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HOUSE BILL 2028

State of Washington 69th Legislature 2025 Regular Session

By Representatives Walsh and Dye

- AN ACT Relating to preserving Washington farmland by limiting purchases by certain entities; adding a new chapter to Title 64 RCW;
- 3 prescribing penalties; and declaring an emergency.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- The legislature finds that agricultural 5 NEW SECTION. Sec. 1. 6 land owned by Washington farmers and ranchers plays a key role in the 7 availability of affordable food in Washington state. However, the legislature further finds that the acquisition of agricultural land 8 by large investment and business entities, multinational nonprofit 9 10 organizations, certain land trusts, and other corporate and nonprofit 11 entities is driving local farmers and ranchers out of business while 12 burdening Washington consumers with significant increases in food 13 costs. Therefore, the legislature intends to prohibit 14 investment and business entities, multinational nonprofit 15 organizations, certain land trusts, and other corporate and nonprofit 16 entities from purchasing more of the state's existing agricultural land, so that our state's residents and families can afford food. 17
- NEW SECTION. Sec. 2. (1) A business entity may not purchase, acquire, or otherwise obtain an interest in land in Washington state zoned for agricultural use.

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- 1 (2) An investment entity may not purchase, acquire, or otherwise 2 obtain an interest in land in Washington state zoned for agricultural 3 use.
- 4 (3) This chapter does not apply to any land on which merchantable 5 timber exists or that qualifies for treatment as timberland under 6 chapter 84.34 RCW.
- NEW SECTION. Sec. 3. Whenever a business entity or investment entity owns an interest in land in violation of section 2 of this act, that land is ineligible for taxation under the open space taxation act, chapter 84.34 RCW, for any taxable period subsequent to the effective date of this section and prior to divestment to a lawful ownership status.

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- NEW SECTION. Sec. 4. (1) The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.
- (2) In addition to any other remedy to which a plaintiff is entitled under the consumer protection act, chapter 19.86 RCW, a business entity or investment entity that violates this chapter shall (a) forfeit and pay to the state a civil penalty of not more than \$100,000; and (b) sell the subject land to a qualified buyer within one year of entry of final judgment against the defendant and the completion of all timely appeals. A defendant that fails to sell any land as required by this subsection shall forfeit and pay to the state an additional civil penalty of not more than \$125,000 each year the failure to sell the land continues.
- NEW SECTION. Sec. 5. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 34 (1) "Agricultural use" means any use of land for the primary 35 purpose of agriculture as that term is defined in RCW 51.08.014.
- 36 (2) "Business entity" means any association, company, firm, 37 partnership, corporation, limited liability company, limited

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- 1 liability partnership, or other legal entity, and that entity's
- 2 successors, assignees, or affiliates, whether organized as a for-
- 3 profit or not-for-profit entity, and expressly including private
- 4 foundations and land trusts. "Business entity" does not include an
- 5 investment entity.
- 6 (3) "Investment entity" means: (a) A real estate investment trust
- 7 as defined by 26 U.S.C. Sec. 856; or (b) an entity that manages funds
- 8 pooled from investors and owes a fiduciary to those investors.
- 9 <u>NEW SECTION.</u> **Sec. 6.** Sections 1 through 5 and 7 of this act
- 10 constitute a new chapter in Title 64 RCW.
- 11 <u>NEW SECTION.</u> **Sec. 7.** This act is necessary for the immediate
- 12 preservation of the public peace, health, or safety, or support of
- 13 the state government and its existing public institutions, and takes
- 14 effect immediately.

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