

SENATE BILL REPORT

SB 6165

As Reported by Senate Committee On:
Government Operations, Tribal Relations & Elections, February 2, 2012
Ways & Means, February 7, 2012

Title: An act relating to creating flexible conservation futures taxing districts.

Brief Description: Creating flexible conservation futures taxing districts.

Sponsors: Senators Hargrove, Swecker, Ranker, Pridemore, Nelson, Rolfes and Shin.

Brief History:

Committee Activity: Government Operations, Tribal Relations & Elections: 1/30/12, 2/02/12 [DPS, DNP].
Ways & Means: 2/06/12, 2/07/12 [DP2S, DNP, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS

Majority Report: That Substitute Senate Bill No. 6165 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pridemore, Chair; Prentice, Vice Chair; Swecker, Ranking Minority Member; Chase and Nelson.

Minority Report: Do not pass.

Signed by Senator Benton.

Staff: Sam Thompson (786-7413)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6165 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Brown, Conway, Fraser, Harper, Hatfield, Kastama, Keiser, Kohl-Welles, Pridemore, Regala and Tom.

Minority Report: Do not pass.

Signed by Senators Holmquist Newbry, Honeyford, Padden and Schoesler.

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.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Baumgartner and Hewitt.

Staff: Dean Carlson (786-7305)

Background: To conserve open space, agricultural, and timber lands for public use and enjoyment, counties, cities, and certain other local governments and nonprofit organizations may acquire private land outright, lease private land, or acquire easements on private land that limit use of the land. These acquisitions are made through negotiated purchases or donations, not eminent domain. The rights acquired under this process are called conservation futures in the Washington statutory code. However, easements acquired under this process are occasionally called conservation easements.

Counties may levy a conservation futures property tax of up to \$0.0625 per \$1,000 of assessed valuation to generate funds to acquire conservation futures. The decision to levy this tax is made by a county legislative authority, which may be either a board of county commissioners or a county council. Thirteen Washington counties have opted to impose the tax: Clark, Ferry, Island, Jefferson, King, Kitsap, Pierce, San Juan, Skagit, Snohomish, Spokane, Thurston, and Whatcom.

When levying taxes, counties must conform with Article VII, Section 1 of the Washington Constitution, which provides, in part: "All taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax" The territorial limits of a county is the entire county. Thus, if a county opts to levy a conservation futures property tax, it must be levied countywide.

Summary of Bill (Recommended Second Substitute): In lieu of imposing a countywide conservation futures levy (levy), a county may create a flexible conservation futures taxing district (district) to acquire and manage conservation futures in an area less than the entire county. A county may not create a district if it imposes a countywide levy. A county that is imposing a conservation future levy as of the effective date of the bill may not create a flexible conservation futures district.

A county may impose a district levy in the same manner and subject to the same tax limitations and provisions applying to a countywide levy. Revenue must be held in a special fund for the district, spent only upon authorization by the county legislative authority, and spent only to acquire and manage conservation futures in the district.

A county may alter a district by enlarging or reducing it, dividing it into two or more districts, or combining or consolidating two or more districts.

To create or alter a district, a county legislative authority must, in sequence, adopt a resolution of intention, conduct a public hearing, and adopt a resolution.

A resolution of intention must specify: that any district levy is in lieu of any countywide levy; district boundaries; the nature of activity currently conducted or proposed; and the date, time,

and place for a public hearing, at least 30 and no more than 90 days after adoption of the resolution of intention.

Notice of the public hearing must include the resolution of intention and be published in a newspaper of general circulation in the proposed or altered district.

Following a public hearing, a county legislative authority may create or alter a district by adopting a resolution finding that the interests of the area will be benefited.

The county legislative authority must designate a person to serve as district supervisor. The supervisor may be a member of the county legislative authority if the member represents a county commissioner district or county council district that includes property in the district. They may receive compensation for expenses while conducting district operations. The supervisor may be a person who is not a member of the county legislative authority; if so, the county legislative authority will fix compensation.

The county treasurer is treasurer of a district. The county assessor and other county officers must provide assistance in administering a district.

A district supervisor must be either the county commissioner representing the area, who is entitled to receive compensation as if the county commissioner were doing other county business, or another person designated by the county legislative authority, with compensation fixed by the county legislative authority.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Second Substitute): A county that is imposing a conservation future levy as of the effective date of the bill may not create a flexible conservation futures district.

EFFECT OF CHANGES MADE BY GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS COMMITTEE (Recommended First Substitute): Language is clarified, and the title is changed to refer to authorizing rather creating districts. Provides that district tax revenue can be spent only to acquire and manage conservation futures in the district. Clarifies that a district levy is subject to the same tax provisions applying to countywide levies.

Appropriation: None.

Fiscal Note: Requested on February 3, 2012.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill (Government Operations, Tribal Relations & Elections): PRO: This bill enables counties to levy the conservation futures property tax in limited geographical areas, less than countywide. Rather than being required to levy the tax countywide if they decide to impose it, counties should have the option this bill provides.

Persons Testifying (Government Operations, Tribal Relations & Elections): PRO: Senator Hargrove, prime sponsor; Matthew Randazzo, citizen.

Staff Summary of Public Testimony on Substitute as Passed by Government Operations, Tribal Relations & Elections (Ways & Means): PRO: This is a well-intended bill. We recommend one change: those counties that currently have a conservation levy should not be able to roll it back and make a smaller district.

Persons Testifying (Ways & Means): PRO: Bill Robinson, The Nature Conservancy.