
**Agriculture & Natural Resources
Committee**

HB 1437

Brief Description: Concerning small farms under the current use property tax program for farm and agricultural lands.

Sponsors: Representatives Reykdal, Blake, Haigh, Orcutt, Lytton, Van De Wege and Zeiger.

Brief Summary of Bill

- Extends current use valuations to housing contiguous or on and integral to current use classified agricultural lands less than 20 acres.
- Excludes tidelands less than 20 acres whose sole agricultural activity is aquaculture from receiving current use valuation for housing.

Hearing Date: 2/6/13

Staff: Cherlyn Walden (786-7296).

Background:

The Open Space Taxation Act allows for current use valuations of qualifying agricultural land, which includes:

- parcels 20 acres and larger devoted primarily to agricultural production;
- parcels five to 20 acres that generate gross income from the sale of farm products \$200 or more per acre in three of each five-year period; or
- parcels that are less than 5 acres that generate a gross income of at least \$1,500 per year in three of each five-year period.

A parcel or contiguous parcels classified as farm and agricultural land in the current use program must be 20 acres or more to receive a reduction in the taxable value of the home site. The housing or residence must be on or contiguous to the current use parcel(s) and integral to the use of the classified land for agricultural purposes. For parcels under 20 acres, the land where the

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housing is situated is valued at fair market value, while the remainder of the parcel is valued at current use.

Summary of Bill:

The application of current use valuation on housing for employees and the principal place of residence of the farm operator or owner that are integral to and on or contiguous to farm and agricultural is extended to agricultural land less than 20 acres that meet current use program income requirements. This includes standing crops (such as Christmas trees, vineyards, fruit trees, or other perennial crops) and land used for equestrian related activities. Parcels on or adjacent to tidelands and under 20 acres whose sole agricultural activity is aquaculture are specifically excluded.

Appropriation: None.

Fiscal Note: Requested.

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