

PRELIMINARY REPORT:

# **Fees Assessed for Forest Fire Protection**

LEGISLATIVE AUDITOR'S CONCLUSION:

DNR can improve consistency of landowner assessments by clarifying definitions and coordinating with county assessors

## **Forest fire protection assessments are fees landowners pay to fund state protection activities**

- State law authorizes the Washington State Department of Natural Resources (DNR) to impose the Forest Fire Protection Assessment (assessment) on private, state, and local government forest land.
- DNR uses assessments to fund fire protection activities such as preparedness and training.
- Between fiscal years 2007 and 2016, DNR collected \$104 million and spent \$92 million. Assessments averaged \$19.30 per parcel in 2016.
- The 2015-17 Operating Budget (ESSB 6052) directs the Joint Legislative Audit and Review Committee (JLARC) to review the assessments.

## **Identifying information about impacts of assessments is challenging because there is no centralized system for managing them**

- JLARC staff found at least 5,500 forested parcels that likely should pay the assessment but do not. Staff also identified 20,000 parcels that do not pay for fire protection through the assessment or a local fire district levy.

- Money is not necessarily spent in the same locations from where it is collected. For example, the west side of the state contributes 64 percent of funding but accounts for 38 percent of spending.
- Information about which private properties are assessed is maintained in separate systems managed by each county. Further, DNR bills assessments on properties owned by public and private tax-exempt entities.
- JLARC staff created a statewide database with 2.8 million parcel records to answer the Legislature's questions.

## **DNR can improve consistency of landowner assessments by clarifying definitions and coordinating with county assessors**

- A lack of definitions and guidance to agency staff has led to inconsistent decisions about which parcels should be assessed. DNR has not updated its parcel information since 2009, so the unequal treatment persists. Without updated data, it is unknown if the problem is widespread.
- DNR does not coordinate with county assessors about how to address changes to parcels, such as clearing, development, or reforestation. Without guidance from DNR, assessors use a variety of approaches, leading to additional inconsistency for landowners.
- DNR does not necessarily need a statewide system of all parcels to make these management improvements.

## **Legislative Auditor Recommendations**

The Legislative Auditor makes two recommendations regarding improving consistency and coordinating with county officials:

1. DNR should clarify the definition of forest land and implement a process to consistently apply the definition across the state.
2. DNR should coordinate with county officials to create consistent policies for administering the assessment.

You can find additional details on the Recommendations tab

## REPORT DETAILS

### 1. DNR administers assessment

#### DNR is responsible for the Forest Fire Protection Assessment – an annual fee for fire preparedness activities

The Washington State Department of Natural Resources (DNR) is responsible for protecting private, state, and local government forest land from fire. Forest land is defined in statute and includes:

- Unimproved land that has enough trees or flammable material to constitute a fire hazard.
- Sagebrush and grass lands in eastern Washington that are adjacent to or intermingled with areas supporting tree growth.
- Parcels that are unimproved or partially improved.

State law authorizes DNR to impose the Forest Fire Protection Assessment (assessment) to fund fire protection activities such as preparedness and training. The assessment is an annual fee paid by owners of forest land parcels. See the next section for more detail.

**Exhibit 1.1: Forest land includes unimproved and partially improved parcels, as well as trees, sagebrush, and grasslands**



Source: DNR, Washington Department of Fish and Wildlife, Fire Adapted Washington.

#### DNR partially fulfills statutory program responsibilities

DNR administers the assessment program with help from the county assessors and treasurers. Counties keep fifty cents per parcel for administration, and send the remainder to DNR. The exhibit below lists assessment statutory administrative responsibilities and whether DNR is performing them.

**Exhibit 1.2: Statute defines DNR's administrative responsibilities**

Responsibility	Met?	Explanation
Authorize county assessors to levy assessment	<b>Yes</b>	DNR sends letter to each county assessor authorizing them to levy the assessment and maintains archive of the letters
Process and disburse refunds	<b>Yes</b>	DNR processes and disburses refunds to landowners annually
Process applications from landowners who want to combine fees on multiple parcels	<b>Yes</b>	DNR processes applications and maintains a database of combined parcels. However, not all counties notify DNR when landowners combine or split parcels.
Bill tax-exempt and publicly-owned properties (if county chooses not to do so)	<b>Partially</b>	DNR bills landowners in its database annually, but its records are incomplete and it may not bill some tax-exempt landowners correctly
Designate forest protection zones	No	DNR does not have a procedure to designate zones and has not made any recent efforts to designate zones. This responsibility is discussed in Section 3
Determine which properties are eligible for assessment, and notify county assessor	Not since 2009	This responsibility is discussed in Sections 3 and 4

Source: RCW 76.04.610, RCW 76.04.165.

