

HOUSE BILL REPORT

HB 2559

As Reported by House Committee On:
Rural Development, Agriculture, & Natural Resources

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

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

Sponsors: Representatives Springer and Dent.

Brief History:

Committee Activity:

Rural Development, Agriculture, & Natural Resources: 1/22/20, 1/29/20 [DP].

Brief Summary of Bill

- Moves administration of the Department of Fish and Wildlife's (WDFW) payments in lieu of taxes (PILT) from the WDFW to the State Treasurer.
- Deletes certain PILT rates set in prior biennia.

HOUSE COMMITTEE ON RURAL DEVELOPMENT, AGRICULTURE, & NATURAL RESOURCES

Majority Report: Do pass. Signed by 10 members: Representatives Blake, Chair; Chandler, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Kretz, Lekanoff, Orcutt, Ramos, Schmick, Springer and Walsh.

Staff: Rebecca Lewis (786-7339).

Background:

Payments in Lieu of Taxes.

As state agencies, the Department of Fish and Wildlife (WDFW) and Department of Natural Resources (DNR) are exempt from paying property taxes on lands that the agencies own. However, the WDFW and the DNR provide payments in lieu of taxes (PILT) to counties for

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certain agency-owned lands. The DNR PILT rate is equal to the amount of property tax that would be due if the property were taxed as open space land, and DNR PILT payments are made to counties on behalf of the DNR by the State Treasurer.

Department of Fish and Wildlife Payments in Lieu of Taxes.

Counties must choose whether or not to receive PILT from the WDFW. If a county chooses to receive PILT, the county may no longer keep the fines they collect from fish and wildlife code violations, and those fines are instead deposited into the State General Fund.

Counties that receive PILT may choose to be paid either at a rate equivalent to taxes on open space land, or the greater of 70 cents per acre per year or the amount of PILT paid in 1984. The WDFW is also required to pay counties that elect to receive PILT an amount for the control of noxious weeds equal to that which would be paid under private ownership.

Recent Changes to the Department of Fish and Wildlife Payments in Lieu of Taxes Rates.

In the 2012 Supplemental Operating Budget, the PILT rates were amended to be equivalent to the rates paid to each county in 2009. This amendment was continued in the 2013-15 and 2015-17 Operating Budget. In the 2017-19 Operating Budget, PILT rates were set at specific rates that were lower than the open space tax rate, but higher than the 2009 levels.

In the 2019-21 Operating Budget, the PILT rates were returned to either:

- an amount equal to the open space rate paid by the DNR on similar parcels of land; or
- the greater of 70 cents per acre per year or the amount of PILT paid in 1984.

Additionally, the 2019-21 Operating Budget directed the WDFW's PILT payments to be made by the State Treasurer on behalf of the WDFW for the biennium, rather than by the WDFW directly.

Summary of Bill:

On behalf of the WDFW, the State Treasurer must distribute WDFW PILT payments to counties. References to previous PILT rates per county established in the 2013-15, 2015-17, and 2017-19 biennia are deleted.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2021.

Staff Summary of Public Testimony:

(In support) Last year, this committee heard a more complicated bill making changes to the way the WDFW PILT are handled and calculated. This bill contains one of the changes from the prior bill, moving administration of the WDFW's PILT payments to the State Treasurer, which lines up with how Department of Natural Resources' PILT are handled and is one of three recommendations from a 2013 Department of Revenue report. This can be implemented independent of the other two recommendations. The WDFW is a steward of fish and wildlife resources. Providing habitat conservation and hunting and fishing opportunities are critical roles of the WDFW. The PILT Coalition has been working on this issue for a while, and this bill is a solid step in approaching PILT in a fair and reasonable way. Without PILT, the tax burden from state-owned lands would be transferred to local landowners. During the most recent recession, PILT payments were reduced, which resulted in a loss of revenue to counties. This bill is a result of the agency working closely with stakeholders and will save the state at no cost.

(Opposed) None.

Persons Testifying: Representative Springer, prime sponsor; Scott Richards, The Nature Conservancy; Paul Jewell, Washington State Association of Counties; Cynthia Wilkerson, Department of Fish and Wildlife; and Tom Davis, Washington Farm Bureau.

Persons Signed In To Testify But Not Testifying: None.