

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 2871

Chapter 320, Laws of 1998
(partial veto)

55th Legislature
1998 Regular Session

CURRENT USE VALUATION OF PROPERTY

EFFECTIVE DATE: 6/11/98

Passed by the House February 17, 1998
Yeas 96 Nays 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

Passed by the Senate March 12, 1998
Yeas 47 Nays 0

BRAD OWEN
President of the Senate

Approved April 3, 1998, with the
exception of sections 1 through 6 and
10 through 13, which are vetoed.

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2871** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

FILED

April 3, 1998 - 2:24 p.m.

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2871

Passed Legislature - 1998 Regular Session

State of Washington

55th Legislature

1998 Regular Session

By House Committee on Finance (originally sponsored by Representatives Parlette, Chandler, Wensman, Anderson, Reams, Clements, Romero, Linville, Gardner and Thompson)

Read first time 02/09/98. Referred to Committee on .

1 AN ACT Relating to current use valuation; amending RCW 84.34.070,
2 84.34.020, 84.34.065, and 36.70B.230; reenacting and amending RCW
3 84.40.030; adding a new section to chapter 36.70A RCW; adding a new
4 chapter to Title 84 RCW; recodifying RCW 36.70B.230; and repealing RCW
5 35.63.240, 35A.63.260, and 36.70.495.

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

7 **NEW SECTION. Sec. 1. This chapter creates a new system of*
8 *classifying agricultural land for property tax purposes as agricultural*
9 *land with long-term commercial significance where the true and fair*
10 *value of the land is based upon its current use. This new current use*
11 *valuation program applies to eligible land automatically and is in*
12 *addition to the voluntary farm and agricultural land valuation program*
13 *under chapter 84.34 RCW.*

14 **Sec. 1 was vetoed. See message at end of chapter.*

15 **NEW SECTION. Sec. 2. (1) Land shall be classified as*
16 *agricultural land with long-term commercial significance if: (a) The*
17 *land is designated as agricultural land under RCW 36.70A.170(1) by a*
18 *county, city, or town planning under RCW 36.70A.040; (b) the land is*

1 devoted primarily to agricultural uses specified under RCW
2 36.70A.030(2) and not used for residential purposes, industrial
3 purposes, or other commercial purposes; and (c) the county, city, or
4 town has adopted its development regulations under RCW 36.70A.060
5 conserving agricultural land designated under RCW 36.70A.170(1).

6 (2) The assessor shall automatically classify or reclassify land
7 meeting the requirements of this section based upon information
8 submitted to the assessor by counties, cities, and towns under RCW
9 36.70B.230 (as recodified by this act). The manifest error provisions
10 of RCW 84.48.065 apply to the classification or reclassification of
11 land as agricultural land with long-term commercial significance.

12 (3) The true and fair value of agricultural land with long-term
13 commercial significance for property tax purposes shall be the current
14 use value of the land determined in the same manner as the current use
15 value of land classified as farm and agricultural land is determined
16 under chapter 84.34 RCW.

17 (4) The owner of any land eligible for classification or
18 reclassification as agricultural land with long-term commercial
19 significance that is not so classified or reclassified by the assessor
20 under subsection (2) of this section may submit a written request to
21 the assessor requesting the land be classified or reclassified as
22 agricultural land with long-term commercial significance together with
23 proof that the land meets the requirements of this section. The
24 assessor shall investigate the request and either deny or approve the
25 request within thirty days of the date the request was received. The
26 assessor shall give written notice of the denial or approval to the
27 owner requesting the classification or reclassification. A denial may
28 be appealed to the board of equalization of the county in which the
29 property is located, in accordance with RCW 84.40.038, within thirty
30 days of the date the notice of denial is mailed.