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## REPORT DETAILS

### 2. Spending and Collections

**DNR pays for preparedness activities based on where staff are located, not where assessment funds are collected**

#### **Forest Fire Protection Assessment pays for activities like preparedness and training**

State law authorizes the Department of Natural Resources (DNR) to impose the Forest Fire Protection Assessment (assessment) on owners of forest land parcels to fund fire protection activities. The current annual fee is \$17.50 per parcel, plus 27 cents for each acre over 50. In some cases, landowners can request a refund or combine multiple properties to reduce their total assessment. The Legislature has increased the rates 10 times since the beginning of the program in 1917, most recently in 2010.

JLARC staff analysis found that landowners pay the assessment on 486,000 parcels across the state. Between fiscal years 2007 and 2016, DNR collected \$104 million and spent \$92 million. Expenditures include preparedness, training, education, and program administration (Exhibit 2.1).

**Exhibit 2.1: Assessment funds fire protection activities**

Program	Amount (millions)	Description
Preparedness	\$42	Planning, equipment maintenance, fire detection, fire weather, administering the assessment
Training	\$10	Wildfire training for DNR staff
Smoke Management	\$7	Activities required to deliver the smoke management program
Education	\$4	Activities to educate the public about fire prevention
Fire District Assistance	\$2	Provide training and equipment to fire districts

Program	Amount (millions)	Description
All other	\$28	Includes administrative overhead
<b>Total expenditures over 10 years</b>	<b>\$92</b>	

Source: JLARC summary of data from DNR. Total may not match the sum of individual parts due to rounding.

## Collections exceed spending in westside regions, while spending exceeds collections in east

DNR reports that there is no relationship between the amount of assessment funds collected in a region and the amount of fire protection funds that DNR spends in that region (Exhibit 2.2).

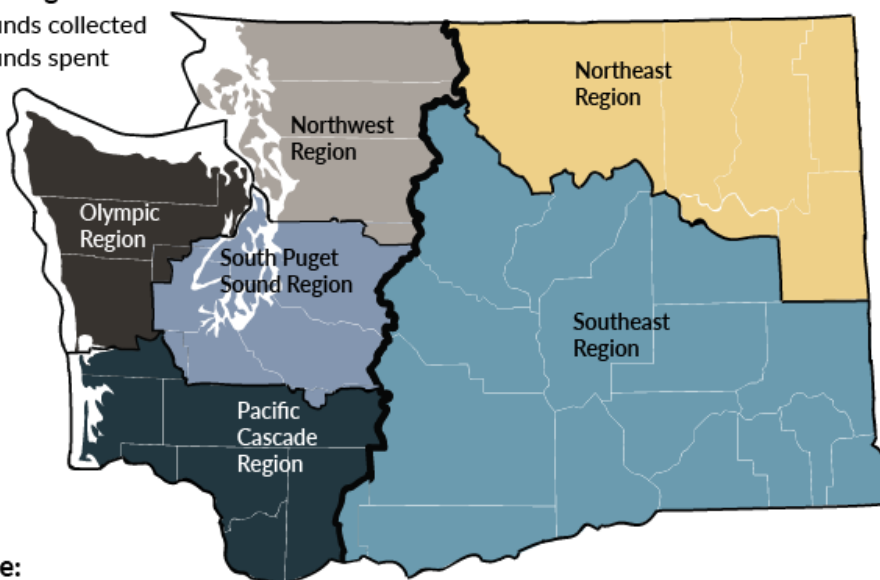
- DNR allocates assessment funds to each of its six regional offices based on the number of full-time equivalent staff positions in the region.

Exhibit 2.2: No relationship between where assessment funds are collected and spent

### Westside Regions:

64% of funds collected

38% of funds spent



### Eastside Regions:

28% of funds collected

47% of funds spent

### Statewide:

8% of funds collected directly by DNR

16% of funds spent on administration, aviation and other DNR functions

Part of state	Region/Division	Percent of Collections	Percent of Spending
Eastside	Northeast	20	26
Eastside	Southeast	8	21
Westside	Pacific Cascade	18	15
Westside	South Puget Sound	24	9
Westside	Northwest	15	7
Westside	Olympic	8	7
<b>Non-regional</b> statewide collections and spending percentages		8	16

Source: Regions shown on DNR website, spending and collections from JLARC staff analysis of DNR data. Total may not match the sum of individual parts due to rounding.

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## REPORT DETAILS

### 3. Unequal landowner treatment

Inconsistent decisions about whether a parcel is subject to the assessment can lead to unequal treatment of landowners

DNR must determine which lands are forest land, but definitions remain unclear

While statute provides a broad definition of forest land, it also states that the Department of Natural Resources (DNR) must use its judgment to determine which lands are forest land and subject to the Forest Fire Protection Assessment (assessment).

The law gives DNR explicit authority to create rules implementing the assessment. DNR has not issued administrative rules or published guidelines to clarify which parcels should be assessed.

## **DNR reviewed parcels for eligibility until 2010**

DNR previously directed staff in each of its six regional offices to review 20 percent of the parcels in each county annually, so that each parcel would be reviewed every five years. DNR staff used parcel boundaries and ownership records from the county assessors, as well as aerial imagery and field observations to make decisions about which parcels should be assessed.

