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**Finance Committee**

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**SB 5593**

**Brief Description:** Concerning filing requirements for property tax exemption claims for certain improvements to benefit fish and wildlife habitat, water quality, or water quantity.

**Sponsors:** Senators Smith and Parlette.

**Brief Summary of Bill**

- Requires landowners to file for a property tax exemption for certain habitat improvements by October 31.

**Hearing Date:** 3/15/13

**Staff:** Jeff Olsen (786-7175).

**Background:**

All real and personal property is subject to property tax each year based on its value, unless a specific exemption is provided by law. There are two classes of property. Real property consists of land and the buildings, structures, and improvements that are affixed to land. Personal property consists of all other property, such as machinery, equipment, furniture, and supplies of businesses. The tax is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

State law provides an exemption for certain types of property. One example is for improvements to real and personal property if the improvements are a part of a written conservation plan that provides benefits to wildlife habitat, water quality, or water quantity. The conservation plan must be approved by a local conservation district. Conservation districts must work with the state and federal natural resource agencies, and nonprofit organizations to include practices arranged by these entities and landowners in conservation plans. Habitat conservation plans under the terms of the federal Endangered Species Act and compensatory mitigation projects are not eligible for property tax exemption.

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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.*

Conservation districts are directed to keep a current list of property owners that have entered into a conservation plan that provides specific natural resource benefits. The districts must provide the list to the appropriate county tax assessor. A landowner may file a claim at any time with a county assessor to receive the tax exemption. The claim must include the district's certification of the conservation plan and the landowner must verify that the improvements have been maintained as provided in the plan.

**Summary of Bill:**

Landowners applying for a property tax exemption for an improvement that benefits fish and wildlife habitat must file a claim for an exemption by October 31. For each subsequent filing year, the claim must contain a copy of the conservation district's initial certification and the landowner's certification for the current year.

**Appropriation:** None.

**Fiscal Note:** Available.

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