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## ENGROSSED SUBSTITUTE SENATE BILL 5396

State of Washington 59th Legislature 2005 Regular Session

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)

READ FIRST TIME 03/02/05.

- AN ACT Relating to expanding the criteria for habitat conservation programs; amending RCW 79A.15.010, 79A.15.030, 79A.15.040, 79A.15.050, 79A.15.060, 79A.15.070, 79A.15.080, 84.33.140, and 77.12.203; adding new sections to chapter 79A.15 RCW; adding a new section to chapter 79.70 RCW; adding a new section to chapter 79.71 RCW; creating a new section; providing effective dates; providing an expiration date; and declaring an emergency.
- 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 9 **Sec. 1.** RCW 79A.15.010 and 1990 1st ex.s. c 14 s 2 are each 10 amended to read as follows:
- 11 The definitions set forth in this section apply throughout this 12 chapter.
- 13 (1) "Acquisition" means the purchase on a willing seller basis of
- 14 fee or less than fee interests in real property. These interests
- 15 include, but are not limited to, options, rights of first refusal,
- 16 conservation easements, leases, and mineral rights.
- 17 (2) "Committee" means the interagency committee for outdoor
- 18 recreation.

p. 1 ESSB 5396

(3) "Critical habitat" means lands important for the protection, management, or public enjoyment of certain wildlife species or groups of species, including, but not limited to, wintering range for deer, elk, and other species, waterfowl and upland bird habitat, fish habitat, and habitat for endangered, threatened, or sensitive species.

- (4) <u>"Farmlands" means any land defined as "farm and agricultural</u> land" in RCW 84.34.020(2).
- (5) "Local agencies" means a city, county, town, <u>federally</u> recognized <u>Indian</u> tribe, special purpose district, port district, or other political subdivision of the state providing services to less than the entire state.
- $((\frac{(5)}{)})$  (6) "Natural areas" means areas that have, to a significant degree, retained their natural character and are important in preserving rare or vanishing flora, fauna, geological, natural historical, or similar features of scientific or educational value.
- ((<del>(6)</del>)) (7) "Riparian habitat" means land adjacent to water bodies, as well as submerged land such as streambeds, which can provide functional habitat for salmonids and other fish and wildlife species. Riparian habitat includes, but is not limited to, shorelines and nearshore marine habitat, estuaries, lakes, wetlands, streams, and rivers.
- 21 <u>(8)</u> "Special needs populations" means physically restricted people 22 or people of limited means.
  - ((+7)) (9) "State agencies" means the state parks and recreation commission, the department of natural resources, the department of general administration, and the department of fish and wildlife.
  - (10) "Trails" means public ways constructed for and open to pedestrians, equestrians, or bicyclists, or any combination thereof, other than a sidewalk constructed as a part of a city street or county road for exclusive use of pedestrians.
- $((\frac{(8)}{(8)}))$  (11) "Urban wildlife habitat" means lands that provide habitat important to wildlife in proximity to a metropolitan area.
- (((+9))) (12) "Water access" means boat or foot access to marine 33 waters, lakes, rivers, or streams.
- **Sec. 2.** RCW 79A.15.030 and 2000 c 11 s 66 are each amended to read 35 as follows:
- 36 (1) Moneys appropriated for this chapter shall be divided ((equally

between the habitat conservation and outdoor recreation accounts and shall be used exclusively for the purposes specified in this chapter)) as follows:

- (a) Appropriations for a biennium of forty million dollars or less must be allocated equally between the habitat conservation account and the outdoor recreation account.
- (b) If appropriations for a biennium total more than forty million dollars, the money must be allocated as follows: (i) Twenty million dollars to the habitat conservation account and twenty million dollars to the outdoor recreation account; (ii) any amount over forty million dollars up to fifty million dollars shall be allocated as follows: (A) Ten percent to the habitat conservation account; (B) ten percent to the outdoor recreation account; (C) forty percent to the riparian protection account; and (D) forty percent to the farmlands preservation account; and (iii) any amounts over fifty million dollars must be allocated as follows: (A) Thirty percent to the habitat conservation account; (B) thirty percent to the outdoor recreation account; (C) thirty percent to the riparian protection account; and (D) ten percent to the farmlands preservation account.
- (2) Except as otherwise provided in this act, moneys deposited in these accounts shall be invested as authorized for other state funds, and any earnings on them shall be credited to the respective account.
- (3) All moneys deposited in the habitat conservation ((and)), outdoor recreation, riparian protection, and farmlands preservation accounts shall be allocated as provided under RCW 79A.15.040 ((and)), 79A.15.050, and sections 6 and 7 of this act as grants to state or local agencies for acquisition, development, and renovation within the jurisdiction of those agencies, subject to legislative appropriation. The committee may use or permit the use of any funds appropriated for this chapter as matching funds where federal, local, or other funds are made available for projects within the purposes of this chapter.
- (4) Projects receiving grants under this chapter that are developed or otherwise accessible for public recreational uses shall be available to the public ((on a nondiscriminatory basis)).
- (5) The committee may make grants to an eligible project from ((both)) the habitat conservation ((and)), outdoor recreation, riparian protection, and farmlands preservation accounts and any one or more of

p. 3 ESSB 5396

the applicable categories under such accounts described in RCW 79A.15.040 ((and)), 79A.15.050, and sections 6 and 7 of this act.

