

SENATE BILL REPORT

SB 5545

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, February 23, 2009

Title: An act relating to local retail sales and use tax for parks and recreation, trails, and open space allocation.

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

Sponsors: Senators Regala, Kastama, Jacobsen and Shin.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/04/09, 2/23/09 [DPS].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 5545 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Shin, Vice Chair; Delvin, Eide, Kilmer and McCaslin.

Staff: Philip Brady (786-7460)

Background: A metropolitan park district is authorized to manage parks, parkways, and boulevards. Metropolitan park districts may be created in cities with a population of at least 5,000. Five separately elected park district commissioners serve six-year staggered terms. The initial boundaries of a metropolitan park district are the city limits, although the park district may later seek to annex adjacent territory.

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. As are other taxing district levies, the metropolitan park district levies are subject to the constitutional 1 percent limitation on property taxes.

Counties are authorized to impose both general and special purpose sales and use taxes. Special purpose sales and use taxes may be imposed for a variety of purposes,

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including criminal justice, public facilities districts, public sports facilities, and, in distressed counties, public facilities.

Summary of Bill (Recommended Substitute): Upon the joint request of a metropolitan park district, a city with a population of more than 150,000 and a county legislative authority in a county with a national park and a population of more than 500,000 and less than 1,000,000 may submit an authorizing proposition to the voters for the imposition of a sales and use tax, the rate of which may not exceed 0.1 percent. The proposition must be placed on a ballot no later than one year after the date of the joint request.

If approved by a majority of those voting on the proposition, the monies received from this tax can be used solely 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; or purchase of open space, all within the requesting county. Funds raised by this tax are distributed 30 percent to the requesting metropolitan park district; 33 percent to the county; 20 percent to a grant program for cities, towns, and communities for an interconnecting trail system; 10 percent to open space allocation; and 7 percent to existing metropolitan park districts that are not the requesting metropolitan park district.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Substitute): Under the original, 40 percent of proceeds from the special sales and use tax went to the requesting county. Now, 33 percent goes to the county and 7 percent goes to metropolitan park districts that existed in 2008 but did not request the tax.

Appropriation: None.

Fiscal Note: Requested on February 2, 2009.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: Businesses look for attractive places to locate. Pierce County has a vision of a county-wide system of trails that could connect all the cities in the county. This funding mechanism would allow the county to complete the vision if it so chooses. Previous similar taxes have provided millions of dollars and shared money with 24 cities. Trails are for more than recreation. They are a safer and greener form of transportation and connect communities. Without this mechanism, there is no way to pay for trails in the future. At heart, this is an economic development project.

Persons Testifying: PRO: Kathryn Kraut-Smith, Pierce County Parks; Ernest C. Bay, Forever Green Council; Barbara Skinner, Forever Green; Ryan Mello, Metro Parks Tacoma, Cascade Land Conservancy.