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## Appropriations Committee

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### HB 2045

**Brief Description:** Concerning payments to counties in lieu of taxes.

**Sponsors:** Representatives Hunter and Sullivan.

#### Brief Summary of Bill

- Removes formulas that counties could choose from in requesting payment in lieu of real property taxes (PILT) for game lands owned by the Department of Fish and Wildlife and reside within the county's jurisdiction.
- Establishes a \$1.01 per acre rate, increasing by one percent each calendar year beginning in 2015, for counties electing to receive PILT.

**Hearing Date:** 4/22/13

**Staff:** Michael Bennion (786-7118).

#### Background:

Lands that are acquired or otherwise owned by state government are generally not subject to county property taxes. When the state acquires land for habitat and recreation from private landowners, the land is thus removed from the local tax base. Since approximately 1966, the Department of Fish and Wildlife (WDFW) has been providing counties with payments in lieu of real property taxes (PILT) as a way of offsetting the local impact. Once collected, the money must be distributed throughout the county government in the same manner that property tax revenues are distributed.

In most cases, a county has the discretion as to whether or not to request PILT from the WDFW; however, PILT are not applicable to lands transferred to the WDFW after 1990 from another state agency. A county's legislative authority must first elect to receive PILT and notify the WDFW by December 31 to receive PILT for the following year. Since 1985, counties that elect for PILT have had three formulas to choose from for calculating their PILT request. The formula options are either:

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- \$.70 per acre;
- the PILT amount paid in 1984; or
- payments equal to the amount paid on similar parcels of open space land.

Generally, the open space tax rate results in the highest payment to counties.

Those counties that elect to receive PILT are required to keep a record of all fines and payments made for violations of game laws or rules in the county and remit that amount each month to the state treasurer. Counties that do not elect to receive PILT are able to retain the moneys collected for game violations on WDFW game lands.

Payments in lieu of real property taxes are administered by the WDFW and are paid from the department's general fund budget appropriation each fiscal year. There are currently 14 counties receiving PILT from the WDFW. Seven of the counties have chosen the open space rate, another six have the 1984 or \$.70 per acre rate, and one county has a mix of all three formulas.

During fiscal years 2012 and 2013, the Legislature directed PILT be calculated at the total paid in 2009 to each county and permitted those counties to retain their game violation revenues.

**Summary of Bill:**

Rate formulas that counties may choose from in requesting their payments in lieu of property taxes from the WDFW are removed and are replaced with a flat \$1.01 per acre rate. The new rate increases by one percent each calendar year beginning in 2015.

**Appropriation:** None.

**Fiscal Note:** Requested on April 17, 2013.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.