sources.

Some of the park tax revenues also must be spent on properties (Fort Steilacoom) that are the subject of a memorandum of agreement between the Federal Bureau of Land Management, the Advisory Council on Historic Preservation, and the Washington State Historic Preservation Officer. Within the first four years of the tax, the county and the city where the properties are located must each allocate \$50,000 of their park tax revenues for these properties. Additionally, the county and the city must each spend \$25,000 from other sources on these properties.

In lieu of a tax collection administrative fee, the Department of Revenue must deduct 1 percent of the tax revenues collected. This deduction must be made from the 50 percent half of revenues that are dedicated for parks. The deduction lasts for 12 years. The deducted revenues are to be transferred to the Department of Community, Trade and Economic Development (CTED). The CTED must use these revenues to provide community-based housing for persons who are mentally ill or have developmental disabilities.

**Substitute Bill Compared to Original Bill:** The substitute bill adds a metropolitan park district as a recipient of per capita parks funding but removes a city wholly contained within the metropolitan park district as a recipient of per capita parks funding.

The substitute bill requires a county and a city with a population over 80,000 to match every \$2 in park tax revenues with \$1 from other sources after December 31, 2005. Also, a county cannot use any tax revenues for parks to replace or supplant existing per capita funding.

The substitute bill includes the requirement that 1 percent of the tax revenues collected be spent on housing for mentally ill and developmentally disabled persons for a 12 year period.

The substitute also inserts the provisions requiring the expenditure of certain park tax revenues on properties that are the subject of a memorandum of agreement between the Federal Bureau of Land Management, the Advisory Council on Historic Preservation, and the Washington State Historic Preservation Officer.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Last year's legislation would have provided 100 percent of the moneys for the Point Defiance Zoo and Aquarium and Northwest Trek. This year's bill would divide the pie differently, with 50 percent of the money for the zoo and Northwest Trek and 50 percent going back to the cities and Pierce County for local parks. This legislation is a Pierce County issue. The Point Defiance Zoo is a regional place for everyone in Pierce County. Pierce County Parks are also a regional concern.

**Testimony Against:** None.

**Testified:** Representative McDonald, prime sponsor; and Senator Goings, prime sponsor of Senate Bill 6805.