Despite the requirement to complete reviews, DNR had no agency-wide training or guidance for the staff who did the work.

- DNR did not specify how each region should perform the reviews.
- DNR had no criteria or guidelines for determining which parcels met the definition of forest land. Policy stated only that cemeteries, air strips, gravel pits, and swamps were exempt.
- DNR had no formal process to check the work of the staff performing the reviews.

In 2010, DNR stopped reviewing parcels after it received negative feedback regarding a decision to assess 526 previously non-assessed parcels. The feedback raised concerns about inconsistent determinations.

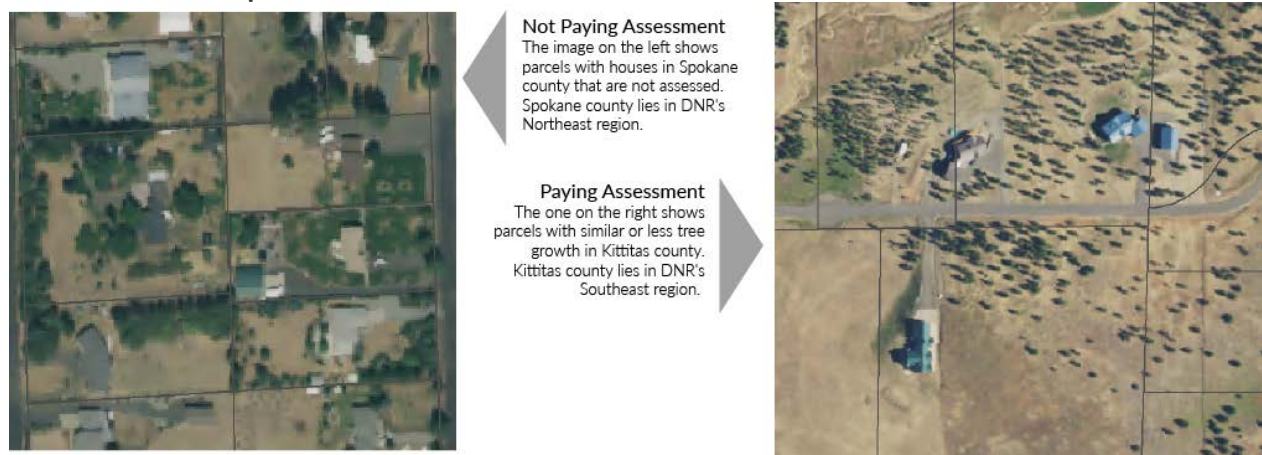
## **Determinations about eligibility for assessments can be inconsistent**

In the absence of agency-wide guidance, regional staff developed their own informal criteria, or used no criteria at all, to make determinations when parcels did not clearly fall within or outside the statutory definition. As a result, determinations were inconsistent, and remain so because there have been no updates.

For example, similar parcels in different areas could be treated differently. The exhibit below shows the different determinations for similar parcels in two DNR regions. One pays the assessment, while the other does not.



### Exhibit 3.1: Similar parcels in different counties had different determinations



Source: Parcel and assessment data provided by county assessors, imagery is 2015 National Agricultural Imagery Program mosaics.

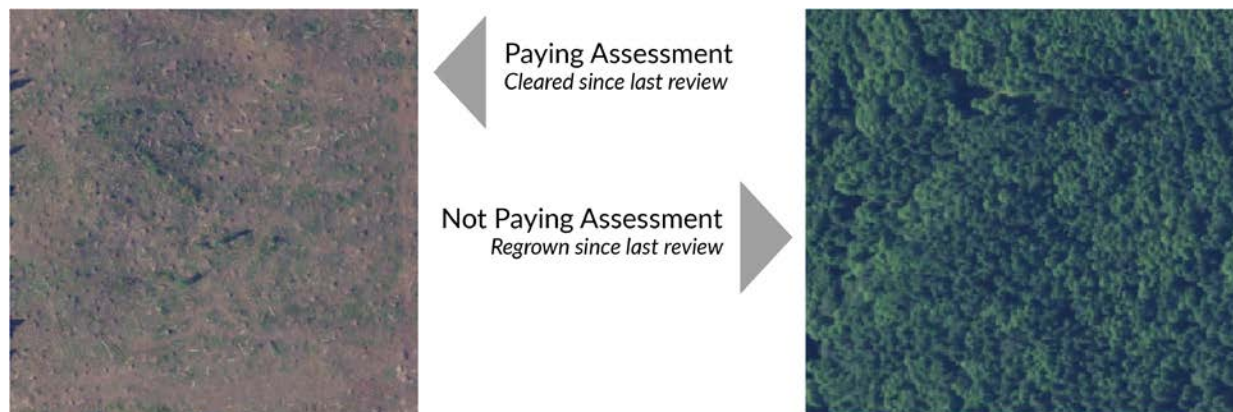
## Determinations may be inaccurate due to changes since the last reviews

DNR made its last parcel determinations in fall 2009. Since then, there have been changes in the landscape, parcel boundaries, and ownership that impact whether a parcel should be subject to the assessment. For example, a forested parcel may have been cleared, divided into smaller parcels, and developed. Some county assessors reported that the new parcels still carried the assessment, while others stated that they did not, regardless of remaining tree coverage.

