

SHB 2306 - H AMD 700

By Representative Lytton

ADOPTED 02/13/2014

1 Strike everything after the enacting clause and insert the
2 following:

3 NEW SECTION. **Sec. 1.** (1) The legislature recognizes the
4 increasing diversity of Washington state agriculture, the growing
5 number of smaller farms, and the important contributions that all farms
6 make to the state's economy and the state's ability to produce food,
7 fiber, and forest crops locally.

8 (2) The legislature intends, through the study and report required
9 in section 2 of this act, to evaluate:

10 (a) The ongoing viability of small farms and the impact the open
11 space program has on small farms;

12 (b) The potential modification to the existing gross income
13 thresholds for small farms;

14 (c) The fiscal impact and other consequences of potentially
15 extending current use valuation to home sites for smaller farms; and

16 (d) Allowing noncontiguous parcels to qualify under the current use
17 farm and agricultural program that are part of a single farming
18 operation.

19 (3) It is the legislature's further intent to adopt legislation
20 during the 2015 session substantially conforming to the recommendations
21 embodied in the report required under section 2 of this act.

22 NEW SECTION. **Sec. 2.** (1) The department of revenue, in
23 consultation with the stakeholder group described in subsection (3) of
24 this section, must conduct a study and prepare a report to the
25 legislature, by December 31, 2014, as provided in this section. The
26 primary objectives of the study are to evaluate and make
27 recommendations on improving the current use program for farm and
28 agricultural lands, with an emphasis on the viability of small farms.
29 The department's report must specifically include recommendations to

1 update program eligibility requirements, recommendations to modify the
2 program based on current farming practices, and recommendations to
3 allow small farm home sites to qualify for current use valuation. The
4 department must develop its recommendations consistent with the
5 following goals:

6 (a) To promote current use assessment practices in accord with the
7 legislature's intent in RCW 84.34.010, which is to maintain, preserve,
8 conserve, and otherwise continue in existence adequate open space lands
9 for the production of food, fiber, and forest crops;

10 (b) To ensure the current use farm and agricultural program for
11 small farm operations benefits these bona fide small farm operations
12 without subsidizing unintended parties;

13 (c) To ensure the current use farm and agricultural program is
14 consistent with current farming practices;

15 (d) To ensure that the current income thresholds for the current
16 use farm and agricultural program are consistent with the current farm
17 sector income and finances.

18 (2) The report must include proposed draft legislation to
19 accomplish the department's recommendation. The report may also
20 include an evaluation of the economic impact of farming and
21 agricultural production on the state's overall economy, with particular
22 focus on small scale agricultural production using a food and
23 agriculture hub approach.

24 (3) In preparing the report, the department must consult with an
25 agricultural current use stakeholder group, which may include the state
26 conservation commission, the office of farmland preservation,
27 representatives of statewide farm associations, the Washington State
28 University cooperative extension program, small and large farm
29 advocates, county officials including county assessors and county
30 commissioners, other academic institutions, and the agriculture and
31 fiscal committees of the legislature.

32 (4) Nonpartisan legislative staff on the appropriate fiscal
33 committees must provide assistance in researching and compiling data
34 used in the preparation of the report."

35 Correct the title.

EFFECT: Replaces the provisions of the bill with a Department of

Revenue study and report to assess the farm and agricultural current use valuation program with an emphasis on small farming operations. The report is due to the legislature at the end of 2014.

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