

SENATE BILL REPORT

2SHB 1557

As Reported By Senate Committee On:
Natural Resources & Parks, April 3, 1997
Ways & Means, April 7, 1997

Title: An act relating to taxation of property improvements used for fish and wildlife habitat restoration and protection and water quantity and quality improvement programs.

Brief Description: Exempting from taxation and valuation of property improvements used for fish and habitat restoration and protection and water quantity and quality improvement programs.

Sponsors: House Committee on Finance (originally sponsored by Representatives Buck, Linville, Crouse, Kastama, Hankins, Grant, Lisk, Doumit, Hatfield, Johnson and Regala).

Brief History:

Committee Activity: Natural Resources & Parks: 4/3/97 [DPA].
Ways & Means: 4/4/97, 4/7/97 [DPA (NRP)].

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Majority Report: Do pass as amended.

Signed by Senators Oke, Chair; Rossi, Vice Chair; Hargrove, Jacobsen, Morton, Prentice, Snyder, Spanel, Stevens and Swecker.

Staff: Vic Moon (786-7469)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Natural Resources & Parks.

Signed by Senators West, Chair; Strannigan, Vice Chair; Bauer, Brown, Fraser, Hochstatter, Kohl, Loveland, McDonald, Roach, Rossi, Schow, Sheldon, Snyder, Spanel, Swecker, Thibaudeau, Winsley and Zarelli.

Staff: David Schumacher (786-7474)

Background: The Puget Sound Water Quality Management Plan requires local conservation districts to work cooperatively with commercial and noncommercial farms to implement plans and management practices to reduce water quality impacts caused by nonpoint pollution. To meet this requirement, local conservation districts develop farm plans that incorporate various actions commonly referred to as best management practices. These practices include activities such as fencing cattle from streams, planting trees alongside water bodies to reduce water temperature, and restoring and enhancing wetlands.

Real and personal property in this state is generally subject to a property tax. Property is assessed at its true and fair market value, unless the property qualifies under a special valuation program.

The tax is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

The federal Endangered Species Act (ESA) makes it unlawful to "take" any endangered species of fish or wildlife. Habitat conservation plans are provided to the Secretary of the Interior (Secretary of Commerce, for salmon species) by an applicant who seeks a permit for incidental taking of endangered species of fish or wildlife.

Summary of Amended Bill: The purpose of the act is to improve fish and wildlife habitat and to improve water quality and water quantity. Private property owners are encouraged to make voluntary improvements to their property. All improvements to real and personal property that benefit fish and wildlife habitat, water quality or water quantity are exempt from taxation if improvements are included under a written conservation plan approved by a conservation district.

Habitat conservation plans under the terms of the federal Endangered Species Act and compensatory mitigation projects are not exempt.

The claims are filed annually with the county assessor on forms prescribed by the Department of Revenue. The landowner must certify each year that the improvements which are exempt are maintained as originally approved or amended in the written conservation plan.

The effective date applies to taxes levied for collection in 1998 and thereafter.

Amended Bill Compared to Substitute Bill: Technical changes are made to make the act more precise and to provide procedures for establishing the tax exemption.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This will be carefully monitored by the conservation districts and will have an important positive impact on encouraging voluntary habitat improvements.

Testimony Against: None.

Testified: PRO: Ted Bottiger, WA Association of Conservation Districts; Cyreis Schmitt, Department of Fish and Wildlife; Don Stewart, WA Association of Conservation Districts.