

# HOUSE BILL REPORT

## HB 2315

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**As Reported by House Committee On:**  
Agriculture & Natural Resources  
General Government Appropriations

**Title:** An act relating to forest fire protection assessment refunds.

**Brief Description:** Regarding forest fire protection assessment refunds.

**Sponsors:** Representatives Takko and Darneille.

**Brief History:**

**Committee Activity:**

Agriculture & Natural Resources: 3/26/09, 3/27/09 [DPS];

General Government Appropriations: 4/1/09, 4/3/09 [DPS(AGNR)].

**Brief Summary of Substitute Bill**

- Repeals forest fire protection assessment rebates for landowners owning multiple small forested parcels in one county as of January 11, 2011.
- Directs the Department of Natural Resources to develop a revised rate structure proposal for forest fire protection assessments.

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### HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Blake, Chair; Jacks, Liias, McCoy, Nelson, Ormsby and Van De Wege.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Grant-Herriot, Vice Chair; Chandler, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Pearson and Warnick.

**Staff:** Jason Callahan (786-7117)

**Background:**

Forest Fire Protection Assessments.

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

The costs of forest fire protection are intended to be equitably shared between forest landowners and the state. Owners of forest land are under an obligation to provide forest fire protection on their land at a level that provides adequate protection against the spread of fire from or across their land. However, if a landowner's property is located on forest land not included within the boundaries of certain rural or municipal fire districts, and the landowner fails to provide adequate protection against the spread of forest fire, then the landowner must pay to the Department of Natural Resources (DNR) a forest fire protection assessment (assessment).

Landowners paying the assessment are billed both at a flat rate and at an additional rate according to the size of their forest land. All landowners must pay a flat rate assessment fee of \$17.50 per parcel. This flat rate fee is paid by all forest land owners regardless of ownership size. Landowners who own more than 50 acres of forest land must pay the flat rate fee plus an additional 27 cents per acre over the initial 50 acres.

#### Forest Fire Protection Assessment Refunds.

Refunds for assessments may be claimed by certain qualifying landowners who pay assessments on multiple parcels. To qualify for a refund, a landowner must have paid assessments on more than one parcel less than 50 acres in size. The multiple parcels must be located in the same county.

If the cumulative size of all parcels owned by one landowner is less than 50 acres, then the landowner is entitled to be refunded the \$17.50 assessment paid on all but one of the properties, less 50 cents per parcel retained for county administration.

If the cumulative size of all parcels owned by one landowner is greater than 50 acres, then the landowner is entitled to be refunded the base \$17.50 assessment paid on all but one of the properties, less 50 cents per parcel retained for county administration. In this scenario, the landowner is not refunded the additional 27 cents per acre assessment paid for holdings over 50 acres.

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#### **Summary of Substitute Bill:**

##### Forest Fire Protection Assessment Refunds.

As of January 1, 2011, landowners owning multiple small parcels within a single county will no longer be eligible for a refund of paid assessments.

##### Directed Agency Report.

The DNR is directed to develop a revised assessment rate structure proposal to more closely align assessments with actual wildfire protection costs. The DNR, in developing the recommended assessment formula, must consider reducing the rate paid by owners of unimproved parcels and adding surcharges or higher assessment rates to parcels with homes and other improvements. The report must include a definition of "improvement" for these purposes.

The report is due to the Legislature by October 31, 2009.

**Substitute Bill Compared to Original Bill:**

The original bill had an effective date of August 1, 2009, for the repeal of assessment rebates and removed the ability for landowners owning multiple small forested parcels in one county to have all forest fire protection assessments for all parcels billed to just one parcel.

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**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on March 26, 2009.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed, except section 1, relating to refunds, which takes effect January 1, 2011.

**Staff Summary of Public Testimony:**

(In support) The state spends a large amount of money to send out many small assessment refund checks. It would make more fiscal sense for the state to charge the correct amount in the beginning and avoid the administrative expense of having to send back refunds after the fact. The savings created by the bill could be used to implement the budget this session.

The current assessment structure is not equitable. Not all forested parcels cost the same to protect from fire, but they are all billed at the same rate. Land with homes and other improvements are much more costly to protect from fire than unimproved land. A new rate formula would be fairer to the landowners and more efficient for the DNR to administer. It would be revenue neutral but more equitable and streamlined. The content of the bill was a recommendation of a legislatively mandated work group.

(Opposed) None.

**Persons Testifying:** Representative Takko, prime sponsor; Heath Packard and Joe Shramek, Department of Natural Resources; Debora Munguia, Washington Forest Protection Association; and Megan Lynch, Washington Farm Forestry Association.

**Persons Signed In To Testify But Not Testifying:** None.

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**HOUSE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS**

**Majority Report:** The substitute bill by Committee on Agriculture & Natural Resources be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Darneille, Chair; Takko, Vice Chair; Blake, Dunshee, Hudgins, Kenney, Pedersen, Sells and Williams.

**Minority Report:** Do not pass. Signed by 5 members: Representatives McCune, Ranking Minority Member; Hinkle, Assistant Ranking Minority Member; Armstrong, Crouse and Short.

**Staff:** Owen Rowe (786-7391)

**Summary of Recommendation of Committee On General Government Appropriations Compared to Recommendation of Committee On Agriculture & Natural Resources:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed, except section 1, relating to refunds, which takes effect January 1, 2011.

**Staff Summary of Public Testimony:**

(In support) The Department of Natural Resources (DNR) is spending over \$200,000 a year to write 19,000 checks that average \$39 apiece. This is an inefficient process and this bill will get rid of the refunds. There is a workgroup that will convene over the interim to improve the rate structure.

(With concerns) The current refund process is cumbersome. The refund process should not go away until a new rate structure is in effect. A new rate structure needs to be in place before people are no longer able to apply for refunds. There is a provision in current statute that allows the DNR to aggregate assessments from multiple properties and assign the rate to one property. This violates property tax theories and ethics. The current rate rewards large property owners at the expense of smaller property owners. A flat rate would be easier to administer and would be more equitable. Currently, a lot of rural property owners are being charged by local fire districts and the DNR. The elimination of the bureaucratic refund process in this bill is a good thing. Local governments across the state would save upwards of \$1 million per year in staff time and mailing costs.

(Opposed) None.

**Persons Testifying:** (In support) Representative Takko, prime sponsor; Debora Munguia, Washington Forest Protection Association; Megan Lynch, Washington Farm Forestry Association; and Heath Packard and Joe Shramek, Department of Natural Resources.

(With concerns) Ron Strabbing, Grays Harbor County Treasurer; and Rose Bowman, Lewis County Treasurer.

**Persons Signed In To Testify But Not Testifying:** None.