

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: XD Reduce Payments In Lieu of Taxes
Budget Period: 2011-13
Budget Level: PL - Performance Level

Recommendation Summary Text:

Washington Department of Fish & Wildlife (WDFW) is statutorily required to make payments on Department-owned lands where counties elect to receive payments in lieu of property taxes (PILT). This initial 5% reduction option requests a temporary statutory amendment in Part IX of the omnibus operating budget to make a one-time reduction in the amount of GF-S for PILT payments that WDFW is required by statute (77.12.201) to submit to counties during the 2011-13 biennium. This reduction will require modification to RCW 77.12.203, and equates to a 10% reduction of the amount of GF-S currently budgeted as pass-through funding to counties.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(80,000)	(80,000)	(160,000)
Total Cost	(80,000)	(80,000)	(160,000)

Package Description:

WDFW submits PILT payments to county governments (RCW 77.12.203) to offset the impact of WDFW land ownership, which is otherwise property tax exempt. In FY 2011, WDFW paid \$1,227,183 in total funds to 14 counties. This proposal is a one-time reduction in GF-S PILT payments during the 2011-13 biennium that the Department is required to submit to counties. This reduction would require an amendment to RCW 77.12.203 in the 2011-13 omnibus operating budget.

Name and Phone Number of Subject Matter Expert:
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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

N/A

Performance Measure Detail

Activity: A039 Land Management

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No.

Does this decision package provide essential support to one of the Governor's priorities?

No.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

No.

What are the other important connections or impacts related to this proposal?

The counties that receive PILT funding will experience lower revenue collections due to a decrease in payments from the Department.

What alternatives were explored by the agency, and why was this alternative chosen?

Reductions were identified based on the Department's activities where GF-S is used. Under the Land Management Activity, the only GF-S is budgeted as pass-through for PILT.

Furthermore under current law, the Department is submitting a maintenance level request for \$2.9 million GF-S for PILT and local government assessments, which presumably could be reduced under this option as well.

What are the consequences of not funding this package?

RCW 77.12.201 and RCW 77.12.203 require these payments be made to eligible counties. The Department would be in conflict with current state laws regarding PILT requirements.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

Two statutory changes would be required. First, all GF-S dollars budgeted for PILT should be provided solely for these payments under a separate subsection for PILT in WDFW's budget section. Secondly, the following amendment to RCW 77.12.203 would be required:

"During the 2011-13 biennium, payments in lieu of real property taxes and local assessments will be provided proportionately to each county based on amounts due and funding made available explicitly for this purpose."

Expenditure and revenue calculations and assumptions

The amount of GF-S currently budgeted for PILT payments during the 2011-13 biennium is \$1,647,539.

$\$160,000 / 1,647,539 = 9.7\%$ or 10% to the next nearest 0.5%.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This is a one-time reduction option during the 2011-13 biennium.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E Goods And Services	(80,000)	(80,000)	(160,000)