

## RATES AND CHARGES

### What they are, how they work, and process for developing them

#### Background and Authorizations:

In 2012 the Washington State Legislature approved a second local option for funding the work of conservation districts. [RCW 89.08.405](#) allows districts to develop a system of rates and charges for passage or modification by their county legislative authority. It may be used instead of assessments authorized by [RCW 89.08.400](#).

#### How do rates and charges work?

The principle: Different land uses have differing conservation needs, receive differing benefits, and therefore should be charged at differing rates. A key difference between assessments and rates and charges is this: Assessments are traditionally connected with public improvements and sometimes, services. Direct special benefit to assessed properties is required for assessments. An agency using a rate or charge is not required to show a direct special benefit to any parcel. The rates and charges statute recognizes there are many indirect benefits received by citizens in each conservation district as a result of conservation work.

#### Building a unique system of rates & charges

A system of rates and charges may include either an annual per acre amount, per parcel amount, or per parcel amount plus an annual per acre amount. Per acre amounts may not exceed 10-cents. Per parcel amounts may not exceed \$5.00 except in counties over 1.5 million in population where it may not exceed \$10.00. While it is exactly the same public process as approving an assessment, rates and charges requires an extra level of analysis to create an equitable and fair rate structure that is unique to each district.

When proposing a system of rates and charges for adoption by your county commission or council,

conservation districts may take these things into consideration:

- ❖ District services furnished or available;
- ❖ Benefits received, to be received, or available to the property;
- ❖ Character and use of the land;
- ❖ Nonprofit public benefit status in [RCW 24.03.490](#);
- ❖ Income level of those served or benefitting including seniors and the disabled; or
- ❖ Any other matters that present a reasonable difference as grounds for distinction.

#### Example – Pierce Conservation District

The Pierce Conservation District's system of rates and charges was passed in 2012. The documents accompanying this brief are from that effort. We thank PCD for allowing us to use their experience and materials. These documents do a good job of describing specific steps, rationale, and results.

To develop a system of rates and charges for each specific land use, the district contracted with a private firm experienced in developing rate structures. The district's 58-page [Rate Study Report](#) contains much of the rationale and data used to build their proposal. In this report, the district considered all land uses occurring within PCD's boundaries and developed separate rates for them. The rationale you create for your system of rates and charges is perhaps the most important piece of your effort. While the result of the analysis provided in this report provided is unique to PCD, it should be helpful to you. The analysis done by your district will be uniquely yours.

As required by law, by August 1 the district used the information from their report to develop a proposed system of rates and charges. That system passed [in the form of a resolution](#) to the Pierce County Council.

Along with their resolution they supplied the County Council the [specific rates for land classifications](#), as well as the [summary of expected revenues and a spending plan](#).

Once all this information was received by the County, PCD worked with the Council and Council staff to develop [findings of fact](#), an [inter-local agreement](#), and, finally, after public hearings, [the ordinance](#).

### **Important Considerations:**

Each conservation district is unique. Rationale used for systems of rates and charges in each district will change based on:

- Land use
- Programs and services offered or contemplated by your conservation district
- Analysis of benefits available to those who pay the rates and charges
- Analysis of benefits available to natural resources
- The local economy
- Political acceptability of implementing a system of rates and charges in your conservation district and with your county legislative authority

### **References:**

In addition to the references above, here is a link to the [Pierce County Council's process on the Pierce Conservation District ordinance](#).

### **Questions:**

Contact your WSCC Regional Manager