

HOUSE BILL REPORT

ESSB 5396

As Passed House - Amended:

April 14, 2005

Title: An act relating to expanding the criteria for habitat conservation programs.

Brief Description: Expanding the criteria for habitat conservation programs.

Sponsors: By Senate Committee on Natural Resources, Ocean & Recreation (originally sponsored by Senators Fraser, Esser, Jacobsen, Oke, Regala, Swecker, Rockefeller, Spanel, Pridemore, Thibaudeau, Haugen and Kline).

Brief History:

Committee Activity:

Capital Budget: 3/24/05, 3/31/05 [DPA].

Floor Activity:

Passed House - Amended: 4/14/05, 60-36.

Brief Summary of Engrossed Substitute Bill (As Amended by House)

- Adds two new categories to the Washington Wildlife and Recreation Program (WWRP) for farmlands preservation and riparian protection and establishes a formula for allocating moneys to the new accounts.
- Changes WWRP funding allocations for categories under the Habitat Conservation Account and the Outdoor Recreation Account.
- Requires the Department of Natural Resources and the Department of Fish and Wildlife to make a payment in lieu of property taxes and an additional amount for weed control for lands acquired using funds from the Habitat Conservation Account. All state agencies acquiring land under the Riparian Protection Account must make these payments.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass as amended. Signed by 19 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Jarrett, Ranking Minority Member; Hankins, Assistant Ranking Minority Member; Blake, Chase, Eickmeyer, Ericks, Ericksen, Flannigan, Green, Hasegawa, Lantz, Moeller, Morrell, Schual-Berke, Springer, Strow and Upthegrove.

Minority Report: Do not pass. Signed by 9 members: Representatives Cox, DeBolt, Holmquist, Kretz, Kristiansen, McCune, Newhouse, Roach and Serben.

Staff: Jeff Olsen (786-7157).

Background:

The Washington Wildlife and Recreation Program (WWRP) provides funds for the acquisition and development of outdoor recreation and habitat conservation areas. Counties, cities, ports, park and recreation districts, school districts, state agencies, and tribes are eligible to apply. Grant applications are evaluated annually and the Interagency Committee for Outdoor Recreation submits a list of prioritized projects to the Governor and Legislature for approval.

Half of the funds for the WWRP are provided for habitat conservation, and are allocated according to a statutory formula for critical habitat, natural areas, and urban wildlife habitat. The other half of the funds are provided for outdoor recreation, allocated by formulas established in statute for state parks, local parks, trails, and water access sites. A portion of each account is left unallocated.

Summary of Amended Bill:

Two new accounts are created for administration by the Interagency Committee for Outdoor Recreation (IAC). The Riparian Protection Account is created to distribute funds for the acquisition and enhancement or restoration of riparian habitat. Riparian habitat is defined as land adjacent to water bodies, as well as submerged land and stream beds, which can provide habitat for fish and wildlife species. The Farmlands Preservation Account is created and funds may be used for the acquisition of farmlands, and enhancement or restoration of farmlands.

Appropriations for a biennium of up to \$40 million or less are split equally between the Habitat Conservation Account and the Outdoor Recreation Account. The Riparian Protection Account and Farmlands Preservation Account receive 40 percent each of any funds appropriated over \$40 million up to \$50 million, with the remaining funds allocated equally between the Habitat Conservation Account and the Outdoor Recreation Account. For amounts over \$50 million, 10 percent of the funds are allocated to the Farmlands Preservation Account, and the remainder is shared equally among the Habitat Conservation Account, Outdoor Recreation Account, and the Riparian Protection Account.

