
Local Government Committee

ESSB 5620

Brief Description: Providing for priority consideration for lands used as buffers in planning.

Sponsors: Senate Committee on Government Operations & Elections (originally sponsored by Senators Kline, Mulliken, Pridemore, Kastama, Poulsen, Rockefeller, Fairley and Kohl-Welles).

Brief Summary of Engrossed Substitute Bill

- Requires counties to give priority consideration to buffers planted in native vegetation when adopting open space plans, public benefit rating systems, and assessed valuation schedules under the Open Space Taxation Act.
- Provides that land within airport boundaries which is classified as open space under the Open Space Taxation Act can only be removed or declassified at the written behest of the owner.

Hearing Date: 3/30/05

Staff: CeCe Clynch (786-7168).

Background:

In the Open Space Taxation Act (Act), the Legislature declared that it is in the best interest 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 put in place to encourage the preservation of designated open space, farm and agricultural, and timber lands through the creation of a system of tax incentives.

Under this system of tax incentives, property meeting certain criteria is assessed and taxed on the basis of its current "use value" rather than "market value" or the value that could be derived from the "highest and best use" of the property. Counties are authorized to: (1) set open space priorities; (2) adopt an open space plan; and (3) create a "public benefit rating system" for tax assessment purposes. County auditors are directed to 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 value" rather than considering potential uses.

Once land has been classified under the Act, a notation of the classification is entered each year upon the assessment and tax rolls and the land is so valued until removal of all or a portion of the classification by the assessor. Removal or declassification occurs in the following circumstances:

- receipt of notice from the owner to remove or declassify;
- sale or transfer making all or a portion of the land exempt from ad valorem taxation;
- sale or transfer to a new owner, unless the new owner signs a notice of classification continuance; or
- determination by the assessor, after giving the owner written notice an opportunity to be heard, that all or a portion of the land no longer meets the criteria for classification under the Act.

The assessor is required to notify the owner in writing of the reasons for removal. The seller, transferor, or owner may appeal the removal to the county Board of Equalization. Upon final removal, the assessor revalues the property with reference to its true and fair value. In some circumstances, an additional tax, applicable interest, and a penalty is imposed.

Summary of 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 are composed of primarily native vegetation. "Priority consideration" includes the establishment of classification eligibility and maintenance criteria applicable to qualifying buffers.

Unless buffers already receive priority consideration, counties are directed to incorporate priority consideration for buffers planted with native vegetation within the counties' open space plans, public benefit rating systems, and assessed valuation schedules no later than July 1, 2006.

A separate subsection provides that property, within the boundaries of an airport, which has been classified as open space land must receive priority consideration and cannot be removed or declassified except upon receipt of a written notice from the owner to so remove or declassify.

Appropriation: None.

Fiscal Note: Requested on March 25, 2005.

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