

Open Space Taxation

Current Use Assessment Programs



Purpose of this presentation

- Introduce you to available current use assessment programs (property tax savings as an incentive for resource protection and management)
- Provide direction toward program best suited for personal objectives and property characteristics
- Provide contacts/information sources

Open Space Taxation Act

(Open Space, Agricultural, Timber Land)

Chapter RCW 84.34.010 Legislative declaration:

"...it is in the best interest of the state to maintain, preserve, conserve...open space lands for the production of food, fiber and forest crops, and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of the state and its citizens.

...assessment practices must be so designed as to permit the continued availability of open space lands for these purposes..."

Current Use Assessment Programs

Created by State of Washington in 1970
(State Constitution, section 11, article VII)

→ Forest Land

Twenty acres or more of contiguous forest primarily devoted to the growth and harvest of timber.
(268,400 acres participating - 2006)

→ Farm and Agricultural Land

Production of livestock or agricultural commodities.
Financial requirements dependent on acreage.
(30,904 acres participating - 2006)



continued

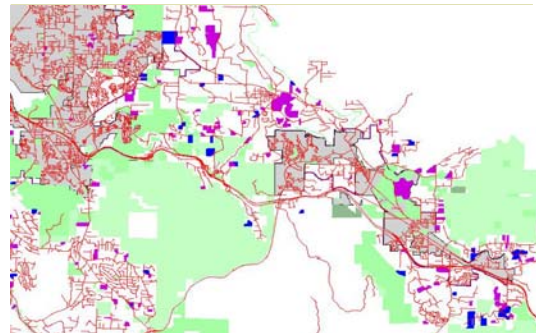
→ Timber Land

Five to twenty acres of contiguous forestland devoted to the growth and harvest of timber.
An approved and implemented forest stewardship or timber management plan is required.
(309 owners/3514 acres)

→ Public Benefit Rating System

Property containing one or more of the defined open space resources. Voluntary protecting beyond requirements. Examples include native forest cover, stream buffers, significant wildlife, farmland, public recreation, historic property and others.
(1003 owners/9134 acres)

CUT Participation



Timber Land Program

- Property must be zoned Forest (F) Agriculture (A) or Rural Area (RA)
- 5 - 20 acres of land devoted to growth/harvest of trees for commercial purposes
- **Approved and implemented forest stewardship plan**



Public Benefit Rating System (PBRS)

- Points awarded for voluntarily providing protection to resources beyond that required (native vegetation/forest)
- Total translates into land value percentage reduction (50% to 90%) for the portion participating
- **Home site/personal use area NOT eligible for current use reduction**



Sample PBRS Categories

- Surface water quality buffer
- Significant wildlife habitat
- Equestrian-pedestrian trail linkage
- Farm and agricultural land
- **Forest stewardship land**
- Urban or rural open space
- Historic landmark
- Aquifer protection area
- Public access
- Watershed protection area

Defined in PBRS Resource Information document



Application Process

- ① **Submit application before December 31 (2009)**
- ① King County staff visits property/reviews app (early 2010)
- ① Preliminary staff recommendation/report to applicant and Hearing Examiner
- ① Public hearing (spring 2010)
- ① Hearing Examiner recommendation (copies sent to County Council, Assessor, applicant)
- ① King County Council approval (by July 2010)
(City Council approval necessary as well if property located within incorporated area)
- ① Agreement signed by landowner and County Council Chair and recorded on title (savings start in 2011)

Withdrawal/Removal

From Open Space Taxation (RCW 84.34)

- Owe up to seven (7) years of savings back plus interest
- 20% penalty if not in program for 10 years and if 2 years notice isn't given
- **Forest Land (RCW 84.33)** removal "cost" based on current years savings times years enrolled, but not more than 10.

Change of ownership does not trigger/require removal

- If sold, the buyer/next owner may sign notice of continuance and continue in program



Example savings - PBRS

(Property that *MAY NOT* be developed further – only for PBRS)

Variables:

Improvement value: \$399,000 (will not be impacted)
Land value: \$227,000
Tax: \$6,612
Enrolling acreage: 4.0 acres of a 5.00 acre property

Result:

Home site value (1.0 acres): \$45,400 (\$45,400/acre)
Open space value (4.0 acres): \$181,600
PBRS reduction (\$181,600 x 80%): \$145,280 x levy rate

...Tax savings = \$1,535

Example savings – Timber Land

(Property in Timber or that *MAY* be developed further)

Variables:

Improvement value: \$79,000 (will not be impacted)
Land value: \$219,000
Tax: \$3,148
Enrolling acreage: 6.7 acres of a 9.6 acre property

Result:

Home site value (2.9 acres): \$100,000 (determined by Assessor)
Timber value (6.7 acres): \$1,340 (value/acre based on RCW 84.33)
Reduction: \$219,000 - \$101,340 = \$117,660 x levy rate

...Tax savings = \$1,243

What we do...PBRS/Timber Land staff

- Provide education and technical assistance
- Assist landowner with program selection based on program criteria and landowner objectives for their land
- Review application, site visit/resource analysis and recommendation for program qualification
- Staff hearings and act as advocate for qualified property
- Monitor for compliance to insure program success

Who to contact...

Public Benefit Rating System (PBRS) and Timber Land:

Ted Sullivan (206) 205-5170 or email: ted.sullivan@kingcounty.gov

Bill Bernstein (206) 296-8351 email: bill.bernstein@kingcounty.gov

Forest Land and Farm and Agricultural Lands:

Wendy Morse (206) 269-3969 or email:
wendy.morse@kingcounty.gov

<http://dnr.metrokc.gov/wlr/lands/incentiv.htm>

Resources

- 🔗 Public Benefit Rating System Resource Information
- 🔗 Department of Revenue (<http://dor.wa.gov>)
- 🔗 Revised Code of Washington (RCW), Chapter 84.34 (Open Space, Farm and Agriculture Land, Timber Land) and Chapter 84.33 (Forest Land)
- 🔗 Washington Administrative Code, Chapter 458-30 (Open Space Taxation Act Rules)
- 🔗 King County Code, Chapter 20.36
- 🔗 King County Ordinance #10511 and #12969

QUESTIONS?