

# HOUSE BILL REPORT

## SSB 5322

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### As Passed House:

April 13, 2015

**Title:** An act relating to conservation districts' rates and charges.

**Brief Description:** Concerning conservation districts' rates and charges.

**Sponsors:** Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Hatfield, Hobbs and Honeyford).

### Brief History:

#### Committee Activity:

Local Government: 3/12/15, 3/19/15 [DP];

Finance: 4/3/15 [DP].

#### Floor Activity:

Passed House: 4/13/15, 65-32.

### Brief Summary of Substitute Bill

- Increases the maximum annual per-parcel rate that may be included in a conservation district's system of rates and charges to \$10 for counties with a population of over 480,000, and to \$15 for counties with a population of over 1.5 million.

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## HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 5 members: Representatives Takko, Chair; Gregerson, Vice Chair; Fitzgibbon, McBride and Peterson.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; McCaslin and Pike.

**Staff:** Michaela Murdock (786-7289).

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## HOUSE COMMITTEE ON FINANCE

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*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.*

**Majority Report:** Do pass. Signed by 13 members: Representatives Carlyle, Chair; Tharinger, Vice Chair; Nealey, Ranking Minority Member; Fitzgibbon, Manweller, Pollet, Reykdal, Robinson, Ryu, Springer, Stokesbary, Wilcox and Wylie.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives Orcutt, Assistant Ranking Minority Member; Condotta and Vick.

**Staff:** Richelle Geiger (786-7175).

**Background:**

Conservation Districts.

Special purpose districts are local governments separate from a city, town, or county government that are created to provide a limited number of public facilities or services. A conservation district (district) is a special purpose district with numerous powers set forth in statute. For example, to promote the conservation of renewable natural resources, districts may:

- conduct surveys, investigations, and research, and publish and disseminate information about preventative control measures and works of improvement;
- conduct educational and demonstrational projects;
- carry out preventative control measures and works of improvement within the district; and
- administer projects or programs located within the district's boundaries undertaken by any federal, state, or other public agency.

Applicable statute defines "renewable natural resources" to include land, air, water, vegetation, fish, wildlife, wild rivers, wilderness, natural beauty, scenery, and open space.

Conservations Districts–Rates and Charges.

A county legislative authority may approve revenues to a district by fixing rates and charges. A system of rates and charges may be provided as an alternative to, but not in addition to, special assessments imposed for districts.

In fixing a system of rates and charges for a district, the county legislative authority may consider information proposed by the district for consideration, such as: services furnished or available to a landowner; benefits received or available to a property; the character and use of land; the nonprofit public benefit status of the land user; the income level of persons served or provided benefits; and any other matters that present a reasonable difference as a ground for distinction.

A district's system of rates and charges may include:

- an annual per-acre amount;
- an annual per-parcel amount; or
- an annual per-parcel amount, plus an annual per-acre amount.

The maximum annual per-acre rate or charge may not exceed 10 cents per acre, and the maximum annual per-parcel rate may not exceed \$5. However, for counties with a population of over 1.5 million, the maximum annual per-parcel rate may not exceed \$10.

Public lands, including those owned or held by the state, are subject to the same rates and charges as those imposed on privately owned lands. Additionally, forest lands used solely for planting, growing, or harvesting trees (forest lands) may be subject to rates and charges if those lands are served by activities of the district. If rates and charges are imposed, the annual per-acre amount for forest lands may not exceed one-tenth of the weighted average per-acre rate on all other lands within the district that are subject to rates and charges. Also, although a per-parcel charge may not be imposed on forest land, a charge of up to \$3 for each owner of forest land subject to the per-acre rate may be imposed.

#### Collection of Rates and Charges.

The county assessor must spread rates and charges of the district as a separate item on the tax roll, which must then be collected with property taxes by the county treasurer. The amount of district rates and charges constitute a lien against land subject to the same conditions as a tax lien, and may be collected in the same manner, and subject to the same interest and penalties, as delinquent real property taxes.

The county treasurer is required to deduct an amount from collected district rates and charges to cover the cost incurred by the county assessor and the county treasurer in spreading and collecting the rates and charges. The deduction may not exceed the actual costs of such work. All remaining funds must be transferred to the district.

#### **Summary of Bill:**

In proposing a system of rates and charges to the county legislative authority, a district may consider, in addition to factors already set forth in statute: the natural resource needs within the district and the capacity of the district to provide services, improvements, or both.

The maximum annual per-parcel rates that may be included in a district's system of rates and charges is increased for counties with a population over 480,000, and for counties with a population over 1.5 million. As a result, the maximum annual per-parcel rate may not exceed:

- \$5, for counties with a population of 480,000 or less;
- \$10, for counties with a population over 480,000; and
- \$15, for counties with a population over 1.5 million.

**Appropriation:** None.

**Fiscal Note:** Available.

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

#### **Staff Summary of Public Testimony (Local Government):**

(In support) Adjustment of district rates is an issue that districts, and in particular, districts in larger counties, have been working on for a number of years. This bill will simply give county legislative authorities the option of increasing district rates, and will help improve

conservation services provided in urban and rural areas of the four most populous counties in the state. While districts in King and Pierce counties will be able to immediately utilize the new authority to increase rates and charges, districts in Spokane and Snohomish counties will have to take certain steps before they can exercise the authority.

Districts cover almost all areas of the state. Districts use a locally driven process to help landowners with conservation management issues and mandates. Local governments in smaller communities may not have a lot of staff, expertise, or resources to tackle water conservation issues and other conservation mandates and measures. Districts work with local governments, as well as private landowners, to provide technical, financial, and educational assistance to enhance and protect natural resources and to comply with conservation mandates.

Districts have many levels of accountability and oversight. For example, district finances are annually audited and districts submit an annual report. All money raised for district purposes must be overseen and approved by the county legislative authority. Moreover, money appropriated by the Legislature and money from rates and charges is leveraged many times over with other funds.

(Opposed) None.

**Staff Summary of Public Testimony (Finance):**

(In support) Conservation districts are non-regulatory bodies that provide support, services, and advice to private landowners to help support healthy natural resources within their districts.

The per-parcel rate has not been increased since 1989 for Pierce, Spokane, and Snohomish counties. The costs of doing business has increased significantly since 1989 and these counties need the ability to generate more revenue to meet these needs.

This increased rate maximum allows for a local option to increase the per-parcel rate and is not a local mandate. The revenue generated by conservation districts is used to leverage private, state, and federal grants to provide additional funding for projects throughout the district.

King and Pierce County Conservation Districts currently utilize rates and charges to generate revenue and would be impacted by this bill. Spokane and Snohomish Conservation Districts would qualify for the increased rates offered in this bill if they decided to begin using a system of rates and charges to generate revenue in lieu of assessing a benefit charge.

Conservation districts are audited to ensure fiscal accountability.

(Opposed) None.

**Persons Testifying (Local Government):** Senator Hatfield, prime sponsor; Brynn Brady, Pierce, King, and Spokane Conservation Districts; Ryan Mello, Pierce Conservation District; and Jim Jesernig, Washington Association of Conservation Districts.

**Persons Testifying** (Finance): Jeannette Dorner, Pierce County Conservation District; and Jim Jesernig, Washington Association of Conservation Districts.

**Persons Signed In To Testify But Not Testifying** (Local Government): None.

**Persons Signed In To Testify But Not Testifying** (Finance): None.