31 (5) Eligible land classified as farm and agricultural land under
32 chapter 84.34 RCW shall be reclassified as agricultural land with
33 long-term commercial significance. Land classified or designated as
34 forest land under chapter 84.33 RCW shall not be classified as
35 agricultural land with long-term commercial significance, even if it
36 meets the requirements of this section. Land classified as open space
37 land or timber land under RCW 84.34.020 (1) or (3) shall not be
38 classified as agricultural land with long-term commercial significance,
39 even if it meets the requirements of this section. However, the owner

1 of open space farm and agricultural conservation land under RCW
2 84.34.020(1)(c) may submit an application requesting the land be
3 reclassified as agricultural land with long-term commercial
4 significance and the assessor shall so reclassify this land if it meets
5 the requirements of this section.

6 *Sec. 2 was vetoed. See message at end of chapter.

7 *NEW SECTION. Sec. 3. (1) The classification or reclassification
8 of land as agricultural land with long-term commercial significance
9 shall be removed if either: (a) The county, city, or town removes the
10 designation of the land under RCW 36.70A.170(1); or (b) the use of the
11 land changes to a use not permitted for designation as agricultural
12 land with long-term commercial significance.

13 Land removed from classification as agricultural land with long-
14 term commercial significance shall be valued at its true and fair value
15 under RCW 84.40.030 unless it is reclassified under another current use
16 valuation program under chapter 84.33 or 84.34 RCW.

17 (2) Land classified as agricultural land with long-term commercial
18 significance that was not reclassified to that status from farm and
19 agricultural land or open space farm and agricultural conservation land
20 under chapter 84.34 RCW is not subject to any additional tax, penalty,
21 and interest if removed from classification as agricultural land with
22 long-term commercial significance.

23 (3) However, land classified as agricultural land with long-term
24 commercial significance that was reclassified to that status from farm
25 and agricultural land or open space farm and agricultural conservation
26 land under chapter 84.34 RCW is subject to additional tax, penalty, and
27 interest, if the land is removed from classification as agricultural
28 land with long-term commercial significance as follows:

29 (a) The additional tax, penalty, and interest shall be calculated
30 in the same manner as set forth under RCW 84.34.108 and 84.34.080 for
31 removing land from classification as farm and agricultural land or open
32 space farm and agricultural conservation land under chapter 84.34 RCW,
33 except for each year the land remains classified as agricultural land
34 with long-term commercial significance one year of the additional tax,
35 penalty, and interest shall be abated. Additional tax, penalty, and
36 interest shall not be imposed if the reclassified land remains
37 classified as agricultural land with long-term commercial significance
38 for at least seven years.

1 (b) Additional tax, penalty, and interest under this subsection is
2 not due if the land is reclassified as farm and agricultural land or
3 open space farm and agricultural conservation land under chapter 84.34
4 RCW immediately upon being removed from classification as agricultural
5 land with long-term commercial significance.

6 *Sec. 3 was vetoed. See message at end of chapter.

7 *NEW SECTION. Sec. 4. The provisions of RCW 84.34.300 through
8 84.34.380, relating to exemptions from special benefit assessments,
9 apply to agricultural land with long-term commercial significance.

10 *Sec. 4 was vetoed. See message at end of chapter.

11 *NEW SECTION. Sec. 5. The department shall adopt rules consistent
12 with this chapter as are necessary or desirable to permit the effective
13 administration of this chapter.

14 *Sec. 5 was vetoed. See message at end of chapter.

15 *Sec. 6. RCW 84.34.070 and 1992 c 69 s 10 are each amended to read
16 as follows:

17 (1) When land has once been classified under this chapter, it shall
18 remain under such classification and shall not be applied to other use
19 except as provided by subsection (2) of this section for at least ten
20 years from the date of classification and shall continue under such
21 classification until and unless withdrawn from classification after
22 notice of request for withdrawal shall be made by the owner. During
23 any year after eight years of the initial ten-year classification
24 period have elapsed, notice of request for withdrawal of all or a
25 portion of the land may be given by the owner to the assessor or
26 assessors of the county or counties in which such land is situated. In
27 the event that a portion of a parcel is removed from classification,
28 the remaining portion must meet the same requirements as did the entire
29 parcel when such land was originally granted classification pursuant to
30 this chapter unless the remaining parcel has different income criteria.
31 Within seven days the assessor shall transmit one copy of such notice
32 to the legislative body which originally approved the application. The
33 assessor or assessors, as the case may be, shall, when two assessment
34 years have elapsed following the date of receipt of such notice,
35 withdraw such land from such classification and the land shall be
36 subject to the additional tax and applicable interest due under RCW
37 84.34.108. Agreement to tax according to use shall not be considered

1 to be a contract and can be abrogated at any time by the legislature in
2 which event no additional tax or penalty shall be imposed.

