

SENATE BILL REPORT

SB 6598

As of February 5, 2008

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 and Kastama.

Brief History:

Committee Activity: Ways & Means: 2/04/08.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property and some services. Use taxes apply to the value of most tangible personal property and some services when used in this state, if retail sales taxes were not collected when the property or services were acquired by the user. Use tax rates are the same as retail sales tax rates. The state tax rate is 6.5 percent. Local tax rates vary from 0.5 percent to 2.4 percent.

Counties may impose several local sales and use taxes at various rates and for various purposes. The most widely utilized are the basic tax, which is at a rate of 0.5 percent, and an optional tax, which is at a rate of up to 0.5 percent. The basic tax does not require approval of voters in a county, but there are several taxes authorized that may be imposed by a vote of the people.

Summary of Bill: The county must submit a proposition to the voters authorizing a sales and use tax upon a 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. The rate of the tax must be no more than one-tenth of 1 percent

Monies received from the tax must be use solely for:

- 1) park and trail acquisition, construction, and maintenance;
- 2) costs associated with allocating grants to build, acquire and maintain part of an interconnecting trail system; and
- 3) cost associated with purchasing open space.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The funds must be distributed as follows:

- 1) 30 percent to any metropolitan park district, which contains a city with a population of more than 170,000 persons;
- 2) 40 percent to the county which may not be used to replace or supplant existing per capita funding;
- 3) 20 percent to a grant program for cities, towns, and communities to build, acquire, and maintain part of an interconnecting trail system; and
- 4) 10 percent to open space allocation to be administered using the priorities and selection process established by the county's conservation futures program.

Prior to the expenditure of any funds for interconnecting trail grant programs, a community trail advisory authority must establish a grant program that considers train needs in cities and towns with populations of under 170,000 persons.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: We see this bill really as a great potential to improve public health. Chronic diseases are related to life style choices. This bill would allow completion of a connected trail system. This would lead to healthier people and less chronic diseases.

Persons Testifying: PRO: Jane Moore MD., Forevergreen and Healthy Communities of Pierce County.