

FINAL BILL REPORT

SHB 1747

C 251 L 17
Synopsis as Enacted

Brief Description: Concerning the withdrawal of land from a designated classification.

Sponsors: House Committee on Finance (originally sponsored by Representatives Taylor, McCaslin, Volz, Young and Shea).

House Committee on Finance
Senate Committee on Agriculture, Water, Trade & Economic Development
Senate Committee on Ways & Means

Background:

All property is subject to a tax each year based on the highest and best use, unless a specific exemption is provided by law. The Washington Constitution authorizes qualifying agricultural, timber, and open space lands to be valued on the basis of their current use rather than fair market value.

If property no longer qualifies for the current use valuation, an additional tax, a penalty, and interest are due. The additional tax is the difference between the fair market value and the current use value, multiplied by that year's levy rate, for a period not to exceed seven years. Interest is calculated at 12 percent per year, the same rate that applies for delinquent property taxes. The penalty is 20 percent of the additional tax and interest.

If the land has been in the program for at least 10 years and the owner provides a two-year withdrawal notice, the penalty does not apply. However, the additional tax and interest still apply.

Summary:

A property owner is no longer required to give a two-year advance notice when requesting to withdraw land from the current use program, if the land has been in the program for at least 10 years. Additional tax and interest still apply.

Penalty payments are due on parcels that are removed from the current use program if the assessor has begun the removal process prior to the owner requesting the land to be withdrawn from the current use program.

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.

The legislation impacts taxes levied for collection in 2018 and beyond.

Votes on Final Passage:

House	98	0
Senate	43	6

Effective: July 23, 2017