3 (2) The following reclassifications are not considered withdrawals
4 or removals and are not subject to additional tax under RCW 84.34.108:

5 (a) Reclassification between lands under RCW 84.34.020 (2) and (3);

6 (b) Reclassification of land classified under RCW 84.34.020 (2) or
7 (3) or chapter 84.33 RCW to open space land under RCW 84.34.020(1);

8 (c) Reclassification of land classified under RCW 84.34.020 (2) or
9 (3) to forest land classified under chapter 84.33 RCW; ((and))

10 (d) Reclassification of farm and agricultural land classified under
11 RCW 84.34.020(2), or open space farm and agricultural conservation land
12 classified under RCW 84.34.020(1)(c), to agricultural land of long-term
13 commercial significance under section 2 of this act; and

14 (e) Reclassification of land classified as open space land under
15 RCW 84.34.020(1)(c) and reclassified to farm and agricultural land
16 under RCW 84.34.020(2) if the land had been previously classified as
17 farm and agricultural land under RCW 84.34.020(2).

18 (3) Applications for reclassification shall be subject to
19 applicable provisions of RCW 84.34.037, 84.34.035, 84.34.041, and
20 chapter 84.33 RCW.

21 (4) The income criteria for land classified under RCW 84.34.020(2)
22 (b) and (c) may be deferred for land being reclassified from land
23 classified under RCW 84.34.020 (1)(c) or (3), or chapter 84.33 RCW into
24 RCW 84.34.020(2) (b) or (c) for a period of up to five years from the
25 date of reclassification.

26 *Sec. 6 was vetoed. See message at end of chapter.

27 **Sec. 7.** RCW 84.34.020 and 1997 c 429 s 31 are each amended to read
28 as follows:

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

31 (1) "Open space land" means (a) any land area so designated by an
32 official comprehensive land use plan adopted by any city or county and
33 zoned accordingly, or (b) any land area, the preservation of which in
34 its present use would (i) conserve and enhance natural or scenic
35 resources, or (ii) protect streams or water supply, or (iii) promote
36 conservation of soils, wetlands, beaches or tidal marshes, or (iv)
37 enhance the value to the public of abutting or neighboring parks,
38 forests, wildlife preserves, nature reservations or sanctuaries or

1 other open space, or (v) enhance recreation opportunities, or (vi)
2 preserve historic sites, or (vii) preserve visual quality along
3 highway, road, and street corridors or scenic vistas, or (viii) retain
4 in its natural state tracts of land not less than one acre situated in
5 an urban area and open to public use on such conditions as may be
6 reasonably required by the legislative body granting the open space
7 classification, or (c) any land meeting the definition of farm and
8 agricultural conservation land under subsection (8) of this section.
9 As a condition of granting open space classification, the legislative
10 body may not require public access on land classified under (b)(iii) of
11 this subsection for the purpose of promoting conservation of wetlands.

