
THIRD SUBSTITUTE HOUSE BILL 1437

State of Washington

63rd Legislature

2014 Regular Session

By House Finance (originally sponsored by Representatives Reykdal, Blake, Haigh, Orcutt, Lytton, Van De Wege, and Zeiger)

READ FIRST TIME 02/11/14.

1 AN ACT Relating to small farms under the current use property tax
2 program for farm and agricultural lands; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

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

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

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

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

1 NEW SECTION. **Sec. 2.** (1) The state conservation commission and
2 office of farmland preservation, in coordination with the department of
3 revenue, must conduct a study and prepare a report to the legislature,
4 by December 1, 2014, as provided in this section. The primary
5 objectives of the study are to evaluate and make recommendations on
6 improving the viability of small farms under the current use program
7 and extending current use valuation for home sites for small farms.
8 The commission's report must also include recommendations for updated
9 program eligibility requirements, if appropriate. The commission must
10 develop its recommendations consistent with the following goals:

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

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

18 (c) To evaluate whether the current income thresholds for farming
19 operations less than twenty acres should be updated.

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

26 (3) In preparing the report, the state conservation commission and
27 office of farmland preservation must form and consult with an
28 agricultural current use stakeholder group, including representatives
29 of statewide farm associations, the Washington State University
30 cooperative extension program, small and large farm advocates, county
31 officials including county assessors and county commissioners, other
32 academic institutions, and the agriculture and fiscal committees of the
33 legislature. Nonpartisan legislative staff on the appropriate fiscal
34 committees must provide assistance in researching and compiling data
35 used in the preparation of the report.

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