Logging and regrowth also have changed the landscape. In the exhibit below, the recently logged parcel on the left is subject to the assessment, despite having no trees and little other forest material. However, the parcel on the right is not subject to the assessment, despite regrowth since the last determination.

When DNR stopped the reviews, staff expressed concern that the long interval between reviews could lead to "inaccurate, inequitable FFPA assessment[s]" and "charging citizens incorrectly." The scale of the problem is unclear because DNR cannot determine how many parcels are affected without completing a full review statewide. However, JLARC staff analysis identified nearly 5,500 parcels that are treated as forest land for property tax purposes but do not pay the assessment.

### Exhibit 3.2: Logging and regrowth affect accuracy of determination



Source: Parcel and assessment data provided by county assessors, imagery is 2015 National Agricultural Imagery Program mosaics.

## DNR considered, but did not implement, program reform

After halting the reviews, in 2010 DNR created a staff work group to propose program changes and parcel evaluation criteria. DNR disbanded the work group in January 2011 before it completed its work, citing workload priorities.

In 2014, DNR again assigned staff to develop recommendations for improving the process and restarting reviews. Staff presented findings, recommendations, and a new review process to executive management, but the program was not changed.

## DNR has not designated forest protection zones statewide

In 1988, the Legislature passed a law requiring DNR to clarify its geographic areas of responsibility by working with local fire districts to create “forest protection zones.” DNR and the local fire districts must decide if any forest land in the zone would be better protected by local fire districts. Those lands would not be subject to the assessment.

DNR has created three forest protection zones — one each in King, Kitsap, and Pierce counties. While DNR has updated the boundaries a number of times, it has not created zones in the rest of the state. Forest land in a local fire protection district may be subject to the assessment in a county without zones, while similar land in a zoned county may not. DNR has no written policies or procedures for creating the zones.

## Other states have developed means to improve consistency in identifying which parcels to assess

DNR can learn from similar programs in Oregon, Idaho, and Montana. These states also assess forest lands for fire protection through a combination of per-parcel and per-acre charges. The other Western states have created systems, including administrative rules, for classifying and reviewing forest land subject to the charges.

- Idaho has developed proprietary software that gathers data from county assessors to help staff identify lands to review. The Idaho Department of Lands uses a five-year review cycle so that 20 percent of assessed parcels are reviewed annually. The Department of Lands also is creating a training program for staff that review parcels, including photographs and examples to facilitate consistent decisions.
- Oregon divides responsibility for reviews by county. Each county has a classification committee that is responsible for periodically reviewing parcels. The detailed criteria for classifying lands are defined by administrative rule.
- In Montana, the state's wildfire agency has defined administrative rules with criteria for classifying forest land.

## **Recommendation: DNR should clarify the definition of forest land and implement a process to consistently apply the definition across the state**

DNR should clarify the definition of forest land, either through administrative rule or by proposing requested legislation. In doing so, DNR should identify how the process of determining Forest Protection Zones is germane to the assessments, including whether statutory changes are needed. DNR should design and implement a process to consistently apply the definition to parcels across the state.

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## REPORT DETAILS

### 4. No guidance to counties

#### **In the absence of systematic guidance from DNR, county officials use different processes to apply the assessment**

County officials play a key role in administering the Forest Fire Protection Assessment (assessment). County assessors record the assessment on the tax rolls and treasurers collect the fee. Each county uses its own data system to track parcel records, including whether each parcel is subject to the assessment. Since the Department of Natural Resources (DNR) has not provided updated lists of parcels since 2009, county assessors generally apply the assessment to the same parcels as the year before.

#### **DNR does not currently provide guidance to county officials**

Changes to a parcel can affect the assessment. For example, if a parcel is logged or developed, it may be appropriate to reduce the number of acres subject to the assessment or remove it entirely. The law does not define what should happen and DNR does not provide any systematic guidance to county officials.

Development poses a particular challenge for the assessment. County assessors assign value to parcels based on the land and improvements, including buildings. A JLARC staff analysis of parcels, aerial photographs, and maps showed that most parcels currently paying the assessment have some improvements. There is no common threshold or DNR guidance for how much improved value is sufficient to consider a parcel "fully improved" and no longer subject to the assessment.

#### **Assessors use different processes to administer the assessment**

Although many parcels remain unchanged from year to year, scenarios arise that may warrant changes to others. In the absence of guidance or communication from DNR, assessors have adopted different approaches and processes to address these scenarios.