- (6) The committee may accept private donations to the habitat conservation account, the outdoor recreation account, the riparian protection account, and the farmlands preservation account for the purposes specified in this chapter.
  - (7) The committee may apply up to three percent of the funds appropriated for this chapter for the administration of the programs and purposes specified in this chapter.
- 10 (8) Habitat and recreation land and facilities acquired or
  11 developed with moneys appropriated for this chapter may not, without
  12 prior approval of the committee, be converted to a use other than that
  13 for which funds were originally approved. The committee shall adopt
  14 rules and procedures governing the approval of such a conversion.
- **Sec. 3.** RCW 79A.15.040 and 1999 c 379 s 917 are each amended to read as follows:
  - (1) Moneys appropriated for this chapter to the habitat conservation account shall be distributed in the following way:
  - (a) Not less than ((thirty five)) forty percent through June 30, 2011, at which time the amount shall become forty-five percent, for the acquisition and development of critical habitat;
- 22 (b) Not less than ((twenty)) thirty percent for the acquisition and development of natural areas;
  - (c) Not less than ((fifteen)) twenty percent for the acquisition and development of urban wildlife habitat; and
  - (d) ((The remaining amount shall be considered unallocated and))

    Not less than ten percent through June 30, 2011, at which time the amount shall become five percent, shall be used by the committee to fund ((high priority acquisition and development needs for critical habitat, natural areas, and urban wildlife habitat. During the fiscal biennium ending June 30, 2001, the remaining amount reappropriated from the fiscal biennium ending June 30, 1999, may be allocated for matching grants for riparian zone habitat protection projects that implement watershed plans under the program established in section 329(6), chapter 235, Laws of 1997)) restoration and enhancement projects on state lands. Only the department of natural resources and the

department of fish and wildlife may apply for these funds to be used on existing habitat and natural area lands.

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- (2)(a) In distributing these funds, the committee retains discretion to meet the most pressing needs for critical habitat, natural areas, and urban wildlife habitat, and is not required to meet the percentages described in subsection (1) of this section in any one biennium.
- (b) If not enough project applications are submitted in a category within the habitat conservation account to meet the percentages described in subsection (1) of this section in any biennium, the committee retains discretion to distribute any remaining funds to the other categories within the account.
- 13 (3) Only state agencies may apply for acquisition and development 14 funds for  $((\frac{\text{critical habitat and}}{\text{habitat and}}))$  natural areas projects under 15 subsection  $(1)((\frac{\text{(a)}_{7}}{\text{(b)}}))$  (b) $((\frac{\text{nand (d)}}{\text{(d)}}))$  of this section.
  - (4) State and local agencies may apply for acquisition and development funds for <u>critical habitat and</u> urban wildlife habitat projects under subsection (1)(a) and (c) ((and (d))) of this section.
- 19 (5)(a) Any lands that have been acquired with grants under this 20 section by the department of fish and wildlife are subject to an amount 21 in lieu of real property taxes and an additional amount for control of 22 noxious weeds as determined by RCW 77.12.203.
- 23 (b) Any lands that have been acquired with grants under this 24 section by the department of natural resources are subject to payments 25 in the amounts required under the provisions of sections 11 and 12 of 26 this act.
- 27 **Sec. 4.** RCW 79A.15.050 and 2003 c 184 s 1 are each amended to read 28 as follows:
- 29 (1) Moneys appropriated for this chapter to the outdoor recreation 30 account shall be distributed in the following way:
  - (a) Not less than ((twenty five)) thirty percent to the state parks and recreation commission for the acquisition and development of state parks, with at least ((seventy five)) fifty percent of ((this)) the money for acquisition costs((. However, between July 27, 2003, and June 30, 2009, at least fifty percent of this money for the acquisition and development of state parks must be used for acquisition costs));

p. 5 ESSB 5396

1 (b) Not less than ((twenty-five)) thirty percent for the 2 acquisition, development, and renovation of local parks, with at least 3 fifty percent of this money for acquisition costs;

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- (c) Not less than ((fifteen)) twenty percent for the acquisition
  ((and)), renovation, or development of trails;
- (d) Not less than ((ten)) <u>fifteen</u> percent for the acquisition ((and)), renovation, or development of water access sites, with at least seventy-five percent of this money for acquisition costs; and
- (e) ((The remaining amount shall be considered unallocated and shall be distributed by the committee to state and local agencies to fund high priority acquisition and development needs for parks, trails, and water access sites)) Not less than five percent for development and renovation projects on state recreation lands. Only the department of natural resources and the department of fish and wildlife may apply for these funds to be used on their existing recreation lands.
- (2)(a) In distributing these funds, the committee retains discretion to meet the most pressing needs for state and local parks, trails, and water access sites, and is not required to meet the percentages described in subsection (1) of this section in any one biennium.
- (b) If not enough project applications are submitted in a category within the outdoor recreation account to meet the percentages described in subsection (1) of this section in any biennium, the committee retains discretion to distribute any remaining funds to the other categories within the account.
- (3) Only local agencies may apply for acquisition, development, or renovation funds for local parks under subsection (1)(b) of this section.
- 29 (4) Only state and local agencies may apply for funds for trails 30 under subsection (1)(c) of this section.
- 31 (5) Only state and local agencies may apply for funds for water 32 access sites under subsection (1)(d) of this section.
- NEW SECTION. Sec. 5. A new section is added to chapter 79A.15 RCW to read as follows:
- A state or local agency shall review the proposed project application with the county or city with jurisdiction over the project area prior to applying for funds for the acquisition of property under

- this chapter. The appropriate county or city legislative authority may, at its discretion, submit a letter to the committee identifying the authority's position with regard to the acquisition project. The committee shall make the letters received under this section available to the governor and the legislature when the prioritized project list is submitted under section 6 of this act, RCW 79A.15.060, and 79A.15.070.
- 8 <u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 79A.15 RCW 9 to read as follows:

- (1) The riparian protection account is established in the state treasury. The committee must administer the account in accordance with chapter 79A.25 RCW and this chapter, and hold it separate and apart from all other money, funds, and accounts of the committee.
- (2) Moneys appropriated for this chapter to the riparian protection account must be distributed for the acquisition and enhancement or restoration of riparian habitat. All enhancement or restoration projects, except those qualifying under subsection (10)(a) of this section, must include the acquisition of a real property interest in order to be eligible. At least fifty percent of riparian protection account funds must be used for the acquisition of nonperpetual real property interests with terms not exceeding fifty years in duration.
- (3) State and local agencies and lead entities under chapter 77.85 RCW may apply for acquisition and enhancement or restoration funds for riparian habitat projects under subsection (1) of this section. Other state agencies not defined in RCW 79A.15.010, such as the department of transportation and the department of corrections, may enter into interagency agreements with state agencies to apply in partnership for funds under this section.
- (4) The committee may adopt rules establishing acquisition policies and priorities for distributions from the riparian protection account.
- (5) Except as provided in RCW 79A.15.030(7), moneys appropriated for this section may not be used by the committee to fund staff positions or other overhead expenses, or by a state, regional, or local agency to fund operation or maintenance of areas acquired under this chapter.
  - (6) Moneys appropriated for this section may be used by grant

p. 7 ESSB 5396

recipients for costs incidental to restoration and acquisition, including, but not limited to, surveying expenses, fencing, and signing.

- (7) Moneys appropriated for this section may be used to fund mitigation banking projects involving the restoration, creation, enhancement, or preservation of riparian habitat. The moneys from this section may not be used to supplant an obligation of a state or local agency to provide mitigation. For the purposes of this section, a mitigation bank means a site or sites where riparian habitat is restored, created, enhanced, or in exceptional circumstances, preserved expressly for the purpose of providing compensatory mitigation in advance of authorized project impacts to similar resources.
- (8) The committee may not approve a local project where the local agency share is less than the amount to be awarded from the riparian protection account. In-kind contributions, including contributions of a real property interest in land may be used to satisfy the local agency's share.
- (9) State agencies receiving grants for acquisition of land under this section must pay an amount in lieu of real property taxes equal to the amount of tax that would be due if the land were taxable as open space land under chapter 84.34 RCW except taxes levied for any state purpose, plus an additional amount for control of noxious weeds equal to that which would be paid if such lands were privately owned. In counties having less than thirty percent of land in private ownership, the amount in lieu of real property taxes must be based on one hundred percent of the property's true and fair value under chapter 84.40 RCW except taxes levied for any state purpose. The county assessor and county legislative authority shall assist in determining the appropriate calculation of the amount of tax that would be due.
- (10) In determining acquisition priorities with respect to the riparian protection account, the committee must consider, at a minimum, the following criteria:
- (a) Whether the project continues the conservation reserve enhancement program. Applications that extend the duration of leases of riparian areas that are currently enrolled in the conservation reserve enhancement program shall be eligible. Such applications are eligible for a conservation lease extension of at least twenty-five years of duration;

- (b) Whether the projects are identified or recommended in a watershed planning process under chapter 247, Laws of 1998, salmon recovery planning under chapter 77.85 RCW, or other local plans, such as habitat conservation plans, and these must be highly considered in the process;
  - (c) Whether there is community support for the project;

- (d) Whether the proposal includes a management plan for an ongoing stewardship program that includes control of noxious weeds, detrimental invasive species, and that identifies the source of the funds from which the stewardship program will be funded;
  - (e) Whether there is an immediate threat to the site;
- (f) Whether the quality of the habitat is improved or, for projects including restoration or enhancement, the potential for restoring quality habitat including linkage of the site to other high quality habitat;
- (g) Whether the project is consistent with a local land use plan, or a regional or statewide recreational or resource plan. The projects that assist in the implementation of local shoreline master plans updated according to RCW 90.58.080 or local comprehensive plans updated according to RCW 36.70A.130 must be highly considered in the process;
  - (h) Whether the site has educational or scientific value; and
- (i) Whether the site has passive recreational values for walking trails, wildlife viewing, or the observation of natural settings.
- (11) Before November 1st of each even-numbered year, the committee will recommend to the governor a prioritized list of projects to be funded under this section. The governor may remove projects from the list recommended by the committee and will submit this amended list in the capital budget request to the legislature. The list must include, but not be limited to, a description of each project and any particular match requirement.
- (12)(a) If the acquisition of property interests for riparian protection from the riparian protection account under this chapter reduces the development potential of that land in a county or city planning under RCW 36.70A.040:
- (i) The county must determine the acreage and qualitative reduction in land suitable for development within the county and docket that amount as a deficiency to the planning director of the county in which the land is located;

p. 9 ESSB 5396

- (ii) By December 31, 2005, and at least every five years thereafter, each county shall increase the total amount of land suitable for development within the county by the total docketed acreage deficiency pursuant to (a)(i) of this subsection, with comparable qualitative land characteristics, through enactment of a county ordinance.
  - (b) As used in this subsection:

- (i) "Docketing" means compiling and maintaining a detailed list, available to the public, of acreage and land use deficiencies in a manner that ensures the deficiencies will be presented for the required periodic county action;
- (ii) "Qualitative land characteristics" means the designated use of the land in deficiency, its suitability for development, the general location of that land within the county, its physical characteristics, and the availability of urban governmental services for the land.
- NEW SECTION. Sec. 7. A new section is added to chapter 79A.15 RCW to read as follows:
  - (1) The farmlands preservation account is established in the state treasury. The committee will administer the account in accordance with chapter 79A.25 RCW and this chapter, and hold it separate and apart from all other money, funds, and accounts of the committee. Moneys appropriated for this chapter to the farmlands preservation account must be distributed for the acquisition and preservation of farmlands in order to maintain the opportunity for agricultural activity upon these lands.
  - (2)(a) Moneys appropriated for this chapter to the farmlands preservation account may be distributed for (i) the fee simple or less than fee simple acquisition of farmlands; (ii) the enhancement or restoration of ecological functions on those properties; or (iii) both. In order for a farmland preservation grant to provide for an environmental enhancement or restoration project, the project must include the acquisition of a real property interest. However, at least fifty percent of farmland preservation account funds shall be used to acquire nonperpetual real property interests with terms not exceeding fifty years in duration.
- 36 (b) If a city or county acquires a property through this program in 37 fee simple, the city or county shall endeavor to secure preservation of