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

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

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

17 (ii) Enrolled in the federal conservation reserve program or its
18 successor administered by the United States department of agriculture;
19 or

20 (iii) Other similar commercial activities as may be established by
21 rule;

22 (b) Any parcel of land that is five acres or more but less than
23 twenty acres devoted primarily to agricultural uses, which has produced
24 a gross income from agricultural uses equivalent to, as of January 1,
25 1993:

26 (i) One hundred dollars or more per acre per year for three of the
27 five calendar years preceding the date of application for
28 classification under this chapter for all parcels of land that are
29 classified under this subsection or all parcels of land for which an
30 application for classification under this subsection is made with the
31 granting authority prior to January 1, 1993; and

32 (ii) On or after January 1, 1993, two hundred dollars or more per
33 acre per year for three of the five calendar years preceding the date
34 of application for classification under this chapter;

35 (c) Any parcel of land of less than five acres devoted primarily to
36 agricultural uses which has produced a gross income as of January 1,
37 1993, of:

38 (i) One thousand dollars or more per year for three of the five
39 calendar years preceding the date of application for classification

1 under this chapter for all parcels of land that are classified under
2 this subsection or all parcels of land for which an application for
3 classification under this subsection is made with the granting
4 authority prior to January 1, 1993; and

5 (ii) On or after January 1, 1993, fifteen hundred dollars or more
6 per year for three of the five calendar years preceding the date of
7 application for classification under this chapter.

8 Parcels of land described in (b)(i) and (c)(i) of this subsection
9 shall, upon any transfer of the property excluding a transfer to a
10 surviving spouse, be subject to the limits of (b)(ii) and (c)(ii) of
11 this subsection.

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

22 (d) The land on which housing for employees and the principal place
23 of residence of the farm operator or owner of land classified pursuant
24 to (a) of this subsection is sited if: The housing or residence is on
25 or contiguous to the classified parcel; and the use of the housing or
26 the residence is integral to the use of the classified land for
27 agricultural purposes((;

28 ~~(e) Any parcel of land designated as agricultural land under RCW~~
29 ~~36.70A.170; or~~

30 ~~(f) Any parcel of land not within an urban growth area zoned as~~
31 ~~agricultural land under a comprehensive plan adopted under chapter~~
32 ~~36.70A RCW)).~~

33 (3) "Timber land" means any parcel of land that is five or more
34 acres or multiple parcels of land that are contiguous and total five or
35 more acres which is or are devoted primarily to the growth and harvest
36 of forest crops for commercial purposes. A timber management plan
37 shall be filed with the county legislative authority at the time (a) an
38 application is made for classification as timber land pursuant to this
39 chapter or (b) when a sale or transfer of timber land occurs and a

1 notice of classification continuance is signed. Timber land means the
2 land only.

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

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

8 (6) "Contiguous" means land adjoining and touching other property
9 held by the same ownership. Land divided by a public road, but
10 otherwise an integral part of a farming operation, shall be considered
11 contiguous.

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

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

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

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

24 **Sec. 8.** RCW 84.34.065 and 1997 c 429 s 33 are each amended to read
25 as follows:

26 The true and fair value of farm and agricultural land, including
27 land classified under section 2 of this act, shall be determined by
28 consideration of the earning or productive capacity of comparable lands
29 from crops grown most typically in the area averaged over not less than
30 five years, capitalized at indicative rates. The earning or productive
31 capacity of farm and agricultural lands shall be the "net cash rental",
32 capitalized at a "rate of interest" charged on long term loans secured
33 by a mortgage on farm or agricultural land plus a component for
34 property taxes. The current use value of land under RCW
35 84.34.020(2)(d) shall be established as: The prior year's average
36 value of open space farm and agricultural land used in the county plus
37 the value of land improvements such as septic, water, and power used to

1 serve the residence. This shall not be interpreted to require the
2 assessor to list improvements to the land with the value of the land.

3 ~~((In valuing any tract or parcel of real property designated and
4 zoned under a comprehensive plan adopted under chapter 36.70A RCW as
5 agricultural, forest, or open space land, the appraisal shall not be
6 based on similar sales of parcels that have been converted to
7 nonagricultural, nonforest, or nonopen space uses within five years
8 after the sale.))~~

9 For the purposes of the above computation:

10 (1) The term "net cash rental" shall mean the average rental paid
11 on an annual basis, in cash, for the land being appraised and other
12 farm and agricultural land of similar quality and similarly situated
13 that is available for lease for a period of at least three years to any
14 reliable person without unreasonable restrictions on its use for
15 production of agricultural crops. There shall be allowed as a
16 deduction from the rental received or computed any costs of crop
17 production charged against the landlord if the costs are such as are
18 customarily paid by a landlord. If "net cash rental" data is not
19 available, the earning or productive capacity of farm and agricultural
20 lands shall be determined by the cash value of typical or usual crops
21 grown on land of similar quality and similarly situated averaged over
22 not less than five years. Standard costs of production shall be
23 allowed as a deduction from the cash value of the crops.