JLARC staff surveyed county assessors and learned how they address common scenarios that arise with the assessment (Exhibit 4.1). The variation contributes to unequal landowner treatment discussed in the previous section.

**Exhibit 4.1: Counties differ in how they address common changes to assessment scenarios**

Scenario	Yes	No	In Some cases
Remove or change the assessment when land is cleared or developed	9	22	0
Add assessment to new parcels after a parcel is subdivided	29	1	1
Tell DNR when the county removes, or changes the assessment, or adds it to a parcel	9	20	2
Automatically combine the assessments for a landowner with multiple parcels	13	18	0

Source: JLARC staff survey responses from 31 county assessors. Out of Washington's 39 counties, five do not have any lands with the assessment and three did not respond to the survey.

## **DNR does not provide updated information to county officials**

DNR does not routinely communicate updates or news about the program to county officials. For example, some county assessors told JLARC staff that they did not know DNR had stopped reviewing parcels in 2010 and were unaware that program management had shifted from regional offices to Olympia headquarters. DNR's primary contact with assessors is through annual form letters sent to each county.

## **Recommendation: DNR should create and communicate consistent guidance for administering the assessment, with input from county officials**

DNR should develop consistent guidance for county officials to address parcel changes that impact the assessment. DNR should solicit input from county officials to ensure that they can efficiently and effectively implement the guidance. In addition to guidance, DNR should develop a policy regarding communications with county officials.

DNR will need to consistently determine which parcels should pay the assessment. This will require working with the county assessors who maintain their counties' parcel records and tax assessment rolls.

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## REPORT DETAILS

### 5. JLARC staff analysis of parcel data

#### JLARC staff created statewide database of county-level parcel data to analyze forest lands for the Legislature

##### JLARC staff compiled data from 32 counties

Each county uses its own data system to track parcel records, including whether each parcel is subject to the Forest Fire Protection Assessment (assessment). As a result, there is no centralized system for analyzing assessments.

JLARC staff created a statewide database with calendar year 2016 parcel and assessment records from 32 of the state's 39 counties:

- 5 counties do not have forest land subject to the assessment: Adams, Benton, Franklin, Grant, and Whitman.
- 2 counties, Lewis and Wahkiakum, did not respond to the JLARC request for data.

The database includes 2.8 million parcel records. The records have information such as parcels not subject to the assessment, taxable value, and fire district. The database created by JLARC staff contains more detailed information than the Department of Natural Resources (DNR) needs, to manage the program going forward. While DNR has some information about assessed parcels, it is outdated and potentially inaccurate. Sections 3 and 4 of this report address the steps needed to update DNR's assessment information. Appendix 1 describes the methodology in detail.

##### Nearly 5,500 parcels pay property tax as forest but do not pay the assessment

JLARC staff identified 5,455 parcels that are classified as forest for property tax purposes, but the owners do not pay the assessment.

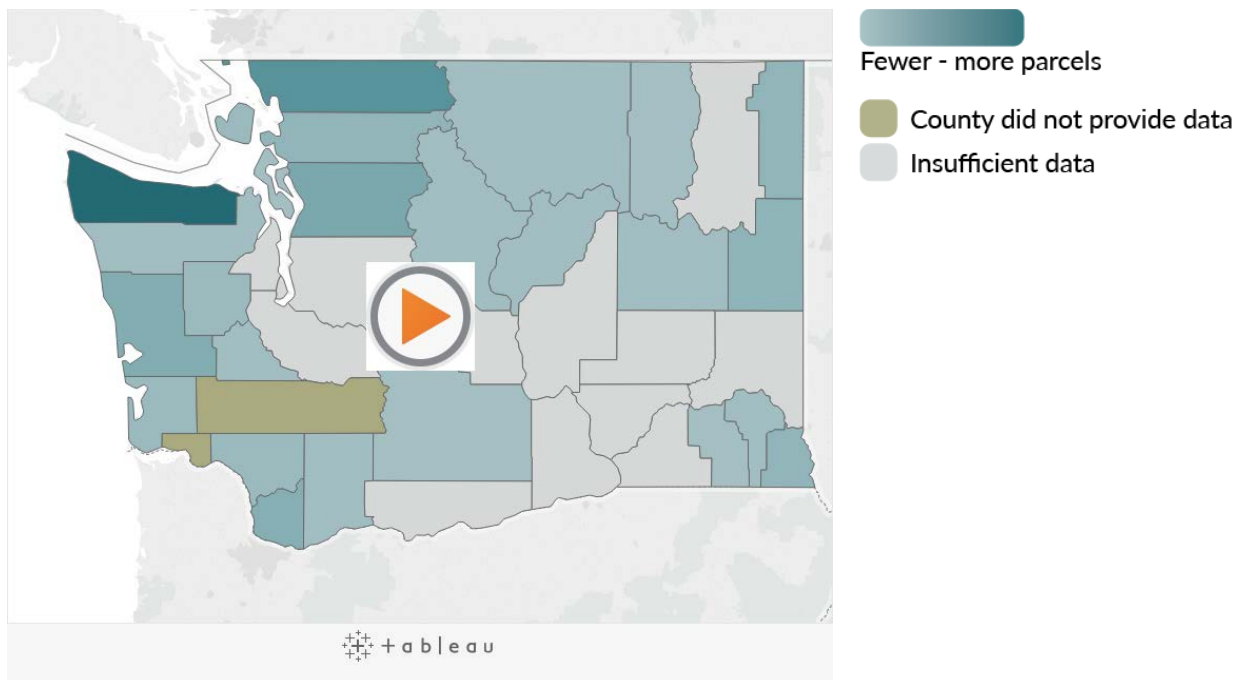
- Land use codes indicate the parcels are noncommercial forest timberland, non-agricultural open space, or designated forestland under RCW 84.33.

