
SUBSTITUTE HOUSE BILL 2306

State of Washington **63rd Legislature** **2014 Regular Session**

By House Finance (originally sponsored by Representatives Lytton, Morris, and Blake)

READ FIRST TIME 02/10/14.

1 AN ACT Relating to current use valuation for farm and agricultural
2 land; amending RCW 84.34.020; adding a new section to chapter 84.34
3 RCW; and creating new sections.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.34 RCW
6 to read as follows:

7 The department must provide guidance to the state's county
8 assessors in order to:

9 (1) Assure fair, uniform, and consistent practices statewide in the
10 administration of this chapter;

11 (2) Provide access to the current use program for all eligible
12 farms; and

13 (3) Support the preservation of the state's working lands and
14 agricultural economy.

15 NEW SECTION. **Sec. 2.** It is the legislature's intent to clarify
16 that for multiple parcels of land that are contiguous and total twenty
17 or more acres, as described under RCW 84.34.020(2)(a), an individual
18 parcel does not have to directly produce gross income as long as

1 activities on the combined parcels generate cash income by producing
2 one or more agricultural products and the individual parcel is devoted
3 primarily to agricultural uses.

4 **Sec. 3.** RCW 84.34.020 and 2011 c 101 s 1 are each amended to read
5 as follows:

6 As used in this chapter, unless a different meaning is required by
7 the context:

8 (1) "Open space land" means (a) any land area so designated by an
9 official comprehensive land use plan adopted by any city or county and
10 zoned accordingly, or (b) any land area, the preservation of which in
11 its present use would (i) conserve and enhance natural or scenic
12 resources, or (ii) protect streams or water supply, or (iii) promote
13 conservation of soils, wetlands, beaches or tidal marshes, or (iv)
14 enhance the value to the public of abutting or neighboring parks,
15 forests, wildlife preserves, nature reservations or sanctuaries or
16 other open space, or (v) enhance recreation opportunities, or (vi)
17 preserve historic sites, or (vii) preserve visual quality along
18 highway, road, and street corridors or scenic vistas, or (viii) retain
19 in its natural state tracts of land not less than one acre situated in
20 an urban area and open to public use on such conditions as may be
21 reasonably required by the legislative body granting the open space
22 classification, or (c) any land meeting the definition of farm and
23 agricultural conservation land under subsection (8) of this section.
24 As a condition of granting open space classification, the legislative
25 body may not require public access on land classified under (b)(iii) of
26 this subsection for the purpose of promoting conservation of wetlands.

27 (2) "Farm and agricultural land" means:

28 (a) Any parcel of land that is twenty or more acres or multiple
29 parcels of land that are contiguous and total twenty or more acres:

30 (i) Devoted primarily to the production of livestock or
31 agricultural commodities for commercial purposes;

32 (ii) Enrolled in the federal conservation reserve program or its
33 successor administered by the United States department of agriculture
34 or included in the implementation of a work plan under the voluntary
35 stewardship program established in RCW 36.70A.705; or

36 (iii) Other similar commercial activities as may be established by
37 rule;

1 (b)(i) Any parcel of land that is five acres or more but less than
2 twenty acres devoted primarily to agricultural uses, which has produced
3 a gross income from agricultural uses equivalent to, as of January 1,
4 1993:

5 (A) One hundred dollars or more per acre per year for three of the
6 five calendar years preceding the date of application for
7 classification under this chapter for all parcels of land that are
8 classified under this subsection or all parcels of land for which an
9 application for classification under this subsection is made with the
10 granting authority prior to January 1, 1993; and

11 (B) On or after January 1, 1993, two hundred dollars or more per
12 acre per year for three of the five calendar years preceding the date
13 of application for classification under this chapter;

14 (ii) For the purposes of (b)(i) of this subsection, "gross income
15 from agricultural uses" includes, but is not limited to, the wholesale
16 value of agricultural products donated to nonprofit food banks or
17 feeding programs;

18 (c) Any parcel of land of less than five acres devoted primarily to
19 agricultural uses which has produced a gross income as of January 1,
20 1993, of:

21 (i) One thousand dollars or more per year for three of the five
22 calendar years preceding the date of application for classification
23 under this chapter for all parcels of land that are classified under
24 this subsection or all parcels of land for which an application for
25 classification under this subsection is made with the granting
26 authority prior to January 1, 1993; and

27 (ii) On or after January 1, 1993, fifteen hundred dollars or more
28 per year for three of the five calendar years preceding the date of
29 application for classification under this chapter. Parcels of land
30 described in (b)(i)(A) and (c)(i) of this subsection will, upon any
31 transfer of the property excluding a transfer to a surviving spouse or
32 surviving state registered domestic partner, be subject to the limits
33 of (b)(i)(B) and (c)(ii) of this subsection;

34 (d) Any parcel of land that is five acres or more but less than
35 twenty acres devoted primarily to agricultural uses, which meet one of
36 the following criteria:

37 (i) Has produced a gross income from agricultural uses equivalent

1 to two hundred dollars or more per acre per year for three of the five
2 calendar years preceding the date of application for classification
3 under this chapter;

