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ENGROSSED SUBSTITUTE HOUSE BILL 2306

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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; 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 gross income  
14 thresholds for small farms;

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

17 (d) Allowing noncontiguous parcels to qualify under the current use  
18 farm and agricultural program that are part of a single farming  
19 operation.

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

4 NEW SECTION. **Sec. 2.** (1) The department of revenue, in  
5 consultation with the stakeholder group described in subsection (3) of  
6 this section, must conduct a study and prepare a report to the  
7 legislature, by December 31, 2014, as provided in this section. The  
8 primary objectives of the study are to evaluate and make  
9 recommendations on improving the current use program for farm and  
10 agricultural lands, with an emphasis on the viability of small farms.  
11 The department's report must specifically include recommendations to  
12 update program eligibility requirements, recommendations to modify the  
13 program based on current farming practices, and recommendations to  
14 allow small farm home sites to qualify for current use valuation. The  
15 department must develop its recommendations consistent with the  
16 following goals:

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

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

24 (c) To ensure the current use farm and agricultural program is  
25 consistent with current farming practices;

26 (d) To ensure that the current income thresholds for the current  
27 use farm and agricultural program are consistent with the current farm  
28 sector income and finances.

29 (2) The report must include proposed draft legislation to  
30 accomplish the department's recommendation. The report may also  
31 include an evaluation of the economic impact of farming and  
32 agricultural production on the state's overall economy, with particular  
33 focus on small scale agricultural production using a food and  
34 agriculture hub approach.

35 (3) In preparing the report, the department must consult with an  
36 agricultural current use stakeholder group, which may include the state  
37 conservation commission, the office of farmland preservation,

1 representatives of statewide farm associations, the Washington State  
2 University cooperative extension program, small and large farm  
3 advocates, county officials including county assessors and county  
4 commissioners, other academic institutions, and the agriculture and  
5 fiscal committees of the legislature.

6 (4) Nonpartisan legislative staff on the appropriate fiscal  
7 committees must provide assistance in researching and compiling data  
8 used in the preparation of the report.

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