
**Rural Development, Agriculture, &
Natural Resources Committee**

HB 1662

Brief Description: Concerning payments in lieu of real property taxes.

Sponsors: Representatives Dent, Springer, Kretz, Blake, Dye, Tharinger, Chandler, Fitzgibbon, Peterson, Fey, Corry, Dufault and Young.

Brief Summary of Bill

- Moves administration of the Department of Fish and Wildlife's (WDFW's) payments in lieu of taxes (PILT) from the WDFW to the State Treasurer.
- Changes the WDFW PILT rate.

Hearing Date: 2/6/19

Staff: Rebecca Lewis (786-7339).

Background:

As a state agency, the Washington Department of Fish and Wildlife (WDFW) is exempt from paying property taxes on lands that it owns. However, the WDFW does provide payments in lieu of taxes (PILT) to counties for WDFW-owned lands used for wildlife habitat and public recreation. Counties must choose whether or not to receive PILT from the WDFW. If a county chooses to receive PILT, the county may no longer keep the fines they collect from fish and wildlife code violations, and those fines are instead deposited into the State General Fund.

Counties that receive PILT may choose to be paid either at a rate equivalent to taxes on open space land, or the greater of 70 cents per acre per year or the amount of PILT paid in 1984. The WDFW is also required to pay counties that elect to receive PILT an amount for the control of noxious weeds equal to that which would be paid under private ownership.

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.

In the 2012 Supplemental State Omnibus Appropriations Act, the PILT rates were amended to be equivalent to the rates paid to each county in 2009. This amendment was continued in the 2013-15 and 2015-17 State Omnibus Appropriations Acts. In the 2017-19 biennium, PILT rates were set at specific rates that were lower than the open space tax rate, but higher than the 2009 levels.

Summary of Bill:

Administration of payments in lieu of taxes (PILT) is moved to the State Treasurer from the Department of Fish and Wildlife, and the amounts of fish and wildlife fines collected by counties that receive PILT are no longer deposited into the State General Fund. The 2015-17 and 2017-19 PILT rates are deleted from statute, and the PILT rate is changed to an amount equal to the result of the following formula: $(0.5 \times \text{the land's assessed value}) / 1,000 \times (\text{local levy rate} - \text{state levy portion})$.

Counties requesting PILT must provide a list of eligible parcels, along with the parcels' assessed value and the local levy rate by December 31 each year for payment the following year.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2019.