



Request: \$762K to fully fund PILT

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Washington
Department of
**FISH and
WILDLIFE**



**YAKIMA
COUNTY**



Washington
**Wildlife &
Recreation
COALITION**



**The Nature
Conservancy**



**Washington State
Association of Counties**



Funding and Reforming the Payments In Lieu of Taxes program

Issue:

Each year, the Washington Department of Fish and Wildlife (WDFW) provides Payments In Lieu of Taxes (PILT) to counties on land owned by the department. These PILT payments are designed to compensate counties for the loss of local property taxes – which cannot be levied on state-owned lands – on parcels purchased by WDFW to protect critical habitat for fish and wildlife and for outdoor recreation.

The payments are critical to local government and junior taxing districts, especially in rural Washington with large acreages of state ownership. Payment of PILT was an obligation made by the Legislature to counties to counter negative tax impacts of state land acquisitions that provide not only local but important statewide conservation and recreation opportunities.

In addition, existing law regarding calculation and payment of PILT is cumbersome and forces counties to pick between receiving PILT payments or keeping game law violation fees, fines, and forfeitures. The methodology for calculating PILT differs by county and the funding mechanism differs between WDFW and DNR, the only agencies authorized to pay PILT, which generates confusion and inequities.

Recommendation:

- WDFW officials have proposed a 2019-21 budget request to fully fund PILT payments, and they support future legislation that would implement the following recommendations:
- Use a single calculation method for PILT based upon open space valuation, and remove the requirement that payments are frozen to 2009 levels; and
- Remove the requirement for the counties to choose between receiving fees, fines and forfeitures or PILT; and
- Have the PILT payments made through the State Treasurer's Office rather than WDFW.
- These changes would ensure counties receive an equitable amount in PILT when WDFW acquires land and removes the property from the county's tax rolls. In addition, these changes would clarify the process by establishing a single method for calculating PILT payments. Fully funding and revising the program would meet the legislature's commitment to counties, address concerns expressed by county officials, and allow for public access to outdoor recreation.

PILT Payment and WDFW Acres

| COUNTY NAME | PILT-ELIGIBLE ACRES | 2018 PILT (Legislative cap) | FULL PILT per YEAR (estimate)* | PILT Methodology |
|---------------|---------------------|-----------------------------|--------------------------------|------------------|
| Adams | 895.13 | \$1,909 | \$2,634 | OS |
| Asotin | 47,267.92 | \$36,123 | \$56,509 | OS |
| Chelan | 27,446.98 | \$39,858 | \$52,523 | OS |
| Columbia | 11,270.38 | \$20,713 | \$7,889 | .70 |
| Ferry | 6,866.13 | \$22,798 | \$6,781 | 1984 |
| Garfield | 6,934.26 | \$12,744 | \$4,854 | .70 |
| Grant | 38,794.48 | \$71,930 | \$154,858 | 1984 |
| Kittitas | 177,472.87 | \$382,638 | \$606,937 | OS |
| Klickitat | 18,846.28 | \$51,019 | \$144,411 | OS |
| Lincoln | 19,486.15 | \$13,535 | \$13,640 | 0.70 |
| Okanogan | 77,955.42 | \$264,036 | \$551,781 | OS |
| Pend Oreille | 3,545.77 | \$5,546 | \$11,368 | OS |
| Yakima | 80,776.32 | \$186,056 | \$382,458 | OS |
| TOTALS | 603,557.42 | \$1,108,905 | \$1,996,644 | |

*"Full PILT" was estimated in one of two ways:

(1) from data provided in 2018 by the county [Asotin, Grant, Kittitas, Okanogan, Pend Oreille];

(2) from data provided in 2011 by the county [Adams, Chelan, Columbia, Ferry, Garfield, Klickitat, Lincoln, Yakima].

**PILT METHODOLOGY: RCW 77.12.203 authorizes three different ways to calculate PILT; "an amount in lieu of real property taxes equal to that amount paid on similar parcels of open space land taxable under chapter 84.34 RCW or the greater of seventy cents per acre per year or the amount paid in 1984—".



More History:

In the 1960's PILT was based solely on the assessed value of the property. Counties were given the option to either receive PILT or their share of fines/forfeitures. If they chose to forego their share of the fines/forfeitures and receive PILT, then their share of the fines/forfeitures went into the Public Safety Fund. By 1984 PILT was doubling every year. This was a great deal of money for a "non-general fund" agency. The 1984 Legislature froze the amount that counties could receive for current properties. New property/land received a payment of either \$.70 per acre or the open space/open rate. In 1987 the Department of Game became the Department of Wildlife and the new agency became a general fund agency. In 1994 the Department of Wildlife was merged with the Department of Fisheries becoming the Department of Fish and Wildlife. This did not change any lands PILT was paid on. In 2005 The Department of Natural Resources started paying PILT on all conservation lands in each county. In 2009 several counties moved to Open Space rate and PILT payments increased from \$500,000 to over \$1 million per year. In 2011 the Legislature again froze the PILT amounts to 2009 levels. Fees/Fines/Forfeitures continued to not be tracked and not paid to the state. The freeze on PILT rates continued through the 17-19 biennium.