- the property through placing a conservation easement, or other form of 1 2 deed restriction, on the property which dedicates the land to agricultural use and retains one or more property rights in perpetuity. 3 Once an easement or other form of deed restriction is placed on the 4 5 property, the city or county shall seek to sell the property, at fair market value, to a person or persons who will maintain the property in 6 7 agricultural production. Any moneys from the sale of the property shall either be used to purchase interests in additional properties 8 9 which meet the criteria in subsection (9) of this section, or to repay 10 the grant from the state which was originally used to purchase the 11 property.
  - (3) Cities and counties may apply for acquisition and enhancement or restoration funds for farmland preservation projects within their jurisdictions under subsection (1) of this section.

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- (4) The committee may adopt rules establishing acquisition and enhancement or restoration policies and priorities for distributions from the farmlands preservation account.
- (5) The acquisition of a property right in a project under this section by a county or city does not provide a right of access to the property by the public unless explicitly provided for in a conservation easement or other form of deed restriction.
- (6) Except as provided in RCW 79A.15.030(7), moneys appropriated for this section may not be used by the committee to fund staff positions or other overhead expenses, or by a city or county to fund operation or maintenance of areas acquired under this chapter.
- (7) Moneys appropriated for this section may be used by grant recipients for costs incidental to restoration and acquisition, including, but not limited to, surveying expenses, fencing, and signing.
- (8) The committee may not approve a local project where the local agency's share is less than the amount to be awarded from the farmlands preservation account. In-kind contributions, including contributions of a real property interest in land, may be used to satisfy the local agency's share.
- (9) In determining the acquisition priorities, the committee must consider, at a minimum, the following criteria:
  - (a) Community support for the project;

p. 11 ESSB 5396

- 1 (b) A recommendation as part of a limiting factors or critical 2 pathways analysis, a watershed plan or habitat conservation plan, or a 3 coordinated regionwide prioritization effort;
  - (c) The likelihood of the conversion of the site to nonagricultural or more highly developed usage;
  - (d) Consistency with a local land use plan, or a regional or statewide recreational or resource plan. The projects that assist in the implementation of local shoreline master plans updated according to RCW 90.58.080 or local comprehensive plans updated according to RCW 36.70A.130 must be highly considered in the process;
- (e) Benefits to salmonids;
  - (f) Benefits to other fish and wildlife habitat;
- (g) Integration with recovery efforts for endangered, threatened, or sensitive species;
- 15 (h) The viability of the site for continued agricultural 16 production, including, but not limited to:
- 17 (i) Soil types;

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- (ii) On-site production and support facilities such as barns, irrigation systems, crop processing and storage facilities, wells, housing, livestock sheds, and other farming infrastructure;
- 21 (iii) Suitability for producing different types or varieties of 22 crops;
  - (iv) Farm-to-market access;
    - (v) Water availability; and
- 25 (i) Other community values provided by the property when used as 26 agricultural land, including, but not limited to:
- 27 (i) Viewshed;
- 28 (ii) Aquifer recharge;
- 29 (iii) Occasional or periodic collector for storm water runoff;
- 30 (iv) Agricultural sector job creation;
- 31 (v) Migratory bird habitat and forage area; and
- 32 (vi) Educational and curriculum potential.
- 33 (10) In allotting funds for environmental enhancement or 34 restoration projects, the committee will require the projects to meet 35 the following criteria:
- 36 (a) Enhancement or restoration projects must further the ecological functions of the farmlands;

(b) The projects, such as fencing, bridging watercourses, replanting native vegetation, replacing culverts, clearing of waterways, etc., must be less than fifty percent of the acquisition cost of the project including any in-kind contribution by any party;

- (c) The projects should be based on accepted methods of achieving beneficial enhancement or restoration results; and
- (d) The projects should enhance the viability of the preserved farmland to provide agricultural production while conforming to any legal requirements for habitat protection.
- (11) Before November 1st of each even-numbered year, the committee will recommend to the governor a prioritized list of all projects to be funded under this section. The governor may remove projects from the list recommended by the committee and must submit this amended list in the capital budget request to the legislature. The list must include, but not be limited to, a description of each project and any particular match requirement.
- Sec. 8. RCW 79A.15.060 and 2000 c 11 s 67 are each amended to read as follows:
- (1) The committee may adopt rules establishing acquisition policies and priorities for distributions from the habitat conservation account.
- (2) Except as provided in RCW 79A.15.030(7), moneys appropriated for this chapter may not be used by the committee to fund ((additional)) staff positions or other overhead expenses, or by a state, regional, or local agency to fund operation ((and)) or maintenance of areas acquired under this chapter((, except that the committee may use moneys appropriated for this chapter for the fiscal biennium ending June 30, 2001, for the administrative costs of implementing the pilot watershed plan implementation program established in section 329(6), chapter 235, Laws of 1997, and developing an inventory of publicly owned lands established in section 329(7), chapter 235, Laws of 1997)).
- (3) Moneys appropriated for this chapter may be used <u>by grant</u> <u>recipients</u> for costs incidental to acquisition, including, but not limited to, surveying expenses, fencing, and signing.
- (4) ((Except as provided in subsection (5) of this section,))

  Moneys appropriated for this section may be used to fund mitigation banking projects involving the restoration, creation, enhancement, or

p. 13 ESSB 5396

- preservation of critical habitat and urban wildlife habitat. The moneys from this section may not be used to supplant an obligation of
- 3 a state or local agency to provide mitigation. For the purposes of
- 4 this section, a mitigation bank means a site or sites where critical
- 5 <u>habitat or urban wildlife habitat is restored, created, enhanced, or in</u>
- 6 <u>exceptional circumstances</u>, <u>preserved expressly for the purpose of</u>
- 7 providing compensatory mitigation in advance of authorized project
- 8 <u>impacts to similar resources.</u>

