

# SENATE BILL REPORT

## SB 6456

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As Reported By Senate Committee On:  
Natural Resources, January 25, 1996

**Title:** An act relating to creating a property tax credit as an incentive for the improvement and restoration of streams, rivers, and riparian areas.

**Brief Description:** Allowing a property tax credit as an incentive for the improvement and restoration of streams, rivers, and riparian areas.

**Sponsors:** Senators Fraser, Swecker, Rasmussen, Haugen, Winsley, Franklin, McAuliffe and Kohl; by request of Governor Lowry.

**Brief History:**

**Committee Activity:** Natural Resources: 1/19/96, 1/25/96 [DPS-WM].

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### SENATE COMMITTEE ON NATURAL RESOURCES

**Majority Report:** That Substitute Senate Bill No. 6456 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Drew, Chair; Spanel, Vice Chair; A. Anderson, Hargrove, Haugen, Morton, Oke, Owen, Snyder and Strannigan.

**Staff:** Vic Moon (786-7469)

**Background:** The restoration of critical habitat areas for survival of fishery stocks, wildlife species and the protection of water quality is costly to private landowners. A grant program using a credit of the state property taxes is one method of encouraging private landowners to improve habitat on their property.

**Summary of Substitute Bill:** The Legislature finds that cooperative partnerships formed by governmental agencies and private landowners can provide needed improvement and restoration of streams, rivers and riparian areas and result in a benefit to aquatic and wildlife species. The Legislature finds that some salmon stocks within the state of Washington declined at an accelerated rate, and that an improved habitat is extremely necessary for its survival.

Landowners have the option of enhancing and/or restoring riparian areas in lieu of paying the state portion of the property tax. Conservation districts implement the program, and the proposal provides \$15 million tax credit against the state portion of property taxes to be implemented over a period of three years. The private property owner works with conservation districts to determine if his or her land is eligible for the program.

If the landowner decides to proceed, the landowner and the conservation district jointly develop a riparian management plan. The landowner implements that plan and the conservation district then certifies that the plan is correctly implemented. The conservation

district issues the landowner a voucher equal to the value of the restoration work done, which are the expenses incurred. The landowner uses the voucher to pay all or part of the state's portion of the next year's property tax bill. Enrollment in the program is on a first come, first served basis. The Conservation Commission provides grant funds to reimburse local conservation districts for administering the program. Qualification for land to be improved is land bordering on streams that are critical to the recovery of anadromous stocks; land within a watershed that is listed as a priority in the preliminary priority watersheds for restoration and conservation published by the Department of Fish and Wildlife; land bordering on streams and rivers that do not meet water quality standards according to May 1994 lists published by the Department of Ecology; land within watersheds that have approved watershed plans; land abutting streams, rivers or riparian areas that are subject to flooding; and land included within watershed restoration projects that are approved by the state.

Sunset of the act is June 30, 1999.

A tax credit not exceeding \$3 million for the biennium ending June 30, 1997, \$6 million for the 1997-98 biennium and \$6 million for the 1998-99 biennium are authorized.

**Substitute Bill Compared to Original Bill:** Unnecessary references to the endangered species act is removed since projects would qualify under other provisions of the bill. Riparian damage caused by flooding is eligible for the program.

**Appropriation:** None.

**Fiscal Note:** Requested on January 15, 1996.

**Effective Date:** July 1, 1996.

**Testimony For:** A method of funding is needed to assist private landowners in improving water-related wildlife habitat.

**Testimony Against:** None.

**Testified:** PRO: Ted Bottiger, Conservation Commission; Judy Turpin, WEC; Duke Schaub, AGC; Cyreis Scmitt, Dept. of Fish and Wildlife; Steve Meyer, Conservation Commission; Ed Owens, Coalition of Washington Ocean Fishermen; Bob Joy, State Grange.