

CHAPTER 472

[Substitute Senate Bill No. 5911]

NATURAL RESOURCES CONSERVATION AREAS—REAL ESTATE EXCISE
TAX—REPEAL OF CONVEYANCE TAX

AN ACT Relating to state government; amending RCW 79.68.070, 43.30.300, 82.45.060, 82.02.030, and 43.06.400; adding a new chapter to Title 79 RCW; creating a new section; repealing RCW 82.20.005, 82.20.010, 82.20.020, 82.20.030, 82.20.040, 82.20.050, 82.20.060, and 82.20.070; making appropriations; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds: (1) That there is an increasing and continuing need by the people of Washington for certain areas of the state to be conserved, in rural as well as urban settings, for the benefit of present and future generations; (2) that such areas are worthy of conservation for their outstanding scenic and ecological values and provide opportunities for dispersed low impact public recreation; (3) that in certain cases acquisition of property or rights in property is necessary to protect these areas for public purposes; and (4) that there is a need for an agency to act in an effective and timely manner to acquire interests in such areas and to develop appropriate management strategies for conservation purposes.

NEW SECTION. Sec. 2. Lands possessing the following characteristics are considered by the legislature to be worthy of consideration for conservation purposes:

- (1) Lands identified as having high priority for conservation, natural systems, wildlife, and dispersed recreational values;
- (2) Prime natural features of the Washington landscape or portions thereof, inland or coastal wetlands, significant littoral, estuarine, or aquatic sites, or important geological features;
- (3) Examples of native ecological communities; and
- (4) Environmentally significant sites threatened with conversion to incompatible or ecologically irreversible uses.

NEW SECTION. Sec. 3. As used in this chapter:

"Department" means the department of natural resources.

"Conservation purposes" include but are not limited to: (1) Maintaining, enhancing, or restoring ecological systems, including but not limited to aquatic, coastal, riparian, montane, and geological systems, whether such systems be unique or typical to the state of Washington; (2) maintaining exceptional scenic landscapes; (3) maintaining habitat for threatened, endangered, and sensitive species; (4) enhancing sites for primitive recreational purposes; and (5) outdoor environmental education.

"Management for conservation purposes" may include limited production of income from forestry, agriculture, or other resource management

activities, if such actions are consistent with the other purposes and requirements of this chapter.

"Washington natural resources conservation area" is an area of land and/or water which retains to some degree or has reestablished its natural character, although it need not be completely undisturbed, or has flora, fauna, geological, archaeological, scenic, or similar features of critical importance to the people of Washington.

NEW SECTION. Sec. 4. The department is authorized to acquire property or less than fee interests in property, as defined by RCW 64.04.130, by all means, except eminent domain, for creating natural resources conservation areas, where acquisition is the best way to achieve the purposes of this chapter. Areas acquired or assembled by the department for conservation purposes will be designated as "Washington natural resources conservation areas."

NEW SECTION. Sec. 5. The department is authorized to transfer fee simple interest or less than fee interests in trust land, as defined by Article XVI of the Washington Constitution, for the creation of conservation management areas, providing there is full fair market value compensation for all rights transferred. The proceeds from such transfers shall be used for the exclusive purpose of acquiring real property to replace those interests utilized for the conservation area in order to meet the department's fiduciary obligations and to maintain the productive land base of the various trusts.

NEW SECTION. Sec. 6. The department shall hold a public hearing in the county where the majority of the land in the proposed conservation area is located. An area proposed for designation must contain resources consistent with the purposes of this chapter.

NEW SECTION. Sec. 7. The department shall develop a management plan for each designated area. The plan shall identify the significant resources to be conserved consistent with the purposes of this chapter and identify the areas with potential for primitive recreation and educational uses. The plan shall specify what types of management activities will be permitted, consistent with the conservation purposes of this chapter. The department shall make such plans available for review and comment by the public and other state, tribal, and local agencies.

NEW SECTION. Sec. 8. The department is authorized to administer natural resource conservation areas and may enter into management agreements for these areas with other state agencies, local governments, and private nonprofit conservancy corporations, as defined in RCW 64.04.130, when such agreements are consistent with the purposes of acquisition as defined in the adopted site management plan. All management activities within a Washington natural resources conservation area will conform with the

plan. Any moneys derived from the management of these areas in conformance with the adopted plan shall be deposited in the stewardship account established in section 9 of this act.

