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HOUSE BILL 1437

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State of Washington

63rd Legislature

2013 Regular Session

By Representatives Reykdal, Blake, Haigh, Orcutt, Lytton, Van De Wege, and Zeiger

Read first time 01/28/13. Referred to Committee on Agriculture & Natural Resources.

1 AN ACT Relating to small farms under the current use property tax  
2 program for farm and agricultural lands; amending RCW 84.34.020; and  
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that small farms  
6 should have similar current use valuation as larger farms. The  
7 legislature intends this act to provide that farms under twenty acres  
8 meeting the income requirements of the program are eligible for current  
9 use valuation of the land underlying the residential structures the  
10 same as farms twenty acres and over.

11 **Sec. 2.** RCW 84.34.020 and 2011 c 101 s 1 are each amended to read  
12 as follows:

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

15 (1) "Open space land" means (a) any land area so designated by an  
16 official comprehensive land use plan adopted by any city or county and  
17 zoned accordingly, or (b) any land area, the preservation of which in  
18 its present use would (i) conserve and enhance natural or scenic

1 resources, or (ii) protect streams or water supply, or (iii) promote  
2 conservation of soils, wetlands, beaches or tidal marshes, or (iv)  
3 enhance the value to the public of abutting or neighboring parks,  
4 forests, wildlife preserves, nature reservations or sanctuaries or  
5 other open space, or (v) enhance recreation opportunities, or (vi)  
6 preserve historic sites, or (vii) preserve visual quality along  
7 highway, road, and street corridors or scenic vistas, or (viii) retain  
8 in its natural state tracts of land not less than one acre situated in  
9 an urban area and open to public use on such conditions as may be  
10 reasonably required by the legislative body granting the open space  
11 classification, or (c) any land meeting the definition of farm and  
12 agricultural conservation land under subsection (8) of this section.  
13 As a condition of granting open space classification, the legislative  
14 body may not require public access on land classified under (b)(iii) of  
15 this subsection for the purpose of promoting conservation of wetlands.

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

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

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

21 (ii) Enrolled in the federal conservation reserve program or its  
22 successor administered by the United States department of agriculture;  
23 or

24 (iii) Other similar commercial activities as may be established by  
25 rule;

26 (b)(i) Any parcel of land that is five acres or more but less than  
27 twenty acres devoted primarily to agricultural uses, which has produced  
28 a gross income from agricultural uses equivalent to, as of January 1,  
29 1993:

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

36 (B) On or after January 1, 1993, two hundred dollars or more per  
37 acre per year for three of the five calendar years preceding the date  
38 of application for classification under this chapter;

1 (ii) For the purposes of (b)(i) of this subsection, "gross income  
2 from agricultural uses" includes, but is not limited to, the wholesale  
3 value of agricultural products donated to nonprofit food banks or  
4 feeding programs;

5 (c) Any parcel of land of less than five acres devoted primarily to  
6 agricultural uses which has produced a gross income as of January 1,  
7 1993, of:

8 (i) One thousand dollars or more per year for three of the five  
9 calendar years preceding the date of application for classification  
10 under this chapter for all parcels of land that are classified under  
11 this subsection or all parcels of land for which an application for  
12 classification under this subsection is made with the granting  
13 authority prior to January 1, 1993; and

14 (ii) On or after January 1, 1993, fifteen hundred dollars or more  
15 per year for three of the five calendar years preceding the date of  
16 application for classification under this chapter. Parcels of land  
17 described in (b)(i)(A) and (c)(i) of this subsection will, upon any  
18 transfer of the property excluding a transfer to a surviving spouse or  
19 surviving state registered domestic partner, be subject to the limits  
20 of (b)(i)(B) and (c)(ii) of this subsection;

21 (d) Any parcel of land that is five acres or more but less than  
22 twenty acres devoted primarily to agricultural uses, which meet one of  
23 the following criteria:

24 (i) Has produced a gross income from agricultural uses equivalent  
25 to two hundred dollars or more per acre per year for three of the five  
26 calendar years preceding the date of application for classification  
27 under this chapter;

