

2 **SHB 2871 - H AMD 928**

3 By Representative Parlette

4

5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** This chapter creates a new system of  
8 classifying agricultural land for property tax purposes as agricultural  
9 land with long-term commercial significance where the true and fair  
10 value of the land is based upon its current use.

11 NEW SECTION. **Sec. 2.** (1) Land shall be classified as agricultural  
12 land with long-term commercial significance if: (a) The land is  
13 designated as agricultural land under RCW 36.70A.170(1) by a county,  
14 city, or town planning under RCW 36.70A.040; (b) the land is devoted  
15 primarily to agricultural uses specified under RCW 36.70A.030(2) and  
16 not used for residential purposes, industrial purposes, or other  
17 commercial purposes; and (c) the county, city, or town has adopted its  
18 development regulations under RCW 36.70A.060 conserving agricultural  
19 land designated under RCW 36.70A.170(1). Once classified as  
20 agricultural land with long-term commercial significance under this  
21 chapter, land shall not be removed from classification solely because  
22 the land is no longer designated as agricultural land under RCW  
23 36.70A.170(1).

24 (2) An owner of land desiring classification as agricultural land  
25 with long-term commercial significance shall make application to the  
26 county assessor upon forms prepared by the department of revenue and  
27 supplied by the county assessor. The application shall require only  
28 such information reasonably necessary to properly classify an area of  
29 land under this chapter with a notarized verification of the truth  
30 thereof and shall include a statement that the applicant is aware of  
31 the potential tax liability involved when such land ceases to be  
32 classified as agricultural land with long-term commercial significance.  
33 Applications must be made during the calendar year preceding that in  
34 which such classification is to begin. The assessor shall make  
35 necessary information, including copies of this chapter and applicable

1 regulations, readily available to interested parties, and shall render  
2 reasonable assistance to such parties upon request.

3 (3) The assessor shall automatically send applications to all  
4 landowners of land meeting the requirements of this section based upon  
5 information submitted to the assessor by counties, cities, and towns  
6 under RCW 36.70B.230 (as recodified by this act). The manifest error  
7 provisions of RCW 84.48.065 apply to the classification of land as  
8 agricultural land with long-term commercial significance.

9 (4) The assessor shall act upon the application for classification  
10 as agricultural land with long-term commercial significance with due  
11 regard to all relevant evidence. The application shall be deemed to  
12 have been approved unless, prior to the first day of May of the year  
13 after such application was mailed or delivered to the assessor, the  
14 assessor shall notify the applicant in writing of the extent to which  
15 the application is denied. The owner of land eligible for  
16 classification as agricultural land with long-term commercial  
17 significance that is not approved by the assessor under subsection (2)  
18 of this section may appeal to the board of equalization of the county  
19 in which the property is located, in accordance with RCW 84.40.038,  
20 within thirty days of the date the notice of denial is mailed.

21 (5) Land classified or designated as forest land under chapter  
22 84.33 RCW shall not be classified as agricultural land with long-term  
23 commercial significance, even if it meets the requirements of this  
24 section. Land classified as open space land, farm and agricultural  
25 land, or timber land under RCW 84.34.020 (1), (2), or (3) shall not be  
26 classified as agricultural land with long-term commercial significance,  
27 even if it meets the requirements of this section.

28 (6) The true and fair value of agricultural land with long-term  
29 commercial significance for property tax purposes shall be the current  
30 use value of the land determined in the same manner as the current use  
31 value of land classified as farm and agricultural land is determined  
32 under chapter 84.34 RCW.

33 NEW SECTION. **Sec. 3.** (1) The classification of land as  
34 agricultural land with long-term commercial significance shall be  
35 removed if either: (a) The land is no longer designated as  
36 agricultural lands under RCW 36.70A.170(1) and the landowner requests  
37 the land be removed from classification under this chapter; or (b) the

1 use of the land changes to a use not permitted for designation as  
2 agricultural land with long-term commercial significance.

3 Land removed from classification as agricultural land with long-  
4 term commercial significance shall be valued at its true and fair value  
5 under RCW 84.40.030 unless it is reclassified under another current use  
6 valuation program under chapter 84.33 or 84.34 RCW.

