

SENATE BILL REPORT

SB 5050

As of February 4, 2003

Title: An act relating to providing funding for parks and recreational facilities.

Brief Description: Providing funding for parks and recreational facilities.

Sponsors: Senators Jacobsen and Oke.

Brief History:

Committee Activity: Parks, Fish & Wildlife: 2/4/03.

SENATE COMMITTEE ON PARKS, FISH & WILDLIFE

Staff: Kari Guy (786-7437)

Background: There are three local-option real estate excise taxes available to local governments. The first is a .25 percent excise tax on the sale of property. This may be used for capital improvements identified in the local capital improvements plan, including construction or rehabilitation of transportation improvements, water systems, recreation facilities, public safety facilities, and libraries. Most cities and counties in the state collect this tax.

The second local option real estate excise tax is an additional .25 percent excise tax on the sale of property, available to any local government that plans under the Growth Management Act, subject to voter approval. The use of revenues from this tax is more restricted than the use of the first excise tax, and is limited to construction or rehabilitation of transportation systems, water systems, stormwater and sewer systems, and parks. This tax is collected by approximately 100 local jurisdictions.

The third local option is a tax of up to 1 percent on the sale of property, to finance the acquisition of conservation areas. This option is available to counties only, and is subject to voter approval. Only one county in the state currently imposes this tax.

In 2001, the Legislative Task Force on Local Parks and Recreation Operation and Maintenance recommended that the use of the real estate excise tax revenues be expanded to include operation and maintenance of park facilities acquired or developed with real estate excise tax revenues.

Summary of Bill: A local government may use up to 25 percent of real estate excise tax revenues for the operation and maintenance of park and recreation facilities acquired with revenues from this tax on a prospective basis. Revenues from this tax may not supplant existing funding for maintenance and operations of park and recreation facilities.

A local government that has imposed both the first and second real estate excise taxes, a total of .5 percent, may assess an additional .125 percent tax on the sale of real estate. Revenues

from this additional .125 percent tax may be used for the maintenance and operation of properties acquired with real estate excise tax revenues on a prospective basis. A local government may only impose this tax after approval by the voters.

Appropriation: None.

Fiscal Note: Not requested.

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