NEW SECTION. Sec. 9. There is hereby created the natural resources conservation areas stewardship account in the state treasury to ensure proper and continuing management of land acquired or designated pursuant to this chapter. Funds for the stewardship account shall be derived from appropriations of state general funds, federal funds, donations, gifts, bond issue receipts, securities, and other monetary instruments of value. Income derived from the management of conservation areas shall also be deposited in this stewardship account.

Appropriations from this account to the department shall be expended for no other purpose than to manage the areas approved by the legislature in fulfilling the purposes of this chapter.

NEW SECTION. Sec. 10. The legislature hereby designates certain areas as natural resources conservation areas:

(1) The Mt. Si conservation area (King County), RCW 43.51.940, is hereby designated the Mt. Si natural resources conservation area. The department is directed to continue its management of this area and to develop a plan for its continued conservation and use by the public. In accordance with Article XVI of the Washington state Constitution, any available private lands and trust lands located within the designated boundaries of the Mt. Si conservation area shall be leased or acquired in fee from the appropriate trust at fair market value using funds appropriated for that purpose.

(2) Trust lands and state-owned land on Cypress Island (Skagit County) are hereby designated as the Cypress Island natural resources conservation area. Any available private lands necessary to achieve the purposes of this section shall be acquired by the department of natural resources using funds appropriated for that purpose. Trust lands located within the designated boundaries of the Cypress Island natural resources conservation area shall be leased or acquired in fee from the appropriate trust at fair market value.

(3) Woodard Bay (Thurston County) is hereby designated the Woodard Bay natural resources conservation area. The department is directed to acquire property available in Sec. 18, T.19N, R1W using funds appropriated for that purpose.

(4) The area adjacent to the Dishman Hills natural area (Spokane County) is hereby designated the Dishman Hills natural resources conservation area. The department is directed to acquire property available in Sec. 19, 29 and 30, T.25N, R44E, using funds appropriated for that purpose.

NEW SECTION. Sec. 11. The conservation area account is hereby established in the state treasury. The conservation area account shall consist of all moneys deposited under RCW 82.45.060(2) and any moneys which

may be appropriated to it by law. Moneys in the account shall only be used for the acquisition of property or less than fee interest in property for the purposes of this chapter and chapter 79.70 RCW.

Sec. 12. Section 7, chapter 234, Laws of 1971 ex. sess. and RCW 79-.68.070 are each amended to read as follows:

The department of natural resources is hereby authorized to carry out all activities necessary to achieve the purposes of RCW 79.01.128, 79.44-.003 and this chapter, including, but not limited to:

(1) Planning, construction and operation of conservation, recreational sites, areas, roads and trails, by itself or in conjunction with any public agency;

(2) Planning, construction and operation of special facilities for educational, scientific, conservation, or experimental purposes by itself or in conjunction with any other public or private agency;

(3) Improvement of any lands to achieve the purposes of RCW 79.01-.128, 79.44.003 and this chapter;

(4) Cooperation with public and private agencies in the utilization of such lands for watershed purposes;

(5) The authority to make such leases, contracts, agreements or other arrangements as are necessary to accomplish the purposes of RCW 79.01-.128, 79.44.003 and this chapter: PROVIDED, That nothing herein shall affect any existing requirements for public bidding or auction with private agencies or parties, except that agreements or other arrangements may be made with public schools, colleges, universities, governmental agencies, and nonprofit scientific and educational associations.

Sec. 13. Section 1, chapter 64, Laws of 1967 ex. sess. as amended by section 51, chapter 100, Laws of 1986 and RCW 43.30.300 are each amended to read as follows:

The department of natural resources is authorized:

(1) To construct, operate, and maintain primitive outdoor recreation and conservation facilities on lands under its jurisdiction which are of primitive character when deemed necessary by the department to achieve maximum effective development of such lands and resources consistent with the purposes for which the lands are held. This authority shall be exercised only after review by the interagency committee for outdoor recreation and determination by the committee that the department is the most appropriate agency to undertake such construction, operation and maintenance. Such review is not required for campgrounds designated and prepared or approved by the department.

(2) To acquire right of way and develop public access to lands under the jurisdiction of the department of natural resources and suitable for public outdoor recreation and conservation purposes.

(3) To receive and expend funds from federal and state outdoor recreation funding measures for the purposes of RCW 43.30.300 and 79.08.109.

