

# HOUSE BILL REPORT

## SHB 1488

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### As Amended by the Senate

**Title:** An act relating to conservation district revenue limitations.

**Brief Description:** Concerning conservation district revenue limitations.

**Sponsors:** House Committee on Finance (originally sponsored by Representatives Berg, Duerr and Peterson).

#### Brief History:

##### Committee Activity:

Finance: 2/6/25, 2/11/25 [DPS].

##### Floor Activity:

Passed House: 3/3/25, 57-39.

Senate Amended.

Passed Senate: 3/26/25, 29-20.

#### Brief Summary of Substitute Bill

- Eliminates the maximum annual per-parcel rate for conservation district rates and charges.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Berg, Chair; Street, Vice Chair; Chase, Mena, Parshley, Ramel, Santos, Scott, Springer, Walen and Wylie.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Orcutt, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Abell and Penner.

**Staff:** Rachelle Harris (786-7137).

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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 part of the legislation nor does it constitute a statement of legislative intent.*

## **Background:**

### Conservation Districts.

Conservation districts (CDs) are a type of government entity that provides voluntary land use and conservation services to landowners, such as habitat restoration and natural disaster preparedness and recovery. Each CD is led by a five-member board. There are 45 CDs in Washington, and at least one in each county.

### Rates and Charges for Conservation Districts.

A county legislative authority can approve fixed rates and charges (RACs) in order to generate revenue for a CD. In fixing a system of RACs for a CD, the county legislative authority may consider information proposed by the CD for consideration, such as: services furnished or available to a landowner; benefits received or available to a property; the character and use of land; the nonprofit public benefit status of the land user; the income level of persons served or provided benefits; and any other matters that present a reasonable difference as a basis for distinction.

The RACs system can be implemented as an alternative to a special assessment. A CD's system of RACs may include:

- an annual per-acre amount;
- an annual per-parcel amount; or
- an annual per-parcel amount plus an annual per-acre amount.

The maximum annual rate shall not exceed \$0.10 per acre.

For counties with populations of less than 480,000, the maximum annual per-parcel rate shall not exceed \$5. For counties with a population of more than 480,000, the maximum annual per-parcel rate shall not exceed \$10. For counties with a population of over 1.5 million, the maximum annual per-parcel rate shall not exceed \$15.

### Collection of Rates and Charges.

Where a system of RACs has been approved by the county legislative authority, a CD prepares a roll to implement the system. The RACs from the roll are spread by the county assessor as a separate item on the tax rolls and are collected with property taxes by the county treasurer. The amount of a CD's RACs:

- constitutes a lien against land;
- is subject to the same conditions as a tax lien;
- may be collected in the same manner; and
- is subject to the same interest and penalties as delinquent real property taxes.

The county treasurer can deduct an amount from the collected RACs to cover the costs incurred by the county assessor to collect the RACs not to exceed the actual costs of such work. All remaining funds must be transferred to the CD.

**Summary of Substitute Bill:**

Maximum annual per-parcel rates are eliminated for RACs systems in CDs.

**EFFECT OF SENATE AMENDMENT(S):**

The Senate amendment reinstates a maximum annual per parcel rate but increases the rate to \$25. It directs the Department of Revenue to adjust the maximum rate based on the consumer price index every three years beginning March 1, 2029.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) CDs provide great services such as technical expertise around conservation. They are critical services around the state that could not be performed without their expertise. The RACs system is subsidized with grants. RACs systems do not allow going above a certain rate per parcel. This bill allows local jurisdictions to set per-parcel rates based on needs and not population. Many issues can be too expensive for landowners to tackle on their own. The bill caps the amount that treasurers can collect; this will be a continuing conversation. Every dollar of RACs funds \$10 in funding for various projects. The needs for CD's far outweigh the available funds. CDs are interested in working out reasonable rates to fund our important services. We provide wraparound services to communities, farms, food, fish, and friends. We encourage communities to be deeply rooted and connected. The Pierce Conservation District has hit our ceiling, and we multiply our funding several fold for our communities. Funding provides the foundation for CDs and allows leveraging of resources to help with fire preparedness, farming, food, and so many other things. Locally led conservation is very important and needs more funding. Local needs of habitat are best understood at a local level, and this bill will assist supporting the increasing need and demand for the work of CDs. Local CDs do not receive any state funding. This bill strengthens local decision making.

(Opposed) County treasurers are opposed to the cap on the fees charged by the treasurers. This overlooks the function of treasurers. We are often operating with limited resources and the cap on fees could further undermine our work. We do not arbitrarily set fees but recognize the actual work that is done.

(Other) We support removing the cap on fees. The limitation on what treasurers can collect is arbitrary and too broad. We have some good language that can be worked into the bill to

make it work for everyone.

**Persons Testifying:** (In support) Representative April Berg, prime sponsor; Brynn Brady, Washington Association of Conservation Districts; Dana Coggan, Pierce Conservation District; Linda Lyshall, Snohomish Conservation District; Sarah Morrehead, Thurston Conservation District; Vicki Carter, Spokane Conservation District; Rosa Mendez, King Conservation District; and Giovanni Vendetti, Pierce Conservation District.

(Opposed) Jackie Brunson, Skagit County Treasurer and WA State Association of County Treasurers.

(Other) Paul Jewell, Washington State Association of Counties.

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