

SENATE BILL REPORT

SB 5750

As of February 25, 2015

Title: An act relating to payments to counties in lieu of property taxes by the department of fish and wildlife.

Brief Description: Regarding payments to counties in lieu of property taxes by the department of fish and wildlife.

Sponsors: Senators Parlette, Dansel, Hatfield, Rolfes and Warnick.

Brief History:

Committee Activity: Natural Resources & Parks: 2/11/15, 2/19/15 [DP-WM].
Ways & Means: 2/24/15.

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Pearson, Chair; Dansel, Vice Chair; Chase, Hewitt, McAuliffe, Warnick and Hatfield.

Staff: Curt Gavigan (786-7437)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Sherry McNamara (786-7402)

Background: Department of Fish and Wildlife (DFW) Lands. DFW manages approximately 900,000 acres of conservation and recreation lands which are divided into more than 30 wildlife areas. Additionally, the agency manages approximately 700 water access sites, which are usually one to five acres in size.

DFW Payments in Lieu of Taxes (PILT). PILT refers to payments made in lieu of local property taxes. Property tax generally does not apply to property owned by state agencies. However, DFW pays PILT to counties that have elected to receive it under a specific statutory scheme.

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.

For the 2011-13 and 2013-15 fiscal biennia, the Legislature fixed the amount of PILT paid to each county based on the PILT received in 2009. Prior to 2012, counties chose one of the following two formulas to calculate DFW PILT payments:

- the tax that would be due if the property were taxed as open space land; or
- the greater of either \$0.70 per acre or the PILT amount paid in 1984. This choice requires that PILT was received in 1984.

Lands included in the DFW PILT calculation include all tracts, regardless of acreage, used for wildlife habitat and public recreational purposes. Department buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, and public fishing areas are not included.

If a county elects to receive PILT, it must track the amount of fees, fines, and forfeitures received from fish and game violations and send an equal amount to the State Treasurer for deposit into the general fund. This requirement does not apply while the PILT payment remains frozen at the 2009 level.

Summary of Bill: Beginning August 1, 2015, DFW must calculate PILT payments for counties based on the land's open space value.

Additionally, counties may receive PILT payments while also keeping fees, fines, and forfeitures from fish and game violations.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on August 1, 2015.

Staff Summary of Public Testimony (Natural Resources & Parks): PRO: PILT payments help offset the cost of public landownership. We are committed to full, fair PILT for counties, which is why we support the bill. It is an important step to ensure counties are compensated fairly for supporting the benefits that public lands provide. Several counties are more directly impacted by large percentages of public land acreage. The counties where PILT payments are largest are some of the counties in the state that can least afford lower PILT payments or payments that are reduced by the Legislature over time.

Persons Testifying (Natural Resources & Parks): PRO: Senator Parlette, prime sponsor; Joe Mentor, WA Wildlife & Recreation Coalition; Jack Field, Bill Sieverkropp, WA Cattlemen's Assn.; Hannah Clark, WA Assn. of Land Trusts; Terry Kohl, Backcountry Horsemen of WA; Tom Davis, WA Farm Bureau; Scott Richards, The Nature Conservancy.

Staff Summary of Public Testimony (Ways & Means): PRO: There are three counties in eastern Washington that have been hit hard by freezing the PILT payments at the 2009 level. With the PILT being frozen the counties were unable to go to open space rate. PILT has been funded at about half the amount it should be. Passing this bill will really help these counties.

The volume of the public from Western Washington that comes to recreate in Eastern Washington is tremendous. An unintended consequence of the previous rollback and freeze is to transfer a portion of the tax burden to tax payers on rural lands. We urge you not to renew the rollback.

Persons Testifying (Ways & Means): PRO: Senator Parlette, prime sponsor, Jeff Chapman, Back Country Horsemen of Washington; Rance Block, Rocky Mountain Elk Foundation; Laura Merrill, Wa State Assoc of Counties.