- Some likely should be subject to the assessment. Considering current assessment rates and parcel size, JLARC staff estimate that the parcels could generate up to \$179,000 in annual assessment fees.
- This list is not exhaustive: There are likely parcels with other land use codes that also should be subject to the assessment.

As noted in Section 3, JLARC staff also identified parcels that are cleared of trees but still subject to the assessment.

Without clear and consistent definitions and a comprehensive review of parcels, DNR cannot confirm whether it is appropriately collecting assessment fees across the state.

**Exhibit 5.1: There are 5,455 parcels taxed as forest that do not pay the assessment**



Source: County assessor parcel records for calendar year 2016. Calculations do not include: land categories that are excluded from the assessment; state owned lands; land owned by a tribe or held in trust for a tribe; federally owned land; tidal or shore lands.

## More than 20,000 parcels exist where owners do not pay the assessment or a local fire district levy, but likely still protected by DNR or a district

JLARC staff found 20,135 parcels that do not pay the assessment or a local fire levy.

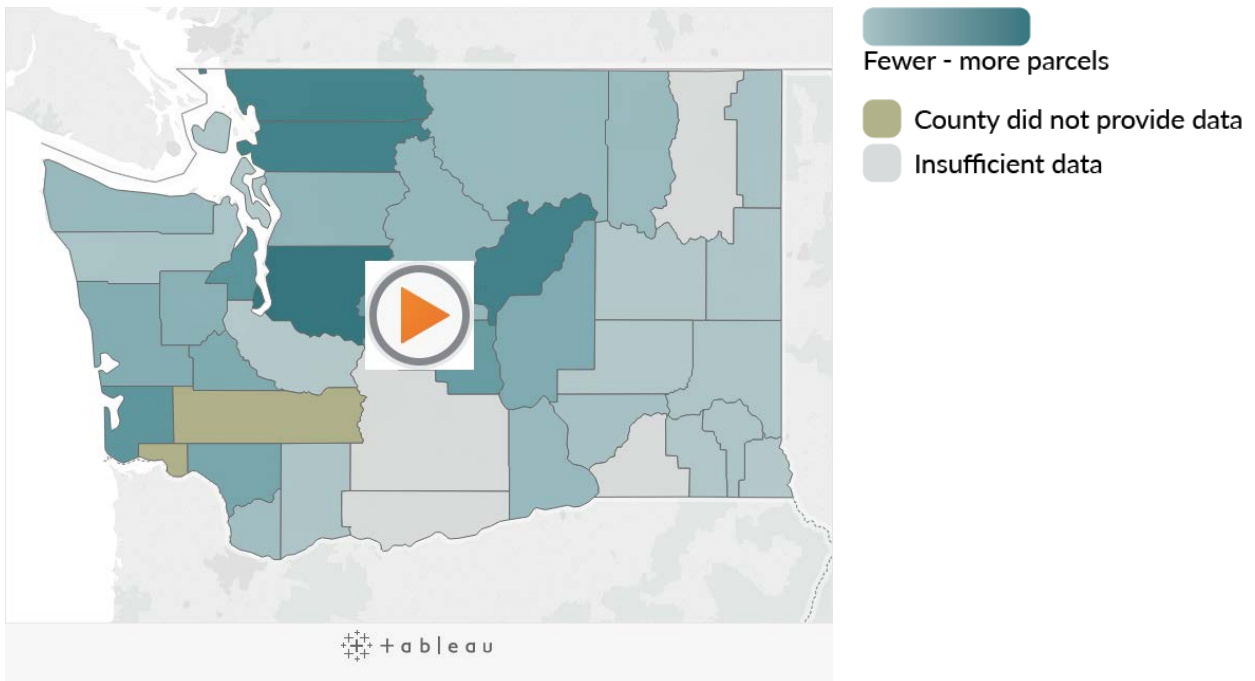
It is unclear whether the parcels should be subject to the assessment, a local fire district levy, or both. For example, from the data we received from assessors,



- 25 percent have some taxable improvements, which can include homes, outbuildings, fences, or other permanent construction.
- 14 percent have a state or local tax exemption. The county may not collect the assessment from tax-exempt owners, although the parcel is subject to the fee. DNR could bill these landowners directly.

