

SENATE BILL REPORT

SB 6209

As of January 28, 1998

Title: An act relating to current use taxation.

Brief Description: Regulating current use taxation.

Sponsors: Senators Prince and Loveland.

Brief History:

Committee Activity: Agriculture & Environment: 1/29/98.

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

Staff: Bob Lee (786-7404)

Background: The Open Space Taxation Act was passed in 1971 and allows agricultural land to be valued at its current use rather than highest and best use. Landowners may apply to the county assessor to participate in the program. If the land is then removed from agriculture use, there are provisions for recapture of the amount of the reduction in the property tax.

The Growth Management Act contains provisions for counties designating agricultural land not already characterized by urban growth that has long-term agricultural significance. Counties that are required or choose to plan are to adopt a comprehensive plan and zone land for agriculture use.

Summary of Bill: The county legislative authority must notify the assessor that land has been designated as agricultural land.

The county assessor must send to owners of land that has been designated as agricultural land under the Growth Management Act an application to enroll for current use valuation. Included with the application is a notice that explains all of the requirements of the Open Spaces Taxation Act. Persons who own agricultural land within an urban growth area are not sent an application but continue to be able to enroll land for current use valuation as long as the land remains in agricultural use.

The landowner who chooses to participate in the current use valuation must return the completed application and other required information to the assessor within 45 days. The application for classification is presumed approved unless the land is not being used for commercial agricultural purposes. If it does not qualify, the assessor is to notify the owner, who then may appeal the denial to the county board of equalization.

If the land is classified as farm and agricultural land and is devoted primarily to agricultural use, it must be valued under current use valuation procedures. Land that is designated as

agricultural use but not devoted primarily to agricultural use is not eligible for current use valuation.

Persons who chose to not participate in the Open Spaces Taxation Program have their land valued according to sales made of similar property. The appraisal must be consistent with the comprehensive plan and zoning regulations in effect at the time of the appraisal.

Appropriation: None.

Fiscal Note: Requested.

Effective Date: Effective for taxes levied for collection in 1999 and thereafter.