

# SENATE BILL REPORT

## SB 6551

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As Reported by Senate Committee On:  
Ways & Means, February 11, 2014

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

**Brief Description:** Concerning payments to counties in lieu of property taxes by the department of fish and wildlife.

**Sponsors:** Senator Parlette.

**Brief History:**

**Committee Activity:** Ways & Means: 2/10/14, 2/11/14 [DPS, DNP, w/oRec].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6551 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Baumgartner, Vice Chair; Honeyford, Capital Budget Chair; Keiser, Assistant Ranking Member on the Capital Budget; Bailey, Becker, Braun, Dammeier, Hatfield, Hewitt, Padden, Parlette, Rivers and Schoesler.

**Minority Report:** Do not pass.

Signed by Senators Ranker, Assistant Ranking Member on the Operating Budget; Fraser and Hasegawa.

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

Signed by Senators Hargrove, Ranking Member; Kohl-Welles.

**Staff:** Sherry McNamara (786-7402)

**Background:** Land owned by the state government is generally not subject to county property taxes. The Washington Department of Fish and Wildlife (WDFW) makes payments in lieu of taxes (PILT) to certain counties that have elected to receive it. A county receiving PILT must distribute the amount received to local taxing districts based on the location of the property.

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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.*

Determining the PILT Amount. The Legislature fixed the amount of PILT paid to each county for the 2011-13 and 2013-15 fiscal biennia. Prior to 2012, counties chose one of two formulas to calculate PILT:

- an amount equal to 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.

Game Lands Eligible for PILT. All land tracts owned by WDFW of 100 or more acres used for wildlife habitat and public recreational purposes, and all lands purchased with federal funds for wildlife habitat, public access, or recreation purposes in the Snake River drainage basin, are eligible for PILT.

Property Not Eligible for PILT. WDFW buildings, structures, facilities, game farms, fish hatcheries, tidelands, or public fishing areas of less than 100 acres are ineligible for PILT.

Fees, Fines, Forfeitures. If a county elects to receive PILT, the county must track the amount of fees, fines, and forfeitures they receive from fish and game violations and send an equivalent amount to the State Treasurer for deposit into the state general fund. Counties are not required to track the fees, fines, and forfeitures while the PILT rate remains frozen at the 2009 level.

**Summary of Bill (Recommended Substitute):** The State Treasurer must pay the counties on behalf of WDFW an amount for PILT to be based on open space rates.

Beginning July 1, 2015, a county may receive WDFW PILT on game lands regardless of acreage. Water access sites are not eligible for PILT. WDFW must provide all relevant information to the State Treasurer for each county receiving an amount in lieu of real property taxes.

Counties are not required to keep record of all fines, forfeitures, reimbursements, and costs assessed and collected in whole or in part for violations of the law. In addition, counties will not need to elect to receive PILT.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute):**

- Requires WDFW to provide all relevant information to the State Treasurer for each county receiving an amount in lieu of real property taxes.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill takes effect on July 1, 2015.

**Staff Summary of Public Testimony on Original Bill:** PRO: This bill incorporates the recommendations of the Department of Revenue's report on PILT to make the payments and process more consistent and equitable. PILT is an essential tool in the effort to preserve recreational opportunities for people. This bill cleans up the statute, removes the election requirement, gets rid of treating property different, and contains the calculations for determining 100 acres of contiguous property. One additional recommendation would be to remove the provision that exempts lands that have been transferred after April 23, 1990, to WDFW from another state agency. The open space rate is appreciated as there is a large amount of fish and wildlife lands in some counties. This bill uses a single source to calculate and pay PILT.

OTHER: A shortcoming of the Department of Revenue report on PILT was how PILT payments are made; the preference is to treat WDFW and the Department of Natural Resources the same and have the payments made through the State Treasurer. The allocations and accountability for PILT should be with the agencies that have the lands.

**Persons Testifying:** PRO: Senator Parlette, prime sponsor; Jim Richards, WA Wildlife & Recreation Coalition; Monty Cobb, WA Assn. of County Officials; Bill Robinson, The Nature Conservancy; Laura Merrill, WA State Assn. of Counties; Greg Schirato, WDFW.

OTHER: Scott Merriman, Office of State Treasurer.