The landowners likely would still receive fire suppression services. Title 52 RCW allows fire districts to recover costs of fire suppression on parcels that do not pay for fire protection. Statute also allows DNR to recover expenses incurred suppressing fires due to negligence. If assessed, these parcels would pay approximately \$446,223.

**Exhibit 5.2: There are 20,135 parcels where owners do not pay for fire protection through the assessment or local levy**



Source: JLARC staff analysis of calendar year 2016 parcel data from county assessors and DNR. JLARC staff analyzed all parcels in the state and excluded: parcels subject to the assessment, parcels that pay a local fire protection district levy, parcels owned by the federal government or Indian tribes, and parcels that are exempt from the assessment by DNR policy, such as swampland, and gravel pits.

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# REPORT DETAILS

## Appendix 1: Parcel analysis methodology

### Methodology for parcel data analysis

The Legislature requested information on parcels that are assessed as forest lands and parcels not subject to the Forest Fire Protection Assessment (assessment) that are not included in a local fire district. In order to answer these questions JLARC staff requested GIS data from the 34 counties that have the assessment. We combined the counties' data with information from the Department of Natural Resources (DNR) on their jurisdiction and parcels that they bill directly.

The main tasks of this data analysis were to:

- Standardize county records.
- Identify parcels that do/do not pay the assessment, including from DNR's list of direct billings.
- Identify classes of parcels that are exempt from the assessment.
- Identify possible methods to determine if a parcel is forested.
- Determine which parcels do not pay into a local fire district.

Where possible, we used the data to identify parcels in the counties that would be tax exempt or otherwise not responsible for paying the assessment, including matching as many of the parcels as possible that DNR directly bills. We then reviewed parcels by owner name. We also reviewed levy books downloaded from counties and the Department of Revenue to create a list of tax code areas outside cities that do not pay a fire protection district.

The data manipulation and analysis was conducted using ArcGIS, Excel, and R statistical software.

### Process details

JLARC staff used the following detailed process to identify parcels that do not pay the assessment and exclude parcels that are exempt from our analysis. After JLARC staff processed the data and calculated results, counties were given an opportunity for technical review.

1. Combined parcel records with county assessors' lists of parcels paying the assessment.

2. Compared the total parcels and acreage given in DNR's 2009 jurisdiction to current county data.
3. Searched recent county levy books and reports for tax code areas in each county that were not within a city or paying into a fire protection district. We assumed that parcels paying city taxes were also paying for city fire protection because these charges are not itemized on tax bills. If in doubt, we used internet searches to spot check that cities had local fire departments.
4. Identified parcels with Department of Revenue codes indicating forest or open space.
5. Excluded tax-exempt parcels – including state, county, federal, and tribal lands – and parcels matching DNR's list of direct billings. Other properties that do not pay the assessment include cemeteries, gravel pits, swampland, and airstrips. These parcels were identified using the owner names and divided into categories of state, federal or tribal, and categorically excluded lands. We also categorized other public properties that would not be exempt from the assessment, such as county parks, P.U.D. land, schools, etc.
6. Using fuzzy text matching, more than 90% of the bills on DNR's exempt list were matched to a county parcel record.

## RECOMMENDATIONS & AGENCY RESPONSE

### Legislative Auditor Recommendation

**The Legislative Auditor makes two recommendations regarding improving consistency and coordinating with county officials**

**Recommendation #1: DNR should clarify the definition of forest land and implement a process to consistently apply the definition across the state**

The Department of Natural Resources (DNR) should develop agency-wide policies to ensure consistent determinations of which parcels should be assessed. The policy should include consistent criteria that can be applied across the state. In doing so, DNR should clarify the definition of forest land, either through rule-making or by proposing requested legislation. DNR should develop training for staff members who are responsible for determining whether parcels should be assessed. DNR should also identify how the process of negotiating and designating Forest Protection Zones is germane to the Forest Fire Protection Assessments (assessments), including whether statutory changes are needed. Once DNR develops agency-wide policies, it should determine what resources are required to conduct parcel reviews.

Legislation Required:	No, however DNR may determine it is preferable to propose legislation altering the definition of forest land
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Fiscal Impact:	JLARC staff assume DNR can develop policies within existing resources. Implementation may require other resources.
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Implementation Date:	December 2018
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Agency Response:	To be included with Proposed Final Report
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## **Recommendation #2: DNR should coordinate with county officials to create consistent policies for administering the assessment**

DNR should develop consistent guidance for county officials to address parcel changes that impact the assessment. DNR should solicit input from county officials to ensure that they can efficiently and effectively implement the guidance. In addition to guidance, DNR should develop a policy regarding communications with county officials.

