

HOUSE BILL REPORT

HB 1935

As Reported by House Committee On:
Community Development, Housing & Tribal Affairs
Appropriations

Title: An act relating to state parks and recreation.

Brief Description: Concerning state parks and recreation.

Sponsors: Representatives Haler, Hudgins, Goodman, Angel, Wilcox, Alexander, Seaquist, Appleton, Ryu, Tarleton, Zeiger, Moscoso and Bergquist.

Brief History:

Committee Activity:

Community Development, Housing & Tribal Affairs: 2/20/13, 2/21/13 [DP];
Appropriations: 4/22/13, 4/23/13 [DPS].

Brief Summary of Substitute Bill

- Modifies the expiration dates on terms for appointed commissioners of the State Parks and Recreation Commission (State Parks).
- Exempts agreements with public agencies from the requirement that State Parks must renegotiate concession and lease rates every five years.
- Authorizes State Parks to conduct natural, cultural, or historical resource interpretive activities and enter into agreements with public and private entities to assist with resource stewardship and interpretation.
- Removes the prohibition on commercial advertising or logos in partnership agreements and includes additional entities as newly eligible for agreements and assistance with State Parks.
- Requires State Parks to submit an annual report to the Legislature on the status and resources available of certain lease, concession, and management transfer agreements with public or private entities, including the financial benefit to the state.
- Requires State Parks to submit a biennial report evaluating the agency's progress toward achieving identified performance measures.
- Requires State Parks to submit a report detailing an inventory of lands and facilities owned and managed by State Parks, including capital project needs,

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visitation data, and other information that includes partnerships developed and potential revenue-generating or cost-saving opportunities.

- Includes certain exceptions, on a periodic basis, to the prohibition on motorized vehicles in the portion of the Milwaukee Road corridor under State Parks control.
- Authorizes the State Parks Foundation (Foundation) to support the operation of the state parks system and coordinate with State Parks in fundraising and outreach activities.
- Assigns the Foundation the lead role in soliciting, recognizing, and cultivating relationships with donors and sponsors.
- Makes state parks friends groups and cooperating associations eligible to receive Foundation grant funding.
- Eliminates the restriction that Foundation funds may not supplant preexisting funding.
- Allows married spouses who collectively perform 24 hours of volunteer service a year to receive a complimentary Discover Pass.
- Creates an exception for the Discover Pass and day-use permit requirements for vehicles operating on roads managed by the Department of Natural Resources or the Department of Fish and Wildlife.
- Allows discounted sales of the Discover Pass and day-use permit for purposes of bulk sales, product bundling, and partnership opportunities.

HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT, HOUSING & TRIBAL AFFAIRS

Majority Report: Do pass. Signed by 7 members: Representatives McCoy, Chair; Appleton, Vice Chair; Angel, Ranking Minority Member; Johnson, Assistant Ranking Minority Member; Haler, Pike and Ryu.

Minority Report: Without recommendation. Signed by 2 members: Representatives Santos and Sawyer.

Staff: Sean Flynn (786-7124).

Background:

The State Parks and Recreation Commission (State Parks) owns and manages a diverse system of parks with many different types of facilities and historic buildings and a variety of recreation programs. State Parks operates 116 open and developed parks and owns other undeveloped state lands.

State Parks is made up of a seven member commission appointed by the Governor. Members serve a six-year term, expiring on December 31 of even-numbered years.

State Parks Revenues.

State Parks receives revenue from a variety of sources, including user fees and donations. State Parks sets rates and charges camping fees in park campgrounds. Under the park passes program, State Parks issues different passes for specially designated groups that qualify for discounts or exemptions from park fees. State Parks also receives funds from voluntary donations made by vehicle owners at the time license fees are collected.

The Discover Pass and day-use permits allow motor vehicle access to recreation areas on state lands managed by State Parks, the Department of Natural Resources (DNR) and the Department of Fish and Wildlife (DFW). A Discover Pass costs \$30 per year. A day-use permit costs \$10 per day. Monetary penalties may be assessed for failure to comply with the Discover Pass and day-use permit requirements.

State Parks Renewal and Stewardship Account.

All receipts from user fees, concessions, leases, donations, and other park activities are deposited into the State Parks Renewal and Stewardship Account (RS Account), created in the State Treasury. Expenditures from the RS Account may be used for park operations, park facility development and maintenance, enhancing park stewardship, and other park purposes. Expenditures may only be made after appropriation from the Legislature.

Recreation Access Pass Account.

All money received from the sale of the Discover Pass and day-use permits is deposited into the Recreation Access Pass Account (RAP Account). The first \$71 million in revenue is distributed on a proportional basis among State Parks (84 percent), the DNR (8 percent), and the DFW (8 percent). Revenues above \$71 million are distributed equally among those agencies.

The State Parks' distribution share of the RAP Account is deposited into the RS Account. The proceeds from the RAP Account must be used for the purposes of operating and maintaining state parks.

State Parks Special License Plates.

