

# HOUSE BILL REPORT

## HB 2275

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### As Reported by House Committee On: Capital Budget

**Title:** An act relating to expanding the criteria for habitat conservation programs.

**Brief Description:** Expanding the criteria for habitat conservation programs.

**Sponsors:** Representatives Mastin and Dunshee.

#### **Brief History:**

##### **Committee Activity:**

Capital Budget: 1/29/04, 2/5/04 [DPS].

#### **Brief Summary of Substitute Bill**

- Adds two categories to the Washington Wildlife and Recreation Program. Categories for farmlands preservation and riparian protection are added to the existing categories for outdoor recreation and habitat conservation.
- Changes are made to the statutory formula for funding allocations made under the program.
- Requires the Department of Natural Resources and the Department of Fish and Wildlife to make a payment in lieu of taxes and another amount for control of noxious weeds on property acquired through the Habitat Conservation Account, and all state agencies acquiring land under the Riparian Protection Account must make these payments. The State Treasurer makes these payments directly to counties. The counties must distribute the payment in lieu of taxes to junior taxing districts.

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#### **HOUSE COMMITTEE ON CAPITAL BUDGET**

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 20 members: Representatives Dunshee, Chair; Hunt, Vice Chair; Alexander, Ranking Minority Member; Priest, Assistant Ranking Minority Member; Armstrong, Benson, Blake, Chase, Hankins, Hinkle, Kirby, Lantz, Mastin, Morrell, Murray, Newhouse, O'Brien, G. Simpson, Veloria and Woods.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives Bush, Orcutt and Schoesler.

**Staff:** Charlie Gavigan (786-7340).

**Background:**

The Washington Wildlife and Recreation Program (WWRP) provides funds for the acquisition and development of local and state parks, water access sites, trails, critical wildlife habitat, and urban wildlife habitat. Counties, cities, ports, park and recreation districts, school districts, state agencies, and tribes are eligible to apply. Local and tribal governments must provide at least a 50 percent match in cash or in-kind contributions. Grants applications are evaluated annually and the Interagency Committee for Outdoor Recreation submits a list of prioritized projects to the Governor and Legislature for approval. Half the funds appropriated in a biennium for the WWRP are for habitat conservation and the other half for outdoor recreation, allocated by formulas established in statute.

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**Summary of Substitute Bill:**

Two new categories are added to the Washington Wildlife and Recreation Program and changes are made to the statutory formula for allocations made under the program. Categories for farmlands and riparian habitat are added to the existing categories for outdoor recreation and habitat conservation. Up to \$40 million in appropriations is allocated the same as it is in current law: half for outdoor recreation projects and half for habitat conservation projects. If the appropriation is between \$40 million and \$50 million, the allocation for the amount over \$40 million is: 10 percent each for the Habitat Conservation Account and the Outdoor Recreation Account; and 40 percent each for the Farmlands Preservation Account and the Riparian Protection Account. Any amounts over \$50 million are allocated as follows: 30 percent each for the Habitat Conservation Account, the Outdoor recreation Account, and the Outdoor Recreation Account, and 10 percent for the Farmlands Preservation Account. The distribution formula for the funds in the Habitat Conservation Account also is modified.

The criteria for the new Riparian Protection Account grants are: whether the proceeds are eligible for the Conservation Reserve Enhancement Program or the Small Timber Landowner Program; whether the projects are included in specified planning processes such as watershed, salmon recovery, or habitat conservation plans; whether there is community support; whether there is an immediate threat to the site; whether the quality of the habitat is good; whether the project is consistent with local land use plans, and whether the site has educational or scientific value. For cities and counties making acquisitions through the new Farmlands Preservation Account, the city or county must endeavor to sell the property to someone who will maintain it in agricultural production after the city or county has filed the appropriate deed restriction to preserve the property as agricultural.

The Department of Natural Resources and the Department of Fish and Wildlife must make a payment in lieu of taxes and another amount for control of noxious weeds on property acquired through the Habitat Conservation Account, and all state agencies acquiring land under the Riparian Protection Account must make these payments. The State Treasurer pays

the counties directly. The counties must distribute the payment in lieu of taxes to junior taxing districts.

**Substitute Bill Compared to Original Bill:**

The substitute bill: makes changes to the funding allocation formulas; removes authorization for non-profit organizations to apply for grants; clarifies the payment in lieu of taxes provisions, has the State Treasurer make the payments directly to the counties, and requires the counties to distribute the payments to junior taxing districts; leaves the allocation for state parks the same as current law; changes the criteria for funding under the Riparian Protection Account; requires the city or county to endeavor to sell agricultural property to someone who will maintain it in agricultural production after the local government files the appropriate deed restriction; and makes other clarifications.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect on July 1, 2005.

**Testimony For:** Stakeholders have been working since last year to try to reach a compromise on this important issue. Preserving and protecting economically viable agricultural lands is important for many reasons including the economy, preserving family farms, and restoring salmon. Acquisition of riparian areas and other critical habitat limit the need for regulation. Preserving farmlands and protecting riparian areas are important for both economic and environmental reasons. The payment in lieu of taxes provisions recognize that local governments provide services and they should be compensated for these services.

**Testimony for (with concerns):** Much progress has been made between the stakeholders on this bill, but it is still a work in process. Everyone is committed to reaching an agreement and working out a few key points including payment in lieu of taxes, getting payments distributed to junior taxing districts, and the details of the two new programs. State agencies besides the Parks and Recreation Commission (State Parks) should be able to compete for recreation funds that now only go to State Parks.

**Testimony Against:** None.

**Persons Testifying:** (In support) Mike Ryerd and Joanna Grist, Washington Wildlife and Recreation Coalition; Brit Kramer, Washington Recreation and Parks Association, Michelle Hagen, Washington Association of County Assessors; Bill Robinson, The Nature Conservancy; and Paul Parker, Washington State Association of Counties.

(With concerns) Representative Mastin, prime sponsor; Steve Pozzanghera, Washington Department of Fish and Wildlife; and Bonnie Bunning, Department of Fish and Wildlife.

**Persons Signed In To Testify But Not Testifying:** Bill Robinson, The Nature Conservancy.