28 (ii) Has standing crops with an expectation of harvest within seven  
29 years, except as provided in (d)(iii) of this subsection, and a  
30 demonstrable investment in the production of those crops equivalent to  
31 one hundred dollars or more per acre in the current or previous  
32 calendar year. For the purposes of this subsection (2)(d)(ii),  
33 "standing crop" means Christmas trees, vineyards, fruit trees, or other  
34 perennial crops that: (A) Are planted using agricultural methods  
35 normally used in the commercial production of that particular crop; and  
36 (B) typically do not produce harvestable quantities in the initial  
37 years after planting; or

1 (iii) Has a standing crop of short rotation hardwoods with an  
2 expectation of harvest within fifteen years and a demonstrable  
3 investment in the production of those crops equivalent to one hundred  
4 dollars or more per acre in the current or previous calendar year;

5 (e) Any lands including incidental uses as are compatible with  
6 agricultural purposes, including wetlands preservation, provided such  
7 incidental use does not exceed twenty percent of the classified land  
8 and the land on which appurtenances necessary to the production,  
9 preparation, or sale of the agricultural products exist in conjunction  
10 with the lands producing such products. Agricultural lands also  
11 include any parcel of land of one to five acres, which is not  
12 contiguous, but which otherwise constitutes an integral part of farming  
13 operations being conducted on land qualifying under this section as  
14 "farm and agricultural lands";

15 (f)(i) Except as provided otherwise in (f)(ii) of this subsection  
16 (2), the land on which housing for employees and the principal place of  
17 residence of the farm operator or owner of land classified pursuant to  
18 (a), (b), (c), (d), or (g) of this subsection is sited if: The housing  
19 or residence is on or contiguous to the classified parcel; and the use  
20 of the housing or the residence is integral to the use of the  
21 classified land for agricultural purposes.

22 (ii) A parcel of land may not be classified as "farm and  
23 agricultural land" under (f)(i) of this subsection (2), if the land is  
24 tidelands or any parcel of land adjacent to tidelands that is  
25 classified pursuant to (b), (c), (d), or (g) of this subsection (2) and  
26 the sole agricultural activity of which is aquaculture; or

27 (g) Any land that is used primarily for equestrian related  
28 activities for which a charge is made, including, but not limited to,  
29 stabling, training, riding, clinics, schooling, shows, or grazing for  
30 feed and that otherwise meet the requirements of (a), (b), or (c) of  
31 this subsection.

32 (3) "Timber land" means any parcel of land that is five or more  
33 acres or multiple parcels of land that are contiguous and total five or  
34 more acres which is or are devoted primarily to the growth and harvest  
35 of timber for commercial purposes. Timber land means the land only and  
36 does not include a residential homesite. The term includes land used  
37 for incidental uses that are compatible with the growing and harvesting  
38 of timber but no more than ten percent of the land may be used for such

1 incidental uses. It also includes the land on which appurtenances  
2 necessary for the production, preparation, or sale of the timber  
3 products exist in conjunction with land producing these products.

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

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

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

13 (b) For purposes of this subsection (6):

14 (i) "Same ownership" means owned by the same person or persons,  
15 except that parcels owned by different persons are deemed held by the  
16 same ownership if the parcels are:

17 (A) Managed as part of a single operation; and

18 (B) Owned by:

19 (I) Members of the same family;

20 (II) Legal entities that are wholly owned by members of the same  
21 family; or

22 (III) An individual who owns at least one of the parcels and a  
23 legal entity or entities that own the other parcel or parcels if the  
24 entity or entities are wholly owned by that individual, members of his  
25 or her family, or that individual and members of his or her family.

26 (ii) "Family" includes only:

27 (A) An individual and his or her spouse or domestic partner, child,  
28 stepchild, adopted child, grandchild, parent, stepparent, grandparent,  
29 cousin, or sibling;

30 (B) The spouse or domestic partner of an individual's child,  
31 stepchild, adopted child, grandchild, parent, stepparent, grandparent,  
32 cousin, or sibling;

33 (C) A child, stepchild, adopted child, grandchild, parent,  
34 stepparent, grandparent, cousin, or sibling of the individual's spouse  
35 or the individual's domestic partner; and

36 (D) The spouse or domestic partner of any individual described in  
37 (b)(ii)(C) of this subsection (6).

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

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

5           (a) Land that was previously classified under subsection (2) of  
6 this section, that no longer meets the criteria of subsection (2) of  
7 this section, and that is reclassified under subsection (1) of this  
8 section; or

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

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