The Department of Licensing issues a special license plate recognizing state parks as a premier destination of uncommon quality that preserves significant natural, cultural, historical, and recreational resources. The initial fee for a State Parks special license plate is \$40, and \$30 for renewal. After administrative costs are deducted, all revenue from the sale of the special plates is deposited into the State Parks Education and Enhancement Account. Expenditures from this account may only be used for public educational opportunities and to enhance state parks.

Summary of Bill:

Transfer to Recreation Access Pass Account.

Each year, the State Treasurer must transfer from the General Fund to the RAP Account an amount equal to the sales of Discover Passes and day-use permits for the immediately

preceding year. The matching funds must be distributed in the same manner and proportions as Discover Pass and day-use permit sales revenue is distributed in the RAP Account.

Transfer to the State Parks Renewal and Stewardship Account.

Each year, the State Treasurer must transfer from the General Fund to the RS Account an amount equal to the total fees waived under the Park Passes program during the immediately preceding year.

State Parks License Plate.

The Discover Pass or day-use permit is not required for motor vehicle access in a state park for persons who display a State Parks special license plate.

State Parks Commissioners.

State Parks commissioners serve six-year terms, expiring on June 30 of odd-numbered years.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill is an opening for how to handle State Parks. Self-sustainability does not work. This bill provides a mechanism for a dollar-to-dollar General Fund match for Discover Pass sales, which will bring the budget up to \$30 million, which is very much needed by State Parks. This bill does not replace the commission, but makes the terms expire on the fiscal calendar. The existing 2013 biennial budget assumptions reflect a lack of taxpayer support for State Parks, while this bill reflects a continued general commitment of taxpayer funding for State Parks. The DNR is supportive of the matching funds provision in the bill to give the state agencies the amount of revenue anticipated by the Discover Pass.

State Parks volunteers have stepped up to support the parks and formed groups dedicated to parks and are trying to do their part. Parks are outdoor classrooms and serve as part of the educational system. This bill provides the balance of funding that was not part of the agency request legislation. The Parks Foundation provides private funding but cannot adequately support the funding of State Parks. This bill provides the money State Parks needs. The Discover Pass is running 50 percent short of anticipated revenue. The General Fund match along with funding of costs for the pass programs in this bill gets State Parks the roughly \$30 million needed. The special license plate is recognition for people who already buy the Discover Pass.

(In support with concerns) There are five existing wildlife license plates. Part of the business plan for the Discover Pass focuses on delivering a consistent message about what is required. One more exception creates additional confusion. There are about 5,200 wildlife plates sold

every year. That group might ask for their own exception, adding to the confusion. This is a minor issue for the overall bill.

(Opposed) None.

Persons Testifying: (In support) Representative Haler, prime sponsor; Daniel Farbar, Washington State Parks; Kyle Blum, Department of Natural Resources; Brian Yearout, Washington Federation of State Employees; Helen Hepp, Friends of Shafer and Lake Sylvia State Parks; Betty Tabbut, League of Women Voters; Peter Reid, Washington State Parks Foundation; Ralph Munro; and Jim King, Citizens for Parks and Recreation.

(In support with concerns) Greg Schirato, Washington Department of Fish and Wildlife.

Persons Signed In To Testify But Not Testifying: Janie Brumfield, Marcia Smith, and Gregory Johnson, Friends of Shafer and Lake Sylvia State Parks; and Doug Levy, Washington Recreation and Parks Association.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle, Cody, Dunshee, Green, Haigh, Hudgins, Hunt, Jenkins, Kagi, Maxwell, Morrell, Pedersen, Pettigrew, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 13 members: Representatives Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Dahlquist, Fagan, Haler, Harris, Parker, Pike, Ross, Schmick and Taylor.

Staff: Michael Bennion (786-7118).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Community Development, Housing & Tribal Affairs:

The Appropriations Committee recommended removing the annual transfer of funds from the State General Fund to the Recreation Access Pass Account (RAP Account) equivalent to the revenues generated from the Discover Pass and day-use permit from the preceding fiscal year. Similarly, the provision requiring an annual transfer to the RAP Account equivalent to the campsite rental and reservation fees foregone due to statutory exemptions or discounts in the preceding fiscal year is removed. The exception to the Discover Pass requirement for vehicles displaying a State Parks license plate is removed.

The Appropriations Committee recommended changing the terms for members of the commission appointed after 2012 from expiring at the end of calendar years in even-numbered years, to the end of the fiscal year in odd-numbered years.

The substitute bill eliminates the requirement that concessions or lease agreements entered into for over a 20-year period must be by unanimous vote of the State Parks and Recreation Commission (State Parks), and exempts public agencies from the requirement that concession and leases be renegotiated every five years.

The substitute bill replaces references to environmental interpretative activities with natural, cultural, or historical resource interpretive activities and authorizes State Parks to conduct and enter into agreements with public and private entities to assist with resource stewardship and interpretation.

The substitute bill removes the prohibition on commercial advertising or logos in partnership agreements, and includes additional entities as newly eligible for agreements and assistance with State Parks.

