

# HOUSE BILL REPORT

## HB 1637

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**As Reported by House Committee On:**  
Local Government

**Title:** An act relating to priority consideration of voluntary buffers in open space plans, public benefit rating systems, and assessed valuation schedules.

**Brief Description:** Providing for priority consideration of voluntary buffers in open space plans and public benefit rating systems.

**Sponsors:** Representatives Upthegrove, Dickerson, Moeller, Dunshee, McCoy, B. Sullivan, Chase, Williams, Sells, Simpson, Lantz, Hunt, O'Brien and Kagi.

**Brief History:**

**Committee Activity:**

Local Government: 2/15/05, 3/1/05 [DPS].

**Brief Summary of Substitute Bill**

- Requires county legislative authorities to give priority consideration to lands used for qualifying, voluntarily created buffers when adopting open space plans, public benefit rating systems, and assessed valuation systems.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives Simpson, Chair; Clibborn, Vice Chair; B. Sullivan and Takko.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Schindler, Ranking Minority Member; Ahern, Assistant Ranking Minority Member; and Woods.

**Staff:** Thamas Osborn (786-7129).

**Background:**

The Legislature has declared that it is in the best interests of the state to maintain and preserve adequate open space lands for the production of food, fiber, and forest crops, as well as to ensure the continued preservation of the state's natural resources and scenic beauty. To this end, a statutory scheme was implemented to encourage the preservation of designated open space lands through the creation of a system of tax incentives. This tax incentive program also includes designated farm and agricultural land, as well as timber land, that meet statutory requirements.

Under this system of tax incentives, property meeting certain criteria may have property tax assessments determined on the basis of current "use values" rather than "market values." In other words, under certain circumstances, a property owner may obtain a property tax reduction by having the tax assessment based upon the actual current use of the property, rather than an assessment based upon market value (i.e., the value that could be derived from the "highest and best use" of the property). There are four categories of lands whose tax status may be classified and assessed based upon the current use concept. Three categories are covered in what is known as the "open space law": (1) open space lands; (2) farm and agriculture lands; and (3) timber lands. (See chapter 84.34 RCW) The remaining category is designated forest land in the timber tax law. (See chapter 84.33 RCW)

As part of the process of implementing the tax incentives described above, a county government is authorized to direct its planning commission to: (1) set open space priorities; (2) adopt an open space plan; and (3) create a "public benefit rating system" for tax assessment purposes. In addition, the county auditor must establish an "assessed valuation schedule" as a means of determining the taxable value of designated open space land. In determining the taxable value of designated open space land, the county assessor must utilize current "use values" and may not consider the potential uses for the property.

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#### **Summary of Substitute Bill:**

In adopting open space plans, public benefit rating systems, and assessed valuation schedules, a county must give priority consideration to lands used for buffers that either: (1) are voluntarily maintained by the property owner and not required by law; or (2) contain and/or are planted with vegetation that is composed primarily of native species. The "priority consideration" requirement applies to the establishment of classification eligibility and to the maintenance criteria applicable to qualifying buffers.

County legislative authorities must provide the priority consideration required under the act not later than July 1, 2006.

#### **Substitute Bill Compared to Original Bill:**

- Expands the authority of county legislative authorities to give priority consideration to certain buffers by allowing priority consideration to be given to buffers that *either* are not required by law *or* are planted with or primarily contain native vegetation.
- Requires county legislative authorities to provide the priority consideration required under the act not later than July 1, 2006.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** This bill is part of a package of bills intended to provide a comprehensive approach to improving water quality in the Hood Canal and Puget Sound regions. Clean water is an economic asset that will benefit the citizens of this state. Encouraging the creation, maintenance, and expansion of buffers will help preserve the integrity of water resources. The purpose of the bill is to provide an incentive to landowners to do this. Many shoreline landowners want to create buffers and will respond to this incentive. Creating buffers and conserving vegetation are essential to the preservation of water quality. This will play a large part in preventing the storm water run off that is detrimentally affecting our water. Land use planning must play a large role in the conservation of water resources.

**Testimony Against:** None.

**Persons Testifying:** Representative Upthegrove; Josh Baldi, Washington Environmental Council; Bruce Wishart, People for Puget Sound; Genesee Adkins, Futurewise; Beth Dolio; Tom Holtz; and Bryan Flint, Tahoma Audubon.

**Persons Signed In To Testify But Not Testifying:** None.