Sec. 14. Section 28A.45.060, chapter 223, Laws of 1969 ex. sess. as last amended by section 20, chapter 3, Laws of 1983 2nd ex. sess. and RCW 82.45.060 are each amended to read as follows:

(1) There is imposed an excise tax upon each sale of real property at the rate of one and twenty-eight one-hundredths percent of the selling price. An amount equal to seven and seven-tenths percent of the proceeds of this tax to the state treasurer shall be deposited in the public works assistance account created in RCW 43.155.050.

(2) ~~((An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section))~~ There is imposed an additional excise tax through June 30, 1989, upon each sale of real property at the rate of six one-hundredths of one percent of the selling price. The tax imposed under this subsection shall be deposited in the conservation area account under section 11 of this 1987 act.

Sec. 15. Section 31, chapter 35, Laws of 1982 1st ex. sess. as last amended by section 5, chapter 296, Laws of 1986 and RCW 82.02.030 are each amended to read as follows:

(1) The rate of the additional taxes under RCW 54.28.020(2), 54.28.025(2), 66.24.210(2), 66.24.290(2), 82.04.2901, 82.16.020(2), 82.26.020(2), 82.27.020(5), 82.29A.030(2), and 82.44.020(5)~~(, and 82.45.060(2))~~ shall be seven percent;

(2) The rate of the additional taxes under RCW 82.08.150(4) shall be fourteen percent; and

(3) The rate of the additional taxes under RCW 82.24.020(2) shall be fifteen percent.

Sec. 16. Section 60, chapter 3, Laws of 1983 2nd ex. sess. and RCW 43.06.400 are each amended to read as follows:

Beginning in January, 1984, and in January of every even-numbered year thereafter, the department of revenue shall submit to the legislature prior to the regular session a listing of the amount of reduction for the current and next biennium in the revenues of the state or the revenues of local government collected by the state as a result of tax exemptions. The listing shall include an estimate of the revenue lost from the tax exemption, the purpose of the tax exemption, the persons, organizations, or parts of the population which benefit from the tax exemption, and whether or not the tax exemption conflicts with another state program. The listing shall include but not be limited to the following revenue sources:

(1) Real and personal property tax exemptions under Title 84 RCW;

(2) Business and occupation tax exemptions, deductions, and credits under chapter 82.04 RCW;

(3) Retail sales and use tax exemptions under chapters 82.08, 82.12, and 82.14 RCW;

(4) Public utility tax exemptions and deductions under chapter 82.16 RCW;

- (5) ~~((Conveyance tax exemptions under chapter 82.20 RCW;~~
~~(6)))~~ Food fish and shellfish tax exemptions under chapter 82.27 RCW;
~~((7)))~~ (6) Leasehold excise tax exemptions under chapter 82.29A RCW;
~~((8)))~~ (7) Motor vehicle and special fuel tax exemptions and refunds under chapters 82.36 and 82.38 RCW;
~~((9)))~~ (8) Aircraft fuel tax exemptions under chapter 82.42 RCW;
~~((10)))~~ (9) Motor vehicle excise tax exclusions under chapter 82.44 RCW; and
~~((11)))~~ (10) Insurance premiums tax exemptions under chapter 48.14 RCW.

The department of revenue shall prepare the listing required by this section with the assistance of any other agencies or departments as may be required.

The department of revenue shall present the listing to the ways and means committees of each house in public hearings.

Beginning in January, 1984, and every four years thereafter the governor is requested to review the report from the department of revenue and may submit recommendations to the legislature with respect to the repeal or modification of any tax exemption. The ways and means committees of each house and the appropriate standing committee of each house shall hold public hearings and take appropriate action on the recommendations submitted by the governor.

As used in this section, "tax exemption" means an exemption, exclusion, or deduction from the base of a tax; a credit against a tax; a deferral of a tax; or a preferential tax rate.

NEW SECTION. Sec. 17. The following acts or parts of acts are each repealed:

- (1) Section 82.20.005, chapter 15, Laws of 1961 and RCW 82.20.005;
- (2) Section 82.20.010, chapter 15, Laws of 1961, section 7, chapter 35, Laws of 1982 1st ex. sess., section 14, chapter 3, Laws of 1983 2nd ex. sess., section 11, chapter 471, Laws of 1985 and RCW 82.20.010;
- (3) Section 82.20.020, chapter 15, Laws of 1961, section 57, chapter 278, Laws of 1975 1st ex. sess. and RCW 82.20.020;
- (4) Section 82.20.030, chapter 15, Laws of 1961, section 58, chapter 278, Laws of 1975 1st ex. sess. and RCW 82.20.030;
- (5) Section 82.20.040, chapter 15, Laws of 1961, section 59, chapter 278, Laws of 1975 1st ex. sess. and RCW 82.20.040;
- (6) Section 82.20.050, chapter 15, Laws of 1961 and RCW 82.20.050;
- (7) Section 82.20.060, chapter 15, Laws of 1961, section 60, chapter 278, Laws of 1975 1st ex. sess. and RCW 82.20.060; and
- (8) Section 82.20.070, chapter 15, Laws of 1961 and RCW 82.20.070.