Legislation Required:	No
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Fiscal Impact:	JLARC staff assume DNR can develop guidance and policies within existing resources.
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Implementation Date:	December 2018
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Agency Response: To be included with Proposed Final Report

## RECOMMENDATIONS & AGENCY RESPONSE

### Agency Response

Agency response(s) will be included in the proposed final report, planned for September 2017.

## MORE ABOUT THIS REVIEW

### Audit Authority

The Joint Legislative Audit and Review Committee (JLARC) works to make state government operations more efficient and effective. The Committee is comprised of an equal number of House members and Senators, Democrats and Republicans.

JLARC's non-partisan staff auditors, under the direction of the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other analyses assigned by the Legislature and the Committee.

The statutory authority for JLARC, established in [Chapter 44.28 RCW](#), requires the Legislative Auditor to ensure that JLARC studies are conducted in accordance with Generally Accepted Government Auditing Standards, as applicable to the scope of the audit. This study was conducted in accordance with those applicable standards. Those standards require auditors to plan and perform audits to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. The evidence obtained for this JLARC report provides a reasonable basis for the enclosed findings and

conclusions, and any exceptions to the application of audit standards have been explicitly disclosed in the body of this report.

## MORE ABOUT THIS REVIEW

### Study Questions

#### Why a JLARC Study of Fees Assessed for Forest Fire Protection?

The Washington State Department of Natural Resources (DNR) is the lead agency for fire protection and suppression on non-federal forest land.

By law, all forest landowners in the state must provide adequate protection against the spread of fire on their land. If a landowner does not provide adequate protection, then DNR must provide the protection. DNR imposes Forest Fire Protection Assessment (assessment) fees, which support protection activities (Chapter 76.04 RCW).

The Legislature established these assessments in 1983. The most recent revision to the fee structure was in 2007. The 2015-17 Operating Budget (ESSB 6052) directs the Joint Legislative Audit and Review Committee (JLARC) to review the assessments.

#### Assessments Pay for Fire Prevention and Preparedness, Not Suppression

DNR uses the assessment funds for activities allowed in statute:

- **Fire Prevention** such as fuel treatments, public education, and issuing burn permits.
- **Fire Preparedness** such as providing training, purchasing equipment, and positioning resources near fire areas.

Assessment funds do not pay for fire suppression.

## How are the Assessments Calculated?

Landowners, including state and local government agencies and tax-exempt entities, pay the assessment for each covered parcel of forest land.

Forest lands subject to the assessment are unimproved and have enough trees or other flammable material to pose a fire hazard to life or property. Areas of sagebrush and grass in eastern Washington may be considered forest lands if they are adjacent to or intermingled with trees. Forest land excludes portions of parcels that are developed.

The amount of the assessment is set in statute. Some landowners may be eligible for a partial refund.

Parcels under 50 acres	Parcels over 50 acres
\$17.50 flat rate	\$17.50 flat rate plus \$0.27 per acre on each acre over 50

County governments collect the fees for DNR and receive 50 cents per parcel for administration. DNR assessment revenues averaged \$9.4 million annually during the last decade.

## Study Scope

As directed by the Legislature, this study will analyze DNR's Fire Protection Assessments.

The report will review how DNR and counties collect the assessments, including whether the processes are efficient and consistent with statute. JLARC staff also will review how DNR and local fire districts define their fire protection areas.

The report will review assessment rates and identify the practices used by other states for assessments and the standards used for rate setting.

The study excludes practices and expenditures related to fire suppression.

## Study Objectives

This study will address the following questions:

1. How do DNR and local jurisdictions apply assessments, and is the approach consistent with statute?
2. How do DNR and local jurisdictions identify covered parcels, including those that become developed?

3. What parcels are not charged the assessment and not taxed by a local fire district?  
Where are these parcels located relative to DNR-protected areas?
4. How have the assessment rates and protection expenditures changed over time?
5. How do protection expenditures and deployments compare with where assessments are collected?
6. What can be learned from practices in other states and accepted standards for rate setting?

## Timeframe for the Study

Staff will present the preliminary report in July 2017 and the final report in September 2017.

## MORE ABOUT THIS REVIEW

### Methodology

The methodology JLARC staff use when conducting analyses is tailored to the scope of each study, but generally includes the following:

- **Interviews** with stakeholders, agency representatives, and other relevant organizations or individuals.
- **Site visits** to entities that are under review.
- **Document reviews**, including applicable laws and regulations, agency policies and procedures pertaining to study objectives, and published reports, audits or studies on relevant topics.
- **Data analysis**, which may include data collected by agencies and/or data compiled by JLARC staff. Data collection sometimes involves surveys or focus groups.
- **Consultation with experts** when warranted. JLARC staff consult with technical experts when necessary to plan our work, to obtain specialized analysis from experts in the field, and to verify results.

The methods used in this study were conducted in accordance with Generally Accepted Government Auditing Standards.

More details about specific methods related to individual study objectives are described in the body of the report under the report details tab or in technical appendices.

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