

# HOUSE BILL REPORT

## SSB 6446

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### As Reported by House Committee On: Agriculture & Natural Resources

**Title:** An act relating to payments in lieu of taxes on county game lands.

**Brief Description:** Concerning payments in lieu of taxes on county game lands.

**Sponsors:** Senate Committee on Natural Resources & Parks (originally sponsored by Senators Schoesler, Hewitt and Ranker).

#### **Brief History:**

##### **Committee Activity:**

Agriculture & Natural Resources: 2/21/14, 2/25/14 [DPA].

#### **Brief Summary of Substitute Bill (As Amended by Committee)**

- Removes the minimum size restriction of 100 acres or larger on Washington Department of Fish and Wildlife (WDFW) game lands that must be assessed for payments made in lieu of property taxes (PILT).
- Removes the maximum size restriction of less than 100 acres so all WDFW buildings, structures, facilities, game farms, fish hatcheries, tidelands, and public fishing areas are non-assessable for PILT.
- Adds water access sites to the list of WDFW non-assessable property for PILT.

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### HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

**Majority Report:** Do pass as amended. Signed by 15 members: Representatives Blake, Chair; Lytton, Vice Chair; Buys, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Chandler, Dunshee, Haigh, Hurst, Kretz, Orcutt, Pettigrew, Schmick, Stanford, Van De Wege and Warnick.

**Staff:** Megan Mulvihill (786-7291) and Jason Callahan (786-7291).

#### **Background:**

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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.*

Since property taxes do not apply to state agencies, the Washington Department of Fish and Wildlife (WDFW) makes payments made in lieu of property taxes (PILT) to counties who have elected to receive PILT to compensate for the loss of local property taxes. A county receiving PILT must distribute it to local taxing districts based on the location of the property.

If a county elects to receive PILT, it must track the amount of fees, fines, and forfeitures received from fish and game violations and send an equivalent amount to the State Treasurer for deposit into the General Fund. Counties need not track the fees, fines, and forfeitures information while the rate remains frozen at the 2009 level. If a county does not elect to receive PILT, that county may elect to retain the game violation fines, fees, and forfeitures collected by the WDFW within their borders.

For the 2011-2013 and 2013-2015 fiscal biennia, the Legislature has fixed the amount of PILT paid to each county based on the PILT received in 2009. Prior to 2012, counties chose one of the following three formulas to calculate the WDFW PILT:

- the rate that would be due if the property were taxed as private land in an open space classification;
- 70 cents per acre; or
- the amount of PILT paid for the land in 1984, provided that PILT was received in 1984.

Game lands eligible for the WDFW PILT include all WDFW-owned tracts of 100 or more acres used for wildlife habitat and public recreational purposes. Lands purchased with federal funds for wildlife habitat, public access, or recreation purposes in the Snake River drainage basin are also eligible. Washington Department of Fish and Wildlife buildings, structures, facilities, game farms, fish hatcheries, tidelands, and public fishing areas of less than 100 acres are ineligible.

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### **Summary of Amended Bill:**

All WDFW game lands, regardless of acreage, must be assessed for PILT for those counties who have elected to receive PILT. All WDFW buildings, structures, facilities, game farms, fish hatcheries, tidelands, or public fishing areas may not be assessed for PILT. Water access sites are added to this list of non-assessable properties under PILT.

In addition, after the 2013-2015 fiscal biennium, all of the PILT payments must be processed by the State Treasurer. The WDFW must submit to the State Treasurer all relevant PILT information for each county receiving it.

### **Amended Bill Compared to Substitute Bill:**

The striking amendment requires the WDFW to submit all relevant PILT information, including but not limited to the amount of acres eligible, the open space rate to be applied, and the additional amount for control of noxious weeds to the State Treasurer for each county receiving PILT. The State Treasurer is then responsible for distributing PILT payments after the 2013-2015 fiscal biennia rather than the Director of the WDFW.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This is a good step forward on a big issue that has a large impact on our rural counties. This bill helps correct issues in how a county collects PILT, and it is an opportunity to open lands up for public recreation activities. The PILT helps address the counties financially when private land is converted to public use. Since public lands are heavily recreated on, local governments are responsible for enforcement and have to be the first responders for accidents and traffic violations. This creates an additional cost to them, and PILT helps reimburse them.

The bill deals with one issue, which is to remove the 100-acre size restriction for PILT, but there are additional issues to address in the future. One is the way PILT is collected. The State Treasurer should be collecting PILT because it would be more consistent with the way PILT is collected from the Department of Natural Resources. Another issue is that counties would love to see full funding for PILT at the open space rate. The issue with PILT became controversial when the Legislature cut back PILT payments to the 2009 levels, and while there will be cost impacts if PILT is changed to the open space rate, this is preferred. Also, removing the choices for fines and forfeitures would help make administration easier and allow for better follow up on game violations in a county. These changes would help the counties and the state.

In addition, private landowners would like to see the Legislature take a look at PILT and how improvements could be made. When private landowners are assessed for personal improvements to their property, but the state is not, it creates a tax shift for the individuals who have property in those districts.

(Opposed) None.

**Persons Testifying:** Majken Ryherd, Washington Wildlife and Recreation Coalition; Monty Cobb, Washington Association of County Officials; Laura Merrill, Washington State Association of Counties; Jack Field, Washington Cattlemen's Association; and Bill Robinson, The Nature Conservancy.

**Persons Signed In To Testify But Not Testifying:** None.