

SENATE BILL REPORT

SB 5359

As Reported by Senate Committee On:
Agriculture & Rural Economic Development, February 7, 2011

Title: An act relating to contiguous land under current use open space property tax programs.

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

Sponsors: Senators Morton, Swecker, Honeyford and Schoesler.

Brief History:

Committee Activity: Agriculture & Rural Economic Development: 1/27/11, 2/07/11 [DPS].

SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5359 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hatfield, Chair; Shin, Vice Chair; Delvin, Ranking Minority Member; Becker, Haugen, Hobbs, Honeyford and Schoesler.

Staff: Bob Lee (786-7404)

Background: In 1969 the state's voters approved a constitutional amendment that allows the valuation of agricultural lands, timber lands, and open space for property tax purposes to be based on the land's current use value rather than the land's market value. The purpose of the program is to encourage retention of the land in agricultural, forestry, or other approved open space uses by taxing the land according to its income producing capacity in those uses rather than on its value if converted to other uses.

Two chapters establish the criteria for land to qualify for the current use program. Chapter 84.33 RCW applies to timber lands and chapter 84.34 RCW applies primarily to agricultural lands and open space lands.

To enroll in these programs, different criteria applies to categories based on parcel size. The three size categories are over 20 acres; five to 20 acres; and under five acres. To determine the parcel size, multiple parcels that are contiguous and held by the same ownership are combined.

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.

There have been questions as to what the term "same ownership" is intended to include when the multiple parcels of contiguous land is owned by different family members.

Summary of Bill (Recommended Substitute): The term "same ownership" is defined to include multiple contiguous parcels that are managed as part of a single operation and (a) owned by members of the same family, (b) legal entities wholly owned by members of the same family, or (c) a combination of individuals and entities that are wholly owned by members of the family.

This definition applies to the chapters of the current use valuation law that apply to forest lands, farm and agricultural lands, and open space lands.

EFFECT OF CHANGES MADE BY AGRICULTURE & RURAL ECONOMIC DEVELOPMENT COMMITTEE (Recommended Substitute): The substitute bill includes adopted child, cousin, and domestic partner in the definition of family. The term immediate family was changed to family.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: None

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: County assessors have been implementing the Open Spaces Act for a number of years. Recently, reviews by the Department of Revenue of county procedures raised questions as to what same ownership was intended to mean. With estate planning, many farms are owned by various configurations of family members. The main criteria is whether the land continues to be used for agricultural purposes.

Persons Testifying: PRO: Don Munks, Skagit County Assessor; Dave Cook, Yakima County Assessor; Leslie Cushman, self.