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- 9 <u>(5) The committee may not approve a local project where the local</u>
  10 agency share is less than the amount to be awarded from the habitat
  11 conservation account.
- (((5) During the fiscal biennium ending June 30, 2001, the committee may approve a riparian zone habitat protection project established in section 329(6), chapter 235, Laws of 1997, where the local agency share is less than the amount to be awarded from the habitat conservation account.))
- 17 (6) In determining acquisition priorities with respect to the 18 habitat conservation account, the committee shall consider, at a 19 minimum, the following criteria:
  - (a) For critical habitat and natural areas proposals:
  - (i) Community support for the project;
    - (ii) The project proposal's management plan for an ongoing stewardship program that includes control of noxious weeds, detrimental invasive species, and that identifies the source of the funds from which the stewardship program will be funded;
    - (iii) Recommendations as part of a watershed plan or habitat conservation plan, or a coordinated regionwide prioritization effort, and for projects primarily intended to benefit salmon, limiting factors, or critical pathways analysis;
- 30 (iv) Immediacy of threat to the site;
- 31  $((\frac{(iii)}{)})$  (v) Uniqueness of the site;
- $((\frac{(iv)}{(iv)}))$  (vi) Diversity of species using the site;
- (((v))) (vii) Quality of the habitat;
- (((vi))) (viii) Long-term viability of the site;
- 35 (((vii))) (ix) Presence of endangered, threatened, or sensitive 36 species;
- (((viii))) (x) Enhancement of existing public property;

- ((\(\frac{(ix)}{)}\)) (xi) Consistency with a local land use plan, or a regional or statewide recreational or resource plan, including projects that assist in the implementation of local shoreline master plans updated according to RCW 90.58.080 or local comprehensive plans updated according to RCW 36.70A.130; ((and
  - (x))) (xii) Educational and scientific value of the site;
- 7 (xiii) Integration with recovery efforts for endangered, 8 threatened, or sensitive species;
- 9 (xiv) For critical habitat proposals by local agencies, the 10 statewide significance of the site.
  - (b) For urban wildlife habitat proposals, in addition to the criteria of (a) of this subsection:
    - (i) Population of, and distance from, the nearest urban area;
- 14 (ii) Proximity to other wildlife habitat;
- 15 (iii) Potential for public use; and

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- (iv) Potential for use by special needs populations.
- 17 (7) ((Before October 1st of each even-numbered year, the committee shall recommend to the governor a prioritized list of state agency 18 projects to be funded under RCW 79A.15.040(1) (a), (b), and (c). The 19 governor may remove projects from the list recommended by the committee 20 21 and shall submit this amended list in the capital budget request to the legislature. The list shall include, but not be limited to, a 22 description of each project; and shall describe for each project any 23 24 anticipated restrictions upon recreational activities allowed prior to 25 the project.
  - (8)) Before ((October)) November 1st of each even-numbered year, the committee shall recommend to the governor a prioritized list of all state agency and local projects to be funded under RCW 79A.15.040(1) (a), (b), and (c). The governor may remove projects from the list recommended by the committee and shall submit this amended list in the capital budget request to the legislature. The list shall include, but not be limited to, a description of each project and any particular match requirement, and describe for each project any anticipated restrictions upon recreational activities allowed prior to the project.
- 35 **Sec. 9.** RCW 79A.15.070 and 2000 c 11 s 68 are each amended to read 36 as follows:

p. 15 ESSB 5396

- 1 (1) In determining which state parks proposals and local parks 2 proposals to fund, the committee shall use existing policies and 3 priorities.
  - (2) Except as provided in RCW 79A.15.030(7), moneys appropriated for this chapter may not be used by the committee to fund ((additional)) staff or other overhead expenses, or by a state, regional, or local agency to fund operation ((and)) or maintenance of areas acquired under this chapter((, except that the committee may use moneys appropriated for this chapter for the fiscal biennium ending June 30, 2001, for the administrative costs of implementing the pilot watershed plan implementation program established in section 329(6), chapter 235, Laws of 1997, and developing an inventory of publicly owned lands established in section 329(7), chapter 235, Laws of 1997)).
  - (3) Moneys appropriated for this chapter may be used <u>by grant</u> <u>recipients</u> for costs incidental to acquisition <u>and development</u>, including, but not limited to, surveying expenses, fencing, and signing.
  - (4) The committee may not approve a project of a local agency where the share contributed by the local agency is less than the amount to be awarded from the outdoor recreation account.
  - (5) The committee may adopt rules establishing acquisition policies and priorities for the acquisition and development of trails and water access sites to be financed from moneys in the outdoor recreation account.
  - (6) In determining the acquisition and development priorities, the committee shall consider, at a minimum, the following criteria:
    - (a) For trails proposals:

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- (i) Community support for the project;
  - (ii) Immediacy of threat to the site;
- 30 (iii) Linkage between communities;
  - (iv) Linkage between trails;
  - (v) Existing or potential usage;
- (vi) Consistency with ((an existing)) <u>a</u> local land use plan, or a regional or statewide recreational or resource plan, <u>including projects</u> that assist in the implementation of local shoreline master plans updated according to RCW 90.58.080 or local comprehensive plans updated according to RCW 36.70A.130;
- 38 (vii) Availability of water access or views;

- 1 (viii) Enhancement of wildlife habitat; and
- 2 (ix) Scenic values of the site.
- 3 (b) For water access proposals:
- 4 (i) Community support <u>for the project</u>;
- 5 (ii) Distance from similar water access opportunities;
- 6 (iii) Immediacy of threat to the site;
- 7 (iv) Diversity of possible recreational uses; ((and))
- 8 (v) Public demand in the area; and