7 (2) Land classified as agricultural land with long-term commercial  
8 significance that is removed from classification under subsection  
9 (1)(a) of this section is not subject to any additional tax, interest,  
10 and penalty. Land classified as agricultural land with long-term  
11 commercial significance that is removed from classification under  
12 subsection (1)(b) of this section is subject to additional tax,  
13 interest, and penalty. Additional tax, interest, and penalty shall be  
14 determined in the manner provided for additional tax, penalty, and  
15 interest for removal of open space lands under RCW 84.34.070 through  
16 84.34.108.

17 NEW SECTION. **Sec. 4.** The provisions of RCW 84.34.300 through  
18 84.34.380, relating to exemptions from special benefit assessments,  
19 apply to agricultural land with long-term commercial significance.

20 NEW SECTION. **Sec. 5.** The department shall adopt rules consistent  
21 with this chapter as are necessary or desirable to permit the effective  
22 administration of this chapter.

23 **Sec. 6.** RCW 84.34.020 and 1997 c 429 s 31 are each amended to read  
24 as follows:

25 As used in this chapter, unless a different meaning is required by  
26 the context:

27 (1) "Open space land" means (a) any land area so designated by an  
28 official comprehensive land use plan adopted by any city or county and  
29 zoned accordingly, or (b) any land area, the preservation of which in  
30 its present use would (i) conserve and enhance natural or scenic  
31 resources, or (ii) protect streams or water supply, or (iii) promote  
32 conservation of soils, wetlands, beaches or tidal marshes, or (iv)  
33 enhance the value to the public of abutting or neighboring parks,  
34 forests, wildlife preserves, nature reservations or sanctuaries or  
35 other open space, or (v) enhance recreation opportunities, or (vi)  
36 preserve historic sites, or (vii) preserve visual quality along

1 highway, road, and street corridors or scenic vistas, or (viii) retain  
2 in its natural state tracts of land not less than one acre situated in  
3 an urban area and open to public use on such conditions as may be  
4 reasonably required by the legislative body granting the open space  
5 classification, or (c) any land meeting the definition of farm and  
6 agricultural conservation land under subsection (8) of this section.  
7 As a condition of granting open space classification, the legislative  
8 body may not require public access on land classified under (b)(iii) of  
9 this subsection for the purpose of promoting conservation of wetlands.

10 (2) "Farm and agricultural land" means:

11 (a) Any parcel of land that is twenty or more acres or multiple  
12 parcels of land that are contiguous and total twenty or more acres:

13 (i) Devoted primarily to the production of livestock or  
14 agricultural commodities for commercial purposes;

15 (ii) Enrolled in the federal conservation reserve program or its  
16 successor administered by the United States department of agriculture;  
17 or

18 (iii) Other similar commercial activities as may be established by  
19 rule;

20 (b) Any parcel of land that is five acres or more but less than  
21 twenty acres devoted primarily to agricultural uses, which has produced  
22 a gross income from agricultural uses equivalent to, as of January 1,  
23 1993:

24 (i) One hundred dollars or more per acre per year for three of the  
25 five calendar years preceding the date of application for  
26 classification under this chapter for all parcels of land that are  
27 classified under this subsection or all parcels of land for which an  
28 application for classification under this subsection is made with the  
29 granting authority prior to January 1, 1993; and

30 (ii) On or after January 1, 1993, two hundred dollars or more per  
31 acre per year for three of the five calendar years preceding the date  
32 of application for classification under this chapter;

33 (c) Any parcel of land of less than five acres devoted primarily to  
34 agricultural uses which has produced a gross income as of January 1,  
35 1993, of:

36 (i) One thousand dollars or more per year for three of the five  
37 calendar years preceding the date of application for classification  
38 under this chapter for all parcels of land that are classified under  
39 this subsection or all parcels of land for which an application for

1 classification under this subsection is made with the granting  
2 authority prior to January 1, 1993; and

3 (ii) On or after January 1, 1993, fifteen hundred dollars or more  
4 per year for three of the five calendar years preceding the date of  
5 application for classification under this chapter.

6 Parcels of land described in (b)(i) and (c)(i) of this subsection  
7 shall, upon any transfer of the property excluding a transfer to a  
8 surviving spouse, be subject to the limits of (b)(ii) and (c)(ii) of  
9 this subsection.