State Parks must submit several reports to the Legislature and/or the Office of Financial Management that include: (1) an annual report to the Legislature on the status of certain lease, concession, and management transfer agreements with public or private entities, including an evaluation of the capabilities of the entity to fund and perform management responsibilities, the financial benefit to the state, and the progress made in satisfying performance measures; (2) a biennial report evaluating the effectiveness and efficiency of State Parks in achieving its developed specific performance measures; and (3) an inventory of lands and facilities owned and managed by State Parks, annual visitation data, ongoing partnerships developed with public and nonprofit entities, existing enterprise activities and agreements and potential revenue generating or cost-saving opportunities, and a summary of agency actions planned and taken for Lean management and strategic marketing.

Certain exceptions are given on a periodic basis to the prohibition of motorized vehicles in the portion of the Milwaukee Road corridor under control of State Parks. The exceptions include lessees and concessionaires operating under valid agreements, and for agricultural users.

The purpose of the State Parks Foundation (Foundation) is modified to include constituency building, public outreach, fundraising, and encouragement of gifts and private sponsorships. The Foundation is identified as the lead in soliciting, recognizing, and cultivating relationships with private donors and sponsors. The appointment of and terms for members of the Foundation are modified to align with the Nonprofit Corporation Act (24.03 RCW). The substitute bill eliminates the restriction that Foundation funds may not supplant preexisting funding and authorizes the Foundation to support the operation of the state parks system and coordinate with State Parks in fundraising activities. In addition, friends groups and cooperating associations are authorized to receive grant funds from the Foundation.

The substitute bill creates an exception for the Discover Pass and day-use permit requirements for vehicles operating on roads managed by the Department of Natural Resources (DNR) or the Department of Fish and Wildlife.

Married spouses are allowed to combine their volunteer hours and can collectively perform 24 hours of volunteer service a year for a complimentary Discover Pass.

Finally, the Appropriations Committee recommended allowing discounted sales of the Discover Pass and day-use permit for purposes of bulk sales, product bundling, and partnership opportunities that expand the accessibility and visibility of the Discover Pass and that result in a net revenue gain for the state.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The proposed substitute bill represents an excellent amalgamation of work of both chambers over the course of the session. This is a true effort with the agency and stakeholders to put together these various interests. All parts of the striking amendment have been through policy committees, with only one provision modified from the original version dealing with accountability measures and reporting requirements. This is substantially the same bill that passed the Senate in Substitute Senate Bill 5897.

The substitute bill contains the heart of the agency's request legislation. It provides greater flexibility to market and increase Discover Pass participation and revenues, and it includes accountability measures to gauge how the agency is transforming into more of a public enterprise. These provisions interlink and call for State Parks to seek more partnerships with governments, nonprofits and businesses. State Parks seeks to be more self-reliant and find more effective partnerships while staying true to its public purpose.

The 2012 level of funding for State Parks is not sustainable and has increased staffing demands. Some park rangers have been forced to manage multiple parks or have been reduced to part-time employment, which has caused employees to leave. There is a need to stop the attrition in expertise that has occurred. State Parks's budget request would help with staffing, increase the workforce, and help to repair some of the deep cuts made to the agency and allow the agency to implement some of the revenue producing measures in the bill.

The reporting requirements in the substitute bill add accountability for entering into public-private partnerships with State Parks that will help reduce the operating deficit, particularly at Fort Worden State Park, find new funding for capital improvements, and protect the public assets. The bill provides clear direction for the Fort Worden Public Development Authority to meet its performance standards in a management agreement and the ability to demonstrate the value that these types of partnerships can bring to the state.

The DNR is committed to provide public access to trails and recreation opportunities on 5.6 million acres of state land, which includes the thousands of miles of roads and trails that the public uses for numerous activities including hunting, sightseeing, and other activities. The trails and facilities are in need of repair and maintenance and this bill will help provide the resources needed to maintain safe and sustainable public access.

(In support with concerns) The League of Women Voters supported the three main sections of the original bill that provided funding transfers from the general fund to State Parks. But, those sections are not included in the substitute bill and should be placed back into the bill.

(With concerns) The provisions in this bill are not guarantees of additional revenue, but are opportunities to seek additional revenues. The agency request legislation might help with revenues, but is not something that can be counted on in the short term.

(Opposed) The substitute bill provides no revenue but only raises expectations and hopes of revenue. It also may be dangerous for the long-term health of the parks system. The bundling of Discover Passes would not help in the upcoming biennium. Allowing State Parks to enter into long-term leases through a simple majority vote would take away the protection that was added to avoid bad agreements in the past that led to litigation involving the Washington Environmental Council and Twin Falls hydro-development, and the sales of trees cut down from Deception Pass. The unanimity requirement also recently prevented State Parks from entering into an agreement with McMenamins at St. Edward.

Persons Testifying: (In support) Representative Haler, prime sponsor; Don Hoch and Daniel Farber, Washington State Parks and Recreation Commission; Mark Mauren, Department of Natural Resources; Brian Yearout and Jeanine Livingston, Washington Federation of State Employees; and Dave Robinson, Fort Worden Public Development Authority.

(In support with concerns) Betty Tabbutt, League of Women Voters of Washington.

(With concerns) Stet Palmer, Friends of Schafer and Lake Sylvia State Parks.

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

Persons Signed In To Testify But Not Testifying: None.