Within the Habitat Conservation Account, allocations for critical habitat are increased from 35 percent to 40 percent through June 30, 2011. On June 30, 2011, the allocation for critical habitat is increased to 45 percent. The amount for natural areas is increased from 20 percent to 30 percent, and the amount for urban wildlife habitat is increased from 15 percent to 20 percent. A new category is created for restoration and enhancement projects by state agencies, and the allocation is not less than 10 percent through June 30, 2011. After June 30, 2011, the allocation for restoration and enhancement on state lands is 5 percent, leaving no

unallocated funds. If not enough projects are submitted in a category, the IAC is authorized to distribute any remaining funds to any category within the account.

Within the Outdoor Recreation Account, allocations to the State Parks and Recreation Commission for acquisition and development is increased from 25 percent to 30 percent, with 50 percent of such funds dedicated to acquisition. The allocation for local parks is increased from 25 percent to 30 percent. The allocation for trails is increased from 15 percent to 20 percent, and the funds may be used for renovation of trails, in addition to acquisition and development. A new category is created for development and renovation projects on state lands, leaving no unallocated funds.

Criteria for grants for habitat conservation and outdoor recreation are revised to include such considerations as consistency with land use, shoreline, watershed, and recovery plans, inclusion of noxious weed control management plans, and the statewide significance of critical habitat projects. State or local agencies must review a proposed project application with the local government with jurisdiction over lands proposed for acquisition with WWRP grant funds. Habitat and recreation lands acquired using WWRP grant funds may not be converted to a use other than that for which funds were originally approved without the approval of the IAC.

The IAC may retain up to 3 percent of WWRP funds for administration. The IAC may accept private donations to the WWRP accounts. The WWRP project lists are prepared and submitted to the Governor in even numbered years.

Lands acquired by the Department of Natural Resources and the Department of Fish and Wildlife using funds from the Habitat Conservation Account are subject to payments in lieu of property taxes and for weed control. Lands acquired by state agencies using funds from the Riparian Protection Account are also subject to payments in lieu of property taxes and for weed control.

Moneys appropriated for purposes of riparian protection, critical habitat, and urban wildlife habitat may be used to fund mitigation banking projects. Such moneys may not, however, be used to supplant a state or local agency's obligation to provide mitigation.

The IAC must work with stakeholders to research and report findings to the Legislature comparing the fiscal impacts to counties of using different property tax rates on certain lands acquired under the WWRP.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect July 1, 2007, except section 15, relating to the IAC's use of WWRP funds for administrative costs, which takes effect July 1, 2005.

Testimony For: The bill would add two new categories to the WWRP program, which would only take effect if the program is funded with over \$40 million per biennium. There have been improvements to the bill to address concerns regarding in lieu of taxes and weed control. In counties with less than 30 percent of land in private ownership, counties prefer language requiring payment in lieu of taxes at 100 percent of true and fair value.

The proposed striker addresses certain changes made on the floor in the Senate that would have added costs to implement the bill, including removing the provision to inventory buildable lands and to pay higher in lieu of property taxes on certain existing Fish and Wildlife game lands.

The grant program does not compete with mitigation banking, and should result in a net gain in mitigation. Funds to be used for mitigation banking should not be used to substitute the requirement for project mitigation, and should be structured to ensure a net gain in mitigation.

The extension to the Conservation Reserve Enhancement Program supports the goal of agricultural viability to maintain and enhance productive land.

(With concerns) The provision to require cities and counties to determine the reduction in land suitable for development and replace those lands when acquiring property with funds from the Riparian Protection Account, which is in the Senate bill, should be retained in the striker.

Testimony Against: None.

Persons Testifying: (In support) Paul Parker, Washington Association of Counties; Mark Quinn, Department of Fish and Wildlife; Mike Ryherd, Washington Wildlife Recreation Commission; Bill Robinson, The Nature Conservancy; Martin Flynn, Washington Farm Forestry Association; Bonnie Bunning, Department of Natural Resources; and John Stuhlmiller, Farm Bureau.

(With concerns) Lauren Driscoll, Department of Ecology; and Andy Cook, Building Industry Association of Washington.

Persons Signed In To Testify But Not Testifying: None.