

SENATE BILL REPORT

ESHB 2567

As Reported by Senate Committee On:
Agriculture, Water & Rural Economic Development, February 21, 2012

Title: An act relating to authorizing an optional system of rates and charges for conservation districts.

Brief Description: Authorizing an optional system of rates and charges for conservation districts.

Sponsors: House Committee on Local Government (originally sponsored by Representative Fitzgibbon).

Brief History: Passed House: 2/10/12, 89-8.

Committee Activity: Agriculture, Water & Rural Economic Development: 2/20/12, 2/21/12 [DPA].

SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

Majority Report: Do pass as amended.

Signed by Senators Hatfield, Chair; Shin, Vice Chair; Honeyford, Ranking Minority Member; Becker, Delvin, Hobbs and Schoesler.

Staff: Bob Lee (786-7404)

Background: A conservation district is a governmental subdivision of the state with the authority to conduct research, education, and cooperative intergovernmental activities relating to the conservation of renewable natural resources. A county legislative authority may impose special assessments to finance the activities of a conservation district within that county.

Proposed systems of assessments are established by conservation district supervisors and the county legislative authority through a process of public hearings and filings. The conservation district proposes the system of assessments to the county legislative authority, which it may accept or modify.

Public lands are also subject to special assessments to the same extent as privately owned lands. Forest lands used for planting, growing, or harvesting of trees may also be subject to

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.

special assessments if the lands benefit from the activities of the conservation district, but the per acre rate of special assessment on forest lands is limited to one-tenth of the weighted average per acre assessment.

Conservation districts are required to prepare an assessment roll that implements the system of assessments approved by the county legislative authority. These special assessments are to be spread by the county assessor as a separate item on the tax rolls and are collected with property taxes by the county treasurer. The amount of a special assessment constitutes a lien against the land that is subject to the same conditions as a tax lien and subject to the same interest rate and penalty as for delinquent property taxes.

Summary of Bill (Recommended Amendments): Conservation districts are authorized to establish an optional system of rates and charges and may consider certain factors when fixing rates and charges. The consideration, adoption, implementation, and collection of a system of rates and charges must follow the same public notice and hearing process and is subject to the same procedure and authority as for special assessments for conservation districts. The conservation district board of supervisors must establish rules providing for appeals regarding the application of the adopted system of rates and charges.

The county assessor is responsible for collecting the rates and charges using the same process that is used for collecting special assessments for conservation districts.

EFFECT OF CHANGES MADE BY AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT COMMITTEE (Recommended Amendments): The striking amendment returns the method of charging interest on delinquent payment of fees and charges to be the same interest rate charged for delinquent property taxes. Clarification is provided that the county legislative authority must approve by resolution a system of rates and charges. Clarification is provided that a conservation district board is required to establish by resolution a process to provide landowner appeals of individual rates and charges applicable to a parcel or parcels. An emergency clause was added for the act to take effect immediately.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony as Heard in Committee: PRO: Conservation districts are involved in a range of programs that includes water quality monitoring for the benefit of the shellfish industry, doing habitat enhancement work including salmon habitat restoration, and working with local landowners on natural resource management. Currently, locally generated funds contribute about \$17 to conservation district activities as compared to \$6 million coming directly from the state. These funds are matched with other state and federal dollars. Using rates and charges is a better mechanism than using benefit assessments because a benefit for a specific land parcel is not required with rates and charges. Returning

to the standard rate of interest that applies to property taxes makes the system more workable to county governments. With the recent court decision, some counties are planning to switch to rates and charges right away and would appreciate adding an emergency clause. The addition of an administrative appeals process will allow districts to address concerns of individual landowners. The striking amendment was drafted with input of the Assistant Attorney General assigned to the Conservation Commission and a conservation district attorney.

OTHER: It was fortunate for the county that it did not have to pay back the funds that were collected under the prior assessment statute as the court required only the three litigants to be paid back. The successful litigants believe that the current bill makes possible levies that are indistinguishable from property taxes and thus, may be unconstitutional.

Persons Testifying: PRO: Brynn Brady, Pierce County; Jim Jesernig, WA Assn. of Conservation Districts; Sara Hemphill, King Conservation District; Carolyn Kelly, Skagit Conservation District; Monte Marti, Snohomish Conservation District; George Boggs, Whatcom Conservation District; Ron Shultz, Washington State Conservation Commission; Ryan Mello, Pierce Conservation District.

OTHER: Tim Shelton, Mason County Commissioner.