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- 9 <u>(vi) Consistency with a local land use plan, or a regional or</u>
  10 <u>statewide recreational or resource plan, including projects that assist</u>
  11 <u>in the implementation of local shoreline master plans updated according</u>
  12 <u>to RCW 90.58.080 or local comprehensive plans updated according to RCW</u>
  13 <u>36.70A.130</u>.
  - (7) ((Before October 1st of each even numbered year, the committee shall recommend to the governor a prioritized list of state agency projects to be funded under RCW 79A.15.050(1) (a), (c), and (d). The governor may remove projects from the list recommended by the committee and shall submit this amended list in the capital budget request to the legislature. The list shall include, but not be limited to, a description of each project; and shall describe for each project any anticipated restrictions upon recreational activities allowed prior to the project.
  - (8)) Before ((October)) November 1st of each even-numbered year, the committee shall recommend to the governor a prioritized list of all state agency and local projects to be funded under RCW 79A.15.050(1) (a), (b), (c), and (d). The governor may remove projects from the list recommended by the committee and shall submit this amended list in the capital budget request to the legislature. The list shall include, but not be limited to, a description of each project and any particular match requirement, and describe for each project any anticipated restrictions upon recreational activities allowed prior to the project.
  - Sec. 10. RCW 79A.15.080 and 1990 1st ex.s. c 14 s 9 are each amended to read as follows:
  - The committee shall not sign contracts or otherwise financially obligate funds from the habitat conservation account  $((\Theta r))_{\star}$  the outdoor recreation account, the riparian protection account, or the farmlands preservation account as provided in this chapter before the

p. 17 ESSB 5396

- 1 legislature has appropriated funds for a specific list of projects.
- 2 The legislature may remove projects from the list recommended by the
- 3 governor.

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4 <u>NEW SECTION.</u> **Sec. 11.** A new section is added to chapter 79.70 RCW 5 to read as follows:

The state treasurer, on behalf of the department, must distribute to counties for all lands acquired for the purposes of this chapter an amount in lieu of real property taxes equal to the amount of tax that would be due if the land were taxable as open space land under chapter 84.34 RCW except taxes levied for any state purpose, plus an additional amount equal to the amount of weed control assessment that would be due if such lands were privately owned. In counties having less than thirty percent of land in private ownership, the amount in lieu of real property taxes must be based on one hundred percent of the property's true and fair value under chapter 84.40 RCW except taxes levied for any state purpose. The county assessor and county legislative authority shall assist in determining the appropriate calculation of the amount of tax that would be due. The county shall distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county shall distribute the amount received under this section for weed control to the appropriate weed district.

NEW SECTION. Sec. 12. A new section is added to chapter 79.71 RCW to read as follows:

The state treasurer, on behalf of the department, must distribute to counties for all lands acquired for the purposes of this chapter an amount in lieu of real property taxes equal to the amount of tax that would be due if the land were taxable as open space land under chapter 84.34 RCW except taxes levied for any state purpose, plus an additional amount equal to the amount of weed control assessment that would be due if such lands were privately owned. In counties having less than thirty percent of land in private ownership, the amount in lieu of real property taxes must be based on one hundred percent of the property's true and fair value under chapter 84.40 RCW except taxes levied for any state purpose. The county assessor and county legislative authority

shall assist in determining the appropriate calculation of the amount of tax that would be due. The county shall distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county shall distribute the amount received under this section for weed control to the appropriate weed district.

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**Sec. 13.** RCW 84.33.140 and 2003 c 170 s 5 are each amended to read 9 as follows:

- (1) When land has been designated as forest land under RCW 84.33.130, a notation of the designation shall be made each year upon the assessment and tax rolls. A copy of the notice of approval together with the legal description or assessor's parcel numbers for the land shall, at the expense of the applicant, be filed by the assessor in the same manner as deeds are recorded.
- (2) In preparing the assessment roll as of January 1, 2002, for taxes payable in 2003 and each January 1st thereafter, the assessor shall list each parcel of designated forest land at a value with respect to the grade and class provided in this subsection and adjusted as provided in subsection (3) of this section. The assessor shall compute the assessed value of the land using the same assessment ratio applied generally in computing the assessed value of other property in the county. Values for the several grades of bare forest land shall be as follows:

25	LAND	OPERABILITY	VALUES
26	GRADE	CLASS	PER ACRE
27		1	\$234
28	1	2	229
29		3	217
30		4	157
31		1	198
32	2	2	190
33		3	183
34		4	132
35		1	154

1	3	2	149
2		3	148
3		4	113
4		1	117
5	4	2	114
6		3	113
7		4	86
8		1	85
9	5	2	78
10		3	77
11		4	52
12		1	43
13	6	2	39
14		3	39
15		4	37
16		1	21
17	7	2	21
18		3	20
19		4	20
20	8		1

- (3) On or before December 31, 2001, the department shall adjust by rule under chapter 34.05 RCW, the forest land values contained in subsection (2) of this section in accordance with this subsection, and shall certify the adjusted values to the assessor who will use these values in preparing the assessment roll as of January 1, 2002. For the adjustment to be made on or before December 31, 2001, for use in the 2002 assessment year, the department shall:
- (a) Divide the aggregate value of all timber harvested within the state between July 1, 1996, and June 30, 2001, by the aggregate harvest volume for the same period, as determined from the harvester excise tax returns filed with the department under RCW 84.33.074; and
- (b) Divide the aggregate value of all timber harvested within the state between July 1, 1995, and June 30, 2000, by the aggregate harvest volume for the same period, as determined from the harvester excise tax returns filed with the department under RCW 84.33.074; and
- (c) Adjust the forest land values contained in subsection (2) of this section by a percentage equal to one-half of the percentage change

in the average values of harvested timber reflected by comparing the resultant values calculated under (a) and (b) of this subsection.

