

HOUSE BILL REPORT

HB 2520

*As Reported By House Committee on:
Revenue*

Title: An act relating to tax distribution to counties through the county sales and use tax equalization account.

Brief Description: Abolishing the department of wildlife in-lieu tax and creating a new distribution under the county sales and use tax equalization account.

Sponsor(s): Representatives Morris, R. King, Fraser and Appelwick.

Brief History:

Reported by House Committee on:
Revenue, February 8, 1992, DPS.

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Brumsickle, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Belcher; Carlson; Day; J. Kohl; Leonard; Morris; Morton; Rust; and Silver.

Staff: Rick Peterson (786-7150).

Background: Counties which agree to forgo the wildlife related court fines receive fees in-lieu of these fines from the Department of Wildlife. These fees are based on the amount of department-owned lands that are over 100 acres in size. The fees are the amount paid in property tax on the land in 1984 or the rate paid on similar land taxed as open space or 70 cents an acre. The department paid \$345,916 in 1991 to the 12 participating counties.

A portion consisting of 1.6 percent of the motor vehicle excise tax is placed in the county sales and use tax equalization account. Money is distributed from this account to counties in an effort to bring the tax yield of all counties up to 70 percent of the statewide average. Funds remaining in the account after this distribution are transferred to the state general fund. The amount transferred to the general fund in 1991 was \$537,686.

Summary of Substitute Bill: The current formula for distribution of the Department of Wildlife in-lieu fees is repealed and replaced by a new formula. The new formula makes payments to counties that either received an in-lieu payment from the Department of Wildlife in 1992 or are composed of eligible lands that consist of at least 1 percent of the county's area. Eligible lands are critical habitat, natural areas, parks, trails, and other recreation lands owned by the Department of Wildlife, Department of Fisheries, State Parks and Recreation Commission, and the Department of Natural Resources.

This new formula is funded from the monies remaining in the county sales and use tax equalization account after the current distribution is made.

The distribution is:

- For counties that received Department of Wildlife payments in 1992, the larger of (1) the 1992 Department of Wildlife payment plus 50 cents an acre for eligible lands acquired in the county after 1991; and (2) 50 cents an acre for each acre of eligible land.
- For counties not receiving Department of Wildlife payments in 1991 but with over 1 percent eligible lands the payment is 50 cents an acre for each acre of eligible lands.

The 50 cents per acre amount is reduced if funds are insufficient.

If revenues are not sufficient to fully fund both the distribution in this bill and the transfer for county research purposes contained in SHB 2338 then both are reduced proportionately.

Substitute Bill Compared to Original Bill: The substitute bill starts payments under the new distribution in 1993. Any reductions in the distribution due to insufficient revenues are coordinated with the transfer for county research purposes in SHB 2338.

Fiscal Note: Available.

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

Testimony For: Counties should receive money for costs associated with all types of state owned recreation land not just Department of Wildlife property.

Testimony Against: None.

Witnesses: (In favor): Mike Ryherd, Washington Wildlife and Recreation Coalition; Tom Casey, Washington State Grange; Ray Owens, Kittatas County Commissioner; Jeff Parson, National Audubon Society; Pam Madson, Department of Wildlife; and Pat Harper, Department of Natural Resources. (Support with some reservations): Fred Saeger, Washington Association of County Officials; and K.O. Rosenberg, Tri Counties (Ferry, Stevens, and Pend Oreille).