24 The current "net cash rental" or "earning capacity" shall be
25 determined by the assessor with the advice of the advisory committee as
26 provided in RCW 84.34.145, and through a continuing internal study,
27 assisted by studies of the department of revenue. This net cash rental
28 figure as it applies to any farm and agricultural land may be
29 challenged before the same boards or authorities as would be the case
30 with regard to assessed values on general property.

31 (2) The term "rate of interest" shall mean the rate of interest
32 charged by the farm credit administration and other large financial
33 institutions regularly making loans secured by farm and agricultural
34 lands through mortgages or similar legal instruments, averaged over the
35 immediate past five years.

36 The "rate of interest" shall be determined annually by a rule
37 adopted by the department of revenue and such rule shall be published
38 in the state register not later than January 1 of each year for use in
39 that assessment year. The department of revenue determination may be

1 appealed to the state board of tax appeals within thirty days after the
2 date of publication by any owner of farm or agricultural land or the
3 assessor of any county containing farm and agricultural land.

4 (3) The "component for property taxes" shall be a figure obtained
5 by dividing the assessed value of all property in the county into the
6 property taxes levied within the county in the year preceding the
7 assessment and multiplying the quotient obtained by one hundred.

8 **Sec. 9.** RCW 84.40.030 and 1997 c 429 s 34 (Referendum Bill No.
9 47), 1997 c 134 s 1, and 1997 c 3 s 104 are each reenacted and amended
10 to read as follows:

11 All personal property shall be valued at one hundred percent of its
12 true and fair value in money and assessed on the same basis unless
13 specifically provided otherwise by law.

14 All real property shall be appraised at one hundred percent of its
15 true and fair value in money and assessed as provided in RCW 84.40.0305
16 unless specifically provided otherwise by law.

17 Taxable leasehold estates shall be valued at such price as they
18 would bring at a fair, voluntary sale for cash without any deductions
19 for any indebtedness owed including rentals to be paid.

20 The true and fair value of real property for taxation purposes
21 (including property upon which there is a coal or other mine, or stone
22 or other quarry) shall be based upon the following criteria:

23 (1) Any sales of the property being appraised or similar properties
24 with respect to sales made within the past five years. The appraisal
25 shall be consistent with the comprehensive land use plan, development
26 regulations under chapter 36.70A RCW, zoning, and any other
27 governmental policies or practices in effect at the time of appraisal
28 that affect the use of property, as well as physical and environmental
29 influences. An assessment may not be determined by a method that
30 assumes a land usage not permitted, for that property being appraised,
31 under existing zoning or land use planning ordinances or statutes. The
32 appraisal shall also take into account: (a) In the use of sales by
33 real estate contract as similar sales, the extent, if any, to which the
34 stated selling price has been increased by reason of the down payment,
35 interest rate, or other financing terms; and (b) the extent to which
36 the sale of a similar property actually represents the general
37 effective market demand for property of such type, in the geographical
38 area in which such property is located. Sales involving deed releases

1 or similar seller-developer financing arrangements shall not be used as
2 sales of similar property.

3 (2) In addition to sales as defined in subsection (1) of this
4 section, consideration may be given to cost, cost less depreciation,
5 reconstruction cost less depreciation, or capitalization of income that
6 would be derived from prudent use of the property. In the case of
7 property of a complex nature, or being used under terms of a franchise
8 from a public agency, or operating as a public utility, or property not
9 having a record of sale within five years and not having a significant
10 number of sales of similar property in the general area, the provisions
11 of this subsection (~~((2))~~) shall be the dominant factors in valuation.
12 When provisions of this subsection (~~((2))~~) are relied upon for
13 establishing values the property owner shall be advised upon request of
14 the factors used in arriving at such value.