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- (4) For the adjustments to be made on or before December 31, 2002, and each succeeding year thereafter, the same procedure described in subsection (3) of this section shall be followed using harvester excise tax returns filed under RCW 84.33.074. However, this adjustment shall be made to the prior year's adjusted value, and the five-year periods for calculating average harvested timber values shall be successively one year more recent.
- (5) Land graded, assessed, and valued as forest land shall continue to be so graded, assessed, and valued until removal of designation by the assessor upon the occurrence of any of the following:
  - (a) Receipt of notice from the owner to remove the designation;
- (b) Sale or transfer to an ownership making the land exempt from ad valorem taxation;
- (c) Sale or transfer of all or a portion of the land to a new owner, unless the new owner has signed a notice of forest land designation continuance, except transfer to an owner who is an heir or devisee of a deceased owner, shall not, by itself, result in removal of designation. The signed notice of continuance shall be attached to the real estate excise tax affidavit provided for in RCW 82.45.150. notice of continuance shall be on a form prepared by the department. If the notice of continuance is not signed by the new owner and attached to the real estate excise tax affidavit, all compensating taxes calculated under subsection (11) of this section shall become due and payable by the seller or transferor at time of sale. The auditor shall not accept an instrument of conveyance regarding designated forest land for filing or recording unless the new owner has signed the notice of continuance or the compensating tax has been paid, as evidenced by the real estate excise tax stamp affixed thereto by the The seller, transferor, or new owner may appeal the new assessed valuation calculated under subsection (11) of this section to the county board of equalization in accordance with the provisions of RCW 84.40.038. Jurisdiction is hereby conferred on the county board of equalization to hear these appeals;
- (d) Determination by the assessor, after giving the owner written notice and an opportunity to be heard, that:

p. 21 ESSB 5396

(i) The land is no longer primarily devoted to and used for growing and harvesting timber. However, land shall not be removed from designation if a governmental agency, organization, or other recipient identified in subsection (13) or (14) of this section as exempt from the payment of compensating tax has manifested its intent in writing or by other official action to acquire a property interest in the designated forest land by means of a transaction that qualifies for an exemption under subsection (13) or (14) of this section. The governmental agency, organization, or recipient shall annually provide the assessor of the county in which the land is located reasonable evidence in writing of the intent to acquire the designated land as long as the intent continues or within sixty days of a request by the assessor. The assessor may not request this evidence more than once in a calendar year;

- (ii) The owner has failed to comply with a final administrative or judicial order with respect to a violation of the restocking, forest management, fire protection, insect and disease control, and forest debris provisions of Title 76 RCW or any applicable rules under Title 76 RCW; or
- (iii) Restocking has not occurred to the extent or within the time specified in the application for designation of such land.
- (6) Land shall not be removed from designation if there is a governmental restriction that prohibits, in whole or in part, the owner from harvesting timber from the owner's designated forest land. If only a portion of the parcel is impacted by governmental restrictions of this nature, the restrictions cannot be used as a basis to remove the remainder of the forest land from designation under this chapter. For the purposes of this section, "governmental restrictions" includes:

  (a) Any law, regulation, rule, ordinance, program, or other action adopted or taken by a federal, state, county, city, or other governmental entity; or (b) the land's zoning or its presence within an urban growth area designated under RCW 36.70A.110.
- (7) The assessor shall have the option of requiring an owner of forest land to file a timber management plan with the assessor upon the occurrence of one of the following:
  - (a) An application for designation as forest land is submitted; or
- (b) Designated forest land is sold or transferred and a notice of continuance, described in subsection (5)(c) of this section, is signed.

(8) If land is removed from designation because of any of the circumstances listed in subsection (5)(a) through (c) of this section, the removal shall apply only to the land affected. If land is removed from designation because of subsection (5)(d) of this section, the removal shall apply only to the actual area of land that is no longer primarily devoted to the growing and harvesting of timber, without regard to any other land that may have been included in the application and approved for designation, as long as the remaining designated forest land meets the definition of forest land contained in RCW 84.33.035.

- (9) Within thirty days after the removal of designation as forest land, the assessor shall notify the owner in writing, setting forth the reasons for the removal. The seller, transferor, or owner may appeal the removal to the county board of equalization in accordance with the provisions of RCW 84.40.038.
- (10) Unless the removal is reversed on appeal a copy of the notice of removal with a notation of the action, if any, upon appeal, together with the legal description or assessor's parcel numbers for the land removed from designation shall, at the expense of the applicant, be filed by the assessor in the same manner as deeds are recorded and a notation of removal from designation shall immediately be made upon the assessment and tax rolls. The assessor shall revalue the land to be removed with reference to its true and fair value as of January 1st of the year of removal from designation. Both the assessed value before and after the removal of designation shall be listed. Taxes based on the value of the land as forest land shall be assessed and payable up until the date of removal and taxes based on the true and fair value of the land shall be assessed and payable from the date of removal from designation.
- (11) Except as provided in subsection (5)(c), (13), or (14) of this section, a compensating tax shall be imposed on land removed from designation as forest land. The compensating tax shall be due and payable to the treasurer thirty days after the owner is notified of the amount of this tax. As soon as possible after the land is removed from designation, the assessor shall compute the amount of compensating tax and mail a notice to the owner of the amount of compensating tax owed and the date on which payment of this tax is due. The amount of compensating tax shall be equal to the difference between the amount of

p. 23 ESSB 5396

tax last levied on the land as designated forest land and an amount equal to the new assessed value of the land multiplied by the dollar rate of the last levy extended against the land, multiplied by a number, in no event greater than nine, equal to the number of years for which the land was designated as forest land, plus compensating taxes on the land at forest land values up until the date of removal and the prorated taxes on the land at true and fair value from the date of removal to the end of the current tax year.