***NEW SECTION. Sec. 18.** *Sections 14 through 17 of this act shall not be construed as affecting any existing right acquired or liability or obligation incurred under the sections amended or repealed or under any rule, regulation, or order adopted under those sections, nor as affecting any proceeding instituted under those sections.*

Sec. 18 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 19. (1) The sum of seven million nine hundred thousand dollars, or so much thereof as may be necessary, is appropriated from the conservation area account to the department of natural resources for the biennium ending June 30, 1989, to carry out the purposes of section 10 of this act.

(2) The sum of four million dollars, or so much thereof as may be necessary, is appropriated from the conservation area account to the department of natural resources for the biennium ending June 30, 1989, for the purposes of purchasing property or less than fee interest in property under chapter 79.70 RCW except that this appropriation shall be matched on a basis of at least twenty-five percent from privately raised funds, contributions of real property or interest in real property, or services necessary to achieve the purposes of this subsection.

NEW SECTION. Sec. 20. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 21. Sections 1 through 11 of this act shall constitute a new chapter in Title 79 RCW.

NEW SECTION. Sec. 22. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate March 18, 1987.

Passed the House April 14, 1987.

Approved by the Governor May 18, 1987, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1987.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to section 18, Substitute Senate Bill No. 5911, entitled:

"AN ACT Relating to state government."

This bill establishes natural resource conservation areas and imposes a temporary surcharge of 0.06 percent on the state real estate excise tax, RCW 82.45, to fund acquisition of such areas. This surcharge is repealed effective July 1, 1989.

Additionally, the bill repeals the conveyance tax, RCW 82.20, on real estate property transfers and increases the state real estate excise tax rate by 0.21 percent as a replacement for the conveyance tax revenues. The present state real estate excise

tax rate is 1.07 percent and would be increased to 1.34 percent by this bill, including the temporary natural resource conservation surcharge. The bill has an emergency clause and becomes effective on the Governor's signature.

Section 18 affects only sections 14 through 17, which repeal the conveyance tax and increase the rate of the real estate excise tax. If section 18 becomes law, it would require conveyance stamps on old instruments which have previously been processed but were held in escrow for recording at a future date. The loss of revenue by removing this section will be minimal compared to the time, effort and confusion it would create for the public and county treasurers by leaving the provision in the law. It would be very difficult to collect this increased tax on old deeds where the escrow had been figured on the rate in effect at the time the transaction took place, prior to the effective date of this bill.

With the exception of section 18, Substitute Senate Bill No. 5911 is approved."

CHAPTER 473

[Second Substitute House Bill No. 813]

GOVERNOR'S COMMISSION ON CHILDREN

AN ACT Relating to a governor's commission on children; adding a new chapter to Title 43 RCW; providing an expiration date; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

***NEW SECTION.** Sec. 1. (1) There is established the governor's commission on children, referred to in this chapter as the commission, *to be composed of eight legislators, two appointed by each caucus of the senate and house of representatives, and seven lay members, to be appointed by the governor. The chair of the commission shall rotate annually among the legislative members of the majority parties in the senate and house of representatives. The first chair shall be elected by a majority vote of the commission.*

(2) The commission shall have the following functions:

(a) To develop a long-term children's services strategy for the development of an effective, comprehensive coordinated children's services delivery system that will meet the needs of children in the state. The objective of the strategy shall be to (i) define existing service needs of children in Washington state, utilizing existing studies and data sources where appropriate, (ii) identify the kinds of services needed by children and families to meet a minimum standard and level of physical and mental health and safety, (iii) identify the current level of services available and gaps or overlapping services, and (iv) make recommendations to implement an effective comprehensive service delivery system. The commission shall submit an initial strategy to the appropriate committees of the legislature by October 1, 1988;

(b) In formulating the long-term children's services strategy, the commission shall seek input from providers with expertise in children's mental health, health care including prenatal care, adolescent drug and alcohol treatment, education including early childhood education, nonprofit funding sources, child abuse and neglect, child care, dependency, delinquency and