

# SENATE BILL REPORT

## SB 5159

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As Passed Senate, March 8, 2021

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

**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 History:**

**Committee Activity:** Agriculture, Water, Natural Resources & Parks: 1/21/21, 1/28/21 [DP-WM, w/oRec].

Ways & Means: 2/19/21, 2/22/21 [DP, w/oRec].

**Floor Activity:** Passed Senate: 3/8/21, 47-2.

**Brief Summary of Bill**

- Requires the state treasurer, on behalf of the Department of Fish and Wildlife, to distribute payments in lieu of taxes, on game lands, to counties by April 30th of each year.

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### SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

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

Signed by Senators Van De Wege, Chair; Salomon, Vice Chair; Warnick, Ranking Member; Rolfes, Short and Stanford.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Honeyford.

**Staff:** Karen Epps (786-7424)

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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 part of the legislation nor does it constitute a statement of legislative intent.*

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Frockt, Vice Chair, Capital; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Schoesler, Assistant Ranking Member, Capital; Braun, Carlyle, Conway, Darneille, Dhingra, Gildon, Hunt, Keiser, Lias, Mullet, Muzzall, Pedersen, Van De Wege, Wagoner, Warnick and Wellman.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Rolfes, Chair; Robinson, Vice Chair, Operating & Revenue; Hasegawa and Rivers.

**Staff:** Jed Herman (786-7346)

**Background:** The Department of Fish and Wildlife (DFW) makes payments in lieu of taxes (PILT) on lands it owns to counties that have elected to receive it. 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. DFW buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, and public fishing areas are ineligible.

For the 2013-15 and 2015-17 fiscal biennia, the Legislature fixed the amount of PILT paid to each county based on the PILT received in 2009. For the 2017-2019 fiscal biennia, the Legislature set a fixed amount of PILT and then established payments to counties on a percentage basis. For the 2019-21 biennium, the state treasurer must distribute PILT payments on behalf of the director. Prior to 2012, counties chose one of the following two formulas to calculate DFW PILT:

- the tax that would be due if the property was 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.

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 equivalent amount to the state treasurer for deposit into the state general fund. Counties need not track the fees, fines, and forfeitures information while the rate remains frozen at the 2009 level.

**Summary of Bill:** The state treasurer, on behalf of DFW, must distribute PILT to counties by April 30th of each year on game lands. The provisions related to prior biennia are deleted.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2021.

**Staff Summary of Public Testimony (Agriculture, Water, Natural Resources & Parks):** PRO: PILT payments are critical to local governments, schools, and local taxing districts, especially in rural Washington. This bill provides a simple fix to permanently move DFW PILT payments to the treasurer's office. This change was done in the biennial budget, but the change expires in June, and this bill will put the change, a process that has been operating smoothly, into statute. Distributing DFW PILT payments from the state treasurer will follow the process that the Department of Natural Resources uses and implement a recommendation from the Department of Revenue in 2013. PILT is an important revenue source for rural counties with lands that are now owned by DFW. DFW owns or manages over 1 million acres and over 500 water access points in the state, including places that provide habitat for fish and wildlife, as well as recreation values including camping, hunting, and nature viewing. This legislation is important to ensure that small communities receive PILT, otherwise the tax burden will be placed on the private landowners in the communities.

**Persons Testifying (Agriculture, Water, Natural Resources & Parks):** PRO: Christine Mahler, Washington Wildlife and Recreation Coalition; Justin Allegro, The Nature Conservancy; Paul Jewell, Washington State Association of Counties; Cynthia Wilkerson, Department of Fish and Wildlife; Sam Ledgerwood, Washington Cattlemen's Association.

**Persons Signed In To Testify But Not Testifying (Agriculture, Water, Natural Resources & Parks):** No one.

**Staff Summary of Public Testimony (Ways & Means):** PRO: PILT is an important source of revenue for counties as it makes up for taxes no longer being collected due to private land being purchased into public ownership. The bill aligns the way DFW payments are made with that of the Department of Natural Resources (DNR). We are proud to be one of the stakeholders who collaborated to help bring this bill forward. It is important the way PILT payments are made is the same as they are for DNR.

**Persons Testifying (Ways & Means):** PRO: Paul Jewell, Washington State Association of Counties; Alexei Calambokidis, Trout Unlimited.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.