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**Agriculture & Natural Resources  
Committee**

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**SSB 5359**

**Brief Description:** Concerning contiguous land under current use open space property tax programs.

**Sponsors:** Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Morton, Swecker, Honeyford and Schoesler).

**Brief Summary of Substitute Bill**

- Provides definitions applicable to the open space taxation statutes.

**Hearing Date:** 3/11/11

**Staff:** Jason Callahan (786-7117).

**Background:**

Property that meets certain conditions may have property taxes determined on current use values rather than market values. There are four categories of lands that may be classified and assessed on current use. Three categories are covered in the open space law: open space lands, farm and agriculture lands, and timber lands. The fourth category, designated forest land, is in the timber tax law. When land is designated as open space it is generally assessed at a lower value resulting in lower tax payments. When land is removed from designation as open space, the foregone taxes must, with certain exceptions, be paid.

Parcels qualifying for current use valuation must have certain characteristics. One of these characteristics relate to the size of the ownership. For instance, forest land and farm and agricultural lands must be 20 or more acres in size, or be a collection of contiguous parcels that together amount to 20 or more acres. Similarly, timber land must be at least 5 acres in size, or be composed of contiguous parcels equaling at least 5 acres.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

For timber land and farm and agricultural land, contiguous is defined as adjoining and touching property held by the same ownership. A land-dividing public road does not sever the contiguous nature of the parcels. The term "same ownership" is not defined.

For forest lands, there is not a definition for the word "contiguous" available in the applicable chapters of the tax code.

**Summary of Bill:**

A definition for the word "contiguous" is provided as it relates to forest land. The term is defined adjoining and touching property held by the same ownership. A land-dividing public road does not sever the contiguous nature of the parcels. This is similar to the existing definition "contiguous" applicable to timber land and farm and agricultural land.

As it applies to timber land, farm and agricultural land, and the new forest land definition of "contiguous," the term "same ownership" is defined. The term is defined to mean land owned by the same person or, if owned by different people, is managed as a single operation. If the land is owned by different people but managed as a single operation, the term "same ownership" only applies if the land is owned by members of the same family or legal entities owned by different family members.

The term "family" is further defined. This term includes spouses, domestic partners, children, stepchildren, grandchildren, parents, cousins, and siblings.

**Appropriation:** None.

**Fiscal Note:** Available.

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