15 (3) In valuing any tract or parcel of real property, the true and
16 fair value of the land, exclusive of structures thereon shall be
17 determined; also the true and fair value of structures thereon, but the
18 appraised valuation shall not exceed the true and fair value of the
19 total property as it exists. In valuing agricultural land, growing
20 crops shall be excluded.

21 ~~((4) In valuing any tract or parcel of real property designated
22 and zoned under a comprehensive plan adopted under chapter 36.70A RCW
23 as agricultural, forest, or open space land, the appraisal shall not be
24 based on similar sales of parcels that have been converted to
25 nonagricultural, nonforest, or nonopen space uses within five years
26 after the sale.))~~

27 **Sec. 10. RCW 36.70B.230 and 1996 c 254 s 6 are each amended to
28 read as follows:*

29 *By July 31, ~~((1997, a local government))~~ 1998, every county or city
30 planning under RCW 36.70A.040 shall provide to the county assessor a
31 copy of ~~((the local government's))~~ *its* comprehensive plan and
32 development regulations in effect on July 1st of that year and shall
33 thereafter provide any amendments to the plan and regulations that were
34 adopted before July 31st of each following year. *The plans and*
35 *regulations provided to the assessor must include the agricultural land*
36 *designated under RCW 36.70A.170 and the regulations adopted under RCW*
37 *36.70A.060 conserving the designated land.**

1 A county or city that initially plans under RCW 36.70A.040 after
2 the effective date of this section shall provide a copy of its
3 comprehensive plan and development regulations to the county assessor
4 by July 31st of the year immediately following the year the county or
5 city initially became subject to RCW 36.70A.040.

6 *Sec. 10 was vetoed. See message at end of chapter.

7 *NEW SECTION. Sec. 11. The following acts or parts of acts are
8 each repealed:

9 (1) RCW 35.63.240 and 1996 c 254 s 3;

10 (2) RCW 35A.63.260 and 1996 c 254 s 4; and

11 (3) RCW 36.70.495 and 1996 c 254 s 5.

12 *Sec. 11 was vetoed. See message at end of chapter.

13 *NEW SECTION. Sec. 12. RCW 36.70B.230, as amended by this act, is
14 recodified as a new section in chapter 36.70A RCW.

15 *Sec. 12 was vetoed. See message at end of chapter.

16 *NEW SECTION. Sec. 13. Sections 1 through 5 of this act
17 constitute a new chapter in Title 84 RCW.

18 *Sec. 13 was vetoed. See message at end of chapter.

Passed the House February 17, 1998.

Passed the Senate March 12, 1998.

Approved by the Governor April 3, 1998, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State April 3, 1998.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to sections 1
3 through 6 and 10 through 13, Engrossed Substitute House Bill No. 2871
4 entitled:

5 "AN ACT Relating to current use valuation;"

6 Sections 1 through 6 and 10 through 13 of Engrossed Substitute
7 House Bill No. 2871 would create a new current use property tax
8 valuation program for "agricultural lands of long-term commercial
9 significance." County assessors would automatically classify or
10 reclassify land meeting the requirements of the bill. Removing land
11 from this classification would trigger a penalty equal to seven years
12 of back-taxes, reduced by one year for every year the land remains in
13 the classification.

14 I believe that the program would set a bad precedent by allowing
15 certain property owners to avoid paying several years of taxes, and pay
16 no back-taxes if the land is later developed for non-agricultural
17 purposes. The vetoed sections of this bill could also make planning
18 under the Growth Management Act more contentious.

1 For these reasons, I have vetoed sections 1 through 6 and 10
2 through 13 of Engrossed Substitute House Bill No. 2871.

3 With the exception of sections 1 through 6 and 10 through 13,
4 Engrossed Substitute House Bill No. 2871 is approved."