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- (12) Compensating tax, together with applicable interest thereon, shall become a lien on the land which shall attach at the time the land is removed from designation as forest land and shall have priority to and shall be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes as provided in RCW 84.64.050. Any compensating tax unpaid on its due date shall thereupon become delinquent. From the date of delinquency until paid, interest shall be charged at the same rate applied by law to delinquent ad valorem property taxes.
  - (13) The compensating tax specified in subsection (11) of this section shall not be imposed if the removal of designation under subsection (5) of this section resulted solely from:
  - (a) Transfer to a government entity in exchange for other forest land located within the state of Washington;
  - (b) A taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of such power;
  - (c) A donation of fee title, development rights, or the right to harvest timber, to a government agency or organization qualified under RCW 84.34.210 and 64.04.130 for the purposes enumerated in those sections, or the sale or transfer of fee title to a governmental entity or a nonprofit nature conservancy corporation, as defined in RCW 64.04.130, exclusively for the protection and conservation of lands recommended for state natural area preserve purposes by the natural heritage council and natural heritage plan as defined in chapter 79.70 RCW or approved for state natural resources conservation area purposes as defined in chapter 79.71 RCW. At such time as the land is not used

for the purposes enumerated, the compensating tax specified in subsection (11) of this section shall be imposed upon the current owner;

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- (d) The sale or transfer of fee title to the parks and recreation commission for park and recreation purposes;
- (e) Official action by an agency of the state of Washington or by the county or city within which the land is located that disallows the present use of the land;
- 9 (f) The creation, sale, or transfer of forestry riparian easements 10 under RCW 76.13.120;
  - (g) The creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040;
  - (h) The sale or transfer of land within two years after the death of the owner of at least a fifty percent interest in the land if the land has been assessed and valued as classified forest land, designated as forest land under this chapter, or classified under chapter 84.34 RCW continuously since 1993. The date of death shown on a death certificate is the date used for the purposes of this subsection (13)(h); or
  - (i) The sale or transfer of land after the death of the owner of at least a fifty percent interest in the land if the land has been assessed and valued as classified forest land, designated as forest land under this chapter, or classified under chapter 84.34 RCW continuously since 1993 and the sale or transfer takes place after July 22, 2001, and on or before July 22, 2003, and the death of the owner occurred after January 1, 1991. The date of death shown on a death certificate is the date used for the purposes of this subsection (13)(i).
  - (14) In a county with a population of more than one million inhabitants, the compensating tax specified in subsection (11) of this section shall not be imposed if the removal of designation as forest land under subsection (5) of this section resulted solely from:
    - (a) An action described in subsection (13) of this section; or
  - (b) A transfer of a property interest to a government entity, or to a nonprofit historic preservation corporation or nonprofit nature conservancy corporation, as defined in RCW 64.04.130, to protect or enhance public resources, or to preserve, maintain, improve, restore,

p. 25 ESSB 5396

- 1 limit the future use of, or otherwise to conserve for public use or
- 2 enjoyment, the property interest being transferred. At such time as
- 3 the property interest is not used for the purposes enumerated, the
- 4 compensating tax shall be imposed upon the current owner.
- 5 **Sec. 14.** RCW 77.12.203 and 1990 1st ex.s. c 15 s 11 are each 6 amended to read as follows:
- 7 (1) Notwithstanding RCW 84.36.010 or other statutes to the contrary, the director shall pay by April 30th of each year on game 8 lands in each county, if requested by an election under RCW 77.12.201, 9 an amount in lieu of real property taxes equal to that amount paid on 10 11 similar parcels of open space land taxable under chapter 84.34 RCW\_ 12 except taxes levied for any state purpose, or the greater of seventy cents per acre per year or the amount paid in 1984 plus an additional 13 amount for control of noxious weeds equal to that which would be paid 14 15 if such lands were privately owned. <u>In counties having less than</u> 16 thirty percent of land in private ownership, the calculation of amounts in lieu of real property taxes is based on one hundred percent of the 17 property's true and fair value under chapter 84.40 RCW, except taxes 18 levied for any state purpose, and not on the property's value under 19 20 chapter 84.34 RCW. This amount shall not be assessed or paid on 21 department buildings, structures, facilities, game farms, hatcheries, tidelands, or public fishing areas of less than one hundred 22 23 acres.
  - (2) "Game lands," as used in this section and RCW 77.12.201, means those tracts one hundred acres or larger owned in fee by the department and used for wildlife habitat and public recreational purposes. All lands purchased for wildlife habitat, public access or recreation purposes with federal funds in the Snake River drainage basin shall be considered game lands regardless of acreage.
- 30 (3) This section shall not apply to lands transferred after April 31 23, 1990, to the department from other state agencies.
- 32 (4) The county shall distribute the amount received under this
  33 section in lieu of real property taxes to all property taxing districts
  34 except the state in appropriate tax code areas the same way it would
  35 distribute local property taxes from private property. The county
  36 shall distribute the amount received under this section for weed
  37 control to the appropriate weed district.

ESSB 5396 p. 26

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- NEW SECTION. Sec. 15. (1) The interagency committee for outdoor recreation may apply up to three percent of the funds appropriated for chapter 79A.15 RCW for the administration of the programs and purposes specified in chapter 79A.15 RCW.
- (2) Habitat and recreation land and facilities acquired or developed with moneys appropriated for chapter 79A.15 RCW may not, without prior approval of the interagency committee for outdoor recreation, be converted to a use other than that for which funds were originally approved. The interagency committee for outdoor recreation shall adopt rules and procedures governing the approval of such a conversion.
- 12 (3) This section expires July 1, 2007.

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- NEW SECTION. Sec. 16. Sections 1 through 14 of this act take effect July 1, 2007.
- NEW SECTION. Sec. 17. Section 15 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2005.

--- END ---

p. 27 ESSB 5396