



Funding and Reforming the WDFW Payment 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, schools, 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.

WDFW and DNR are the only agencies authorized to pay PILT. PILT payments by DNR are currently processed through the State Treasurer's Office. Moving to a single process for PILT payments will reduce confusion and inequities.

2021 Recommendation:

WDFW officials propose legislation to implement the following recommendations:

- Have the PILT payments to counties distributed through the State Treasurer's Office rather than WDFW.

Currently:

- Full funding was provided for 14 counties currently electing to receive PILT payments; and
- PILT payments for 19-21 were made through the State Treasurer's Office in the operating budget, but not codified into law.

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Counties Electing to Receive PILT

Adams

Asotin

Chelan

Columbia

Ferry

Garfield

Grant

Grays Harbor

Kittitas

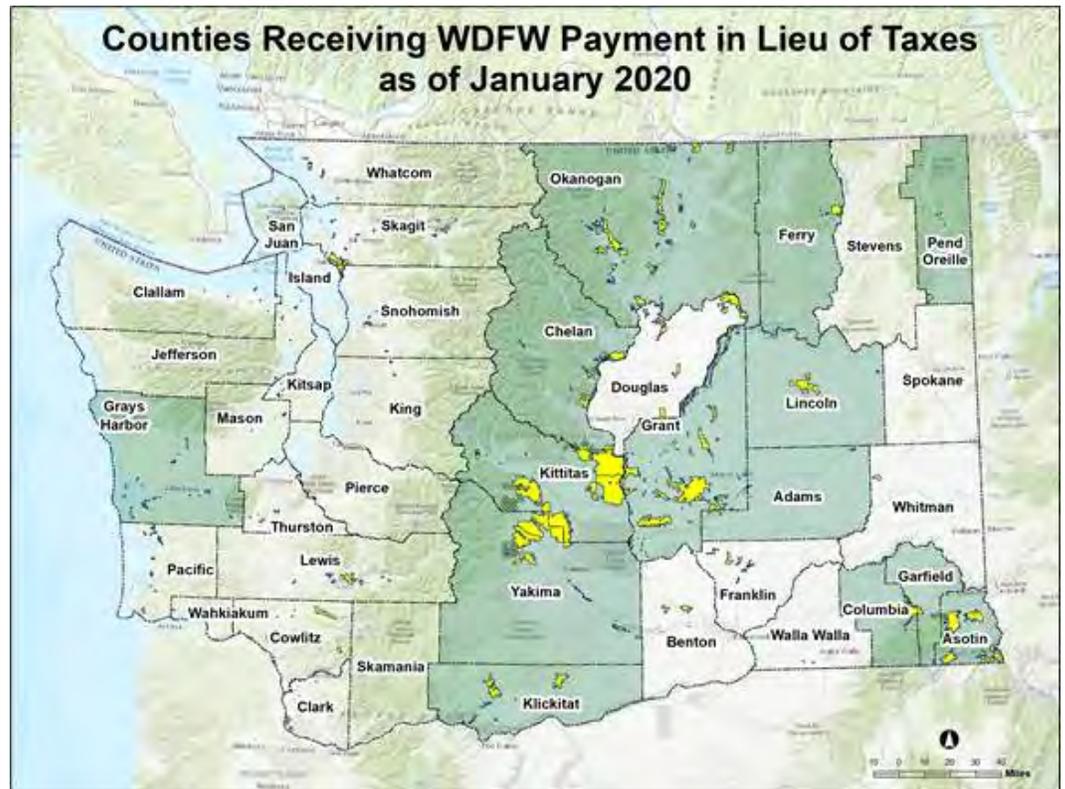
Klickitat

Lincoln

Okanogan

Pend Oreille

Yakima



History and Background:

In the 1960's PILT was based solely on the acreage of WDFW 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 1984 rate. In 1987 the Department of Game became the Department of Wildlife and 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.

PILT Coalition:

In 2016 the PILT Coalition was formed as an informal association of stakeholders committed to ensuring that Payments in Lieu of Taxes were fully funded and the process streamlined for those counties electing to receive PILT. The PILT Coalition includes WDFW, the Washington Association of Counties, The Nature Conservancy, Washington Wildlife and Recreation Coalition, Rocky Mountain Elk Foundation, Trust for Public Land, Yakima County, Kittitas County, Washington Association of Land Trusts, and Trout Unlimited. This Coalition has worked together to raise awareness of the issue and developed and supported legislation to align the WDFW PILT program with the recommendations of the 2013 Department of Revenue report.