10 Agricultural lands shall also include such incidental uses as are  
11 compatible with agricultural purposes, including wetlands preservation,  
12 provided such incidental use does not exceed twenty percent of the  
13 classified land and the land on which appurtenances necessary to the  
14 production, preparation, or sale of the agricultural products exist in  
15 conjunction with the lands producing such products. Agricultural lands  
16 shall also include any parcel of land of one to five acres, which is  
17 not contiguous, but which otherwise constitutes an integral part of  
18 farming operations being conducted on land qualifying under this  
19 section as "farm and agricultural lands"; or

20 (d) The land on which housing for employees and the principal place  
21 of residence of the farm operator or owner of land classified pursuant  
22 to (a) of this subsection is sited if: The housing or residence is on  
23 or contiguous to the classified parcel; and the use of the housing or  
24 the residence is integral to the use of the classified land for  
25 agricultural purposes((;

26 ~~(e) Any parcel of land designated as agricultural land under RCW~~  
27 ~~36.70A.170; or~~

28 ~~(f) Any parcel of land not within an urban growth area zoned as~~  
29 ~~agricultural land under a comprehensive plan adopted under chapter~~  
30 ~~36.70A RCW)).~~

31 (3) "Timber land" means any parcel of land that is five or more  
32 acres or multiple parcels of land that are contiguous and total five or  
33 more acres which is or are devoted primarily to the growth and harvest  
34 of forest crops for commercial purposes. A timber management plan  
35 shall be filed with the county legislative authority at the time (a) an  
36 application is made for classification as timber land pursuant to this  
37 chapter or (b) when a sale or transfer of timber land occurs and a  
38 notice of classification continuance is signed. Timber land means the  
39 land only.

1 (4) "Current" or "currently" means as of the date on which property  
2 is to be listed and valued by the assessor.

3 (5) "Owner" means the party or parties having the fee interest in  
4 land, except that where land is subject to real estate contract "owner"  
5 shall mean the contract vendee.

6 (6) "Contiguous" means land adjoining and touching other property  
7 held by the same ownership. Land divided by a public road, but  
8 otherwise an integral part of a farming operation, shall be considered  
9 contiguous.

10 (7) "Granting authority" means the appropriate agency or official  
11 who acts on an application for classification of land pursuant to this  
12 chapter.

13 (8) "Farm and agricultural conservation land" means either:

14 (a) Land that was previously classified under subsection (2) of  
15 this section, that no longer meets the criteria of subsection (2) of  
16 this section, and that is reclassified under subsection (1) of this  
17 section; or

18 (b) Land that is traditional farmland that is not classified under  
19 chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a  
20 use inconsistent with agricultural uses, and that has a high potential  
21 for returning to commercial agriculture.

22 **Sec. 7.** RCW 36.70B.230 and 1996 c 254 s 6 are each amended to read  
23 as follows:

24 By July 31, (~~(1997, a local government)~~) 1998, every county or city  
25 planning under RCW 36.70A.040 shall provide to the county assessor a  
26 copy of (~~the local government's~~) its comprehensive plan and  
27 development regulations in effect on July 1st of that year and shall  
28 thereafter provide any amendments to the plan and regulations that were  
29 adopted before July 31st of each following year. The plans and  
30 regulations provided to the assessor must include the agricultural land  
31 designated under RCW 36.70A.170 and the regulations adopted under RCW  
32 36.70A.060 conserving the designated land.

33 A county or city that initially plans under RCW 36.70A.040 after  
34 the effective date of this section shall provide a copy of its  
35 comprehensive plan and development regulations to the county assessor  
36 by July 31st of the year immediately following the year the county or  
37 city initially became subject to RCW 36.70A.040.

1        NEW SECTION.   **Sec. 8.**   The following acts or parts of acts are each  
2 repealed:

- 3        (1) RCW 35.63.240 and 1996 c 254 s 3;
- 4        (2) RCW 35A.63.260 and 1996 c 254 s 4; and
- 5        (3) RCW 36.70.495 and 1996 c 254 s 5.

6        NEW SECTION.   **Sec. 9.**   RCW 36.70B.230, as amended by this act, is  
7 recodified as a new section in chapter 36.70A RCW.

8        NEW SECTION.   **Sec. 10.**   Sections 1 through 5 of this act constitute  
9 a new chapter in Title 84 RCW."

10        Correct the title.

11        EFFECT:   Requires lands owners to apply for the new current use  
12 program for land designated as agricultural lands of long term  
13 commercial significance. Limits new program to land not already in a  
14 current use program. Forgives back taxes if land is removed from  
15 designation as agricultural lands of long term commercial significance  
16 but otherwise requires back taxes if land is no longer farmed. Removes  
17 language adopted in 1997 that qualifies all rural agricultural land  
18 located outside the urban growth area for current use valuation.

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