

# SENATE BILL REPORT

## SB 5322

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As of February 3, 2015

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

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

**Sponsors:** Senators Hatfield, Hobbs and Honeyford.

**Brief History:**

**Committee Activity:** Agriculture, Water & Rural Economic Development: 2/03/15.

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### SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

**Staff:** Diane Smith (786-7410)

**Background:** A conservation district (CD) is a governmental subdivision of the state, exercising public powers. However, it may not levy taxes or issue bonds.

Besides acceptance of gifts and grants, CDs are funded by one of two options, but not both.

Special Assessments. Special assessments are one funding option. Activities and programs to conserve natural resources are declared to be of special benefit to lands and may be used as the basis to impose special assessments. The special assessments are imposed by the county legislative authority of the county in which the CD lies and for periods not to exceed ten years each.

The supervisors of the CD, its governing body, must hold a public hearing on a proposed system of assessments. The supervisors then file the proposed system of assessments with the county legislative authority which then holds its public hearing. The findings of the county legislative authority are final and conclusive, specifically that both the public interest will be served and that the special assessments will not exceed the special benefit the land will receive from the CD's activities.

The system of assessments must (1) classify the lands within the CD based on the benefits incurred; (2) state an annual per-acre rate of assessment for each classification; and (3) indicate the total amount of special assessments proposed to be obtained from each classification. The assessment rate must be stated for each classification as either an annual

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per-acre amount up to \$0.10 per acre or as a flat rate per parcel up to \$5 per parcel, or up to \$10 per parcel if the population of the county is over 1.5 million, plus a uniform annual rate per acre.

Rates and Charges. Rates and charges are the other funding option. These are approved by resolution of the county legislative authority. The CD may propose to the county legislative authority a system of rates and charges which the county may consider, in its discretion.

The CD's proposed system of rates and charges may consider any matters that present a reasonable difference as grounds for distinction including the income level of the people served, including senior citizens and the disabled; property used by nonprofit charities as defined in the federal tax law and the state corporations act; the character and use of the land; the benefits the land will receive; and the services the CD will furnish.

The assessment rate for rates and charges may be stated as either an annual per-acre amount up to \$0.10 per acre or as a flat rate per parcel up to \$5 per parcel, or up to \$10 per parcel if the population of the county is over 1.5 million, plus an annual per-acre amount.

The populations of the following counties are over 480,000 and less than 1.5 million: Pierce, Snohomish and Spokane.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed Substitute):** In setting its proposed system of rates and charges, a CD may consider the natural resource needs within the district and the capacity of the district to provide services, improvements, or both as reasonable differences justifying a distinction.

An intermediate tier of rates and charges is established. For counties with populations between 480,000 and 1.5 million the maximum per-parcel rate cannot exceed \$10. For counties with populations of over 1.5 million – only King at this time – the maximum per-parcel rate is raised from \$10 to \$15.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: Rates and charges, currently used only in King and Pierce counties, are a good tool to fund conservation projects and provide other services in districts with high demand. Just the Snohomish County District receives 250 requests for assistance per year. Not just private landowners but also the cities within the districts request and receive help with their conservation projects including meeting NPDS – federal water discharge permits – requirements. One district mobilized 2500 volunteers in 2013. Districts are driven by the needs of the landowners within the district so activities vary

widely across the state. The current \$5 and \$10 structure has not been amended since it was established in 1989. The rates and charges leverage much larger grants and loans by meeting matching requirements.

**Persons Testifying:** PRO: Senator Hatfield, prime sponsor; Ron Shultz, WA State Conservation Commission; Sara Hemphill, King Conservation District (KCD), Executive Director; Kathryn Gardow, KCD; Jeanette Dorner, Pierce Conservation District Board of Supervisors, Board Chair; Scott Gruber, Calendula Farm, owner; Mark Palmer, city of Puyallup, City Engineer; Jim Jesernig, WA Assn. of Conservation Districts.