4 (ii) Has standing crops with an expectation of harvest within seven
5 years, except as provided in (d)(iii) of this subsection, and a
6 demonstrable investment in the production of those crops equivalent to
7 one hundred dollars or more per acre in the current or previous
8 calendar year. For the purposes of this subsection (2)(d)(ii),
9 "standing crop" means Christmas trees, vineyards, fruit trees, or other
10 perennial crops that: (A) Are planted using agricultural methods
11 normally used in the commercial production of that particular crop; and
12 (B) typically do not produce harvestable quantities in the initial
13 years after planting; or

14 (iii) Has a standing crop of short rotation hardwoods with an
15 expectation of harvest within fifteen years and a demonstrable
16 investment in the production of those crops equivalent to one hundred
17 dollars or more per acre in the current or previous calendar year;

18 (e) Any lands including incidental uses as are compatible with
19 agricultural purposes, including wetlands preservation, provided such
20 incidental use does not exceed twenty percent of the classified land
21 and the land on which appurtenances necessary to the production,
22 preparation, or sale of the agricultural products exist in conjunction
23 with the lands producing such products. Agricultural lands also
24 include any parcel of land of one to five acres, which is not
25 contiguous, but which otherwise constitutes an integral part of farming
26 operations being conducted on land qualifying under this section as
27 "farm and agricultural lands";

28 (f) The land on which housing for employees and the principal place
29 of residence of the farm operator or owner of land classified pursuant
30 to (a) of this subsection is sited if: The housing or residence is on
31 or contiguous to the classified parcel; and the use of the housing or
32 the residence is integral to the use of the classified land for
33 agricultural purposes; (~~(e)~~)

34 (g) Any land that is used primarily for equestrian related
35 activities for which a charge is made, including, but not limited to,
36 stabling, training, riding, clinics, schooling, shows, or grazing for
37 feed and that otherwise meet the requirements of (a), (b), or (c) of
38 this subsection; or

1 (h) Any parcel of land that is five acres or more, used by a person
2 owning classified land under (a) of this subsection (2), and devoted
3 primarily to agricultural uses by such person.

4 (3) "Timber land" means any parcel of land that is five or more
5 acres or multiple parcels of land that are contiguous and total five or
6 more acres which is or are devoted primarily to the growth and harvest
7 of timber for commercial purposes. Timber land means the land only and
8 does not include a residential homesite. The term includes land used
9 for incidental uses that are compatible with the growing and harvesting
10 of timber but no more than ten percent of the land may be used for such
11 incidental uses. It also includes the land on which appurtenances
12 necessary for the production, preparation, or sale of the timber
13 products exist in conjunction with land producing these products.

14 (4) "Current" or "currently" means as of the date on which property
15 is to be listed and valued by the assessor.

16 (5) "Owner" means the party or parties having the fee interest in
17 land, except that where land is subject to real estate contract "owner"
18 means the contract vendee.

19 (6)(a) "Contiguous" means land adjoining and touching other
20 property held by the same ownership. Land divided by a public road,
21 but otherwise an integral part of a farming operation, is considered
22 contiguous.

23 (b) For purposes of this subsection (6):

24 (i) "Same ownership" means owned by the same person or persons,
25 except that parcels owned by different persons are deemed held by the
26 same ownership if the parcels are:

27 (A) Managed as part of a single operation; and

28 (B) Owned by:

29 (I) Members of the same family;

30 (II) Legal entities that are wholly owned by members of the same
31 family; or

32 (III) An individual who owns at least one of the parcels and a
33 legal entity or entities that own the other parcel or parcels if the
34 entity or entities are wholly owned by that individual, members of his
35 or her family, or that individual and members of his or her family.

36 (ii) "Family" includes only:

37 (A) An individual and his or her spouse or domestic partner, child,

1 stepchild, adopted child, grandchild, parent, stepparent, grandparent,
2 cousin, or sibling;

3 (B) The spouse or domestic partner of an individual's child,
4 stepchild, adopted child, grandchild, parent, stepparent, grandparent,
5 cousin, or sibling;

6 (C) A child, stepchild, adopted child, grandchild, parent,
7 stepparent, grandparent, cousin, or sibling of the individual's spouse
8 or the individual's domestic partner; and

9 (D) The spouse or domestic partner of any individual described in
10 (b)(ii)(C) of this subsection (6).

11 (7) "Granting authority" means the appropriate agency or official
12 who acts on an application for classification of land pursuant to this
13 chapter.

14 (8) "Farm and agricultural conservation land" means either:

15 (a) Land that was previously classified under subsection (2) of
16 this section, that no longer meets the criteria of subsection (2) of
17 this section, and that is reclassified under subsection (1) of this
18 section; or

19 (b) Land that is traditional farmland that is not classified under
20 chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a
21 use inconsistent with agricultural uses, and that has a high potential
22 for returning to commercial agriculture.

23 NEW SECTION. **Sec. 4.** This act applies to taxes levied for
24 collection in 2016 and thereafter.

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