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

SB 5159

Brief Description: Concerning payments in lieu of real property taxes by the department of the fish and wildlife.

Sponsors: Senators Warnick, Van De Wege and Short.

Brief Summary of Bill

- Requires the State Treasurer to distribute payments in lieu of taxes (PILT) on game lands to counties by April 30 of each year on behalf of the Department of Fish and Wildlife.
- Deletes certain PILT rates set in prior biennia.

Hearing Date: 3/17/21

Staff: Rebecca Lewis (786-7339).

Background:

Payments in Lieu of Taxes.

As state agencies, the Department of Fish and Wildlife (DFW) and Department of Natural Resources (DNR) are exempt from paying property taxes on lands that the agencies own. However, the DFW and the DNR provide payments in lieu of taxes (PILT) to counties for certain agency-owned lands. The DNR PILT rate is equal to the amount of property tax that would be due if the property were taxed as open space land, and DNR PILT payments are made to counties on behalf of the DNR by the State Treasurer.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Department of Fish and Wildlife Payments in Lieu of Taxes.

Counties must choose whether or not to receive PILT from the DFW. 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. A receiving county must distribute PILT to local taxing districts based on the location of the property. Game lands eligible for DFW PILT includes all DFW-owned tracts used for wildlife habitat and public recreational purposes. Buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, and public fishing areas owned by the DFW are ineligible.

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 DFW 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.

Recent Changes to the Department of Fish and Wildlife Payments in Lieu of Taxes Rates.

In the 2012 Supplemental Operating Budget, 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 Biennial Operating Budgets. In the 2017-19 Biennial Operating Budget, PILT rates were set at specific rates that were lower than the open space tax rate, but higher than the 2009 levels.

In the 2019-21 Biennial Operating Budget, the PILT rates were returned to either:

- an amount equal to the open space rate paid by the DNR on similar parcels of land; or
- the greater of 70 cents per acre per year or the amount of PILT paid in 1984.

Additionally, the 2019-21 Biennial Operating Budget directed the DFW's PILT payments to be made by the State Treasurer on behalf of the DFW for the biennium, rather than by the DFW directly.

Summary of Bill:

On behalf of the Department of Fish and Wildlife, the State Treasurer must distribute payments in lieu of taxes (PILT) on game lands to counties by April 30 of each year. References to previous PILT rates established in the 2013-15, 2015-17, and 2017-19 biennia are deleted.

Appropriation: None.

Fiscal Note: Available.

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