

FINAL BILL REPORT

2SHB 2080

FULL VETO

Brief Description: Regulating classification of lands with long-term commercial significance.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Parlette, Reams, Mulliken, Chandler and Boldt).

House Committee on Government Reform & Land Use
House Committee on Appropriations
Senate Committee on Ways & Means

Background: Most property is valued or assessed at its true and fair, or highest and best, value for purposes of imposing property taxes. The state Constitution, however, allows the legislature to enact legislation assessing certain types of real property at its present or current use for purposes of imposing property taxes. Two programs of current use valuation have been established: one program for forest lands and a second program that includes open space lands, farm and agricultural lands, and timber lands.

Depending on the acreage of the land sought to be classified as farm and agricultural lands, various requirements must be met, including the generation of certain amounts of gross income per acre in three of the last five calendar years. With certain exceptions, lands that are withdrawn from classification as farm and agricultural lands are subject to an additional tax and penalties.

Summary: For the purposes of imposing property taxes, a new classification of land as agricultural land with long-term commercial significance is created. To be eligible for the new classification, the lands must be designated agricultural lands under the Growth Management Act and must meet other conditions.

The valuation of agricultural lands with long-term commercial significance equals either: (1) the true and fair value of land as farm and agricultural land; or (2) one-half of the property's true and fair value, whichever is lower.

If the classification of agricultural land as agricultural land with long-term commercial significance is removed, no back taxes, penalties, or interest may be imposed.

Votes on Final Passage:

House 98 0
Senate 45 2 (Senate amended)
House 96 0 (House concurred)