



Farm & Agricultural Land

Program Summary

Farm & Agricultural means the use of land on a continuous and regular basis that demonstrates the intention to obtain through lawful means, a monetary profit from cash income received by agricultural activities. WAC458-30-200(2)(m).

Property tax relief is provided for properties that meet certain use requirements, RCW 84.34:

- **20 or more acres:** primarily devoted to commercial agricultural purposes prior to and subsequent to the application; federal income tax document will be required.
- **5 but less than 20 acres:** primarily devoted to commercial agricultural purposes prior to and subsequent to the application. Additionally, a gross income of \$200 or more per acre is required for at least 3 of the last 5 years; federal income tax document will be required.
- **Less than 5 acres:** primarily devoted to commercial agricultural purposes prior to and subsequent to the application. Additionally, a gross income of \$1,500 or more is required for at least 3 of the last 5 years; federal income tax document will be required.

Basis of Assessment

Agricultural lands are valued on their productivity capacity, which is based on soil type. Industry interest rates, county assessment ratios and farm product prices are used to derive values each year that are applied to five soil classes. Department of Natural Resources maps identify soil types throughout the county.

Application Requirements

Applications may be obtained from and filed with the assessor's office. The application may be for an entire parcel or any portion thereof. If a residence exists on farms less than 20 acres, a one-acre residence site is excluded from classification. A legal description is required, as well as a site plan and copies of IRS farm income schedules for at least three of the last five years. All owners must sign the application. If there are farm animals, a farm plan must also be submitted with the application. The Kitsap Conservation District provides assistance in developing farm plans. There is a \$300 application fee. Applications received on or before December 31 will be processed during the next calendar year for the following year's tax.

Review Process

Applications are reviewed by the assessor's office. The review may include a site visit. Applications are approved or denied by April 30.

Length of Time in Classification

Once property has been classified as agricultural land, the classification continues without need for renewal until farm activity ceases. If the owner cannot or chooses not to continue farming, classification may, under certain circumstances, be transferred to "Open Space" as "farm conservation land."

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Removal of Classification

Classification will be removed, and additional tax imposed, upon the occurrence of any of the following:

- Owner's request: The request for withdrawal must be made in writing and signed by all owners, and is irrevocable. Forms for withdrawal are available from the assessor.
- Change of use: Determination is made by Kitsap County that the property is no longer primarily devoted to the use for which it was classified. Removal of classification due to change of use will cause a 20% penalty to be added to the additional tax.
- Sale or transfer of property, and the new owner does not wish to continue classification: Additional tax must be collected before the conveyance is recorded.

Transfer of Ownership

A new owner may request to continue classification by signing a Notice of Continuance. All new owners may be required to provide data regarding the current use of the land, including the productivity of typical crops, sale receipts, federal income tax returns (including schedules documenting income), other income and expense data, and any other information relevant to the application. WAC 458-30-225(d)

Additional Tax

Additional tax equals the difference between the tax paid under Farm & Agriculture classification and the tax at true and fair market value for the current year and the last seven years, plus interest at 1% per month. Additional tax is not collected under the following circumstances:

1. Transfer to a government entity in exchange for other land within the state
2. Land is taken by power of eminent domain or transferred in anticipation of the exercise of such power
3. A natural disaster changes the use of the property
4. Official action by the state, county, or city disallows the present use of such land
5. Transfer of land to a church when such land would qualify for a property tax exemption pursuant to RCW 84.36.020
6. Acquisition of property interests by public agencies for the purpose of preserving open space lands or riparian easements
7. Removal of land classified as forest and agricultural land under RCW 84.34.020 (2)(e)

Additional tax becomes due 30 days following notification of the owner, and is subject to additional interest of 1% per month after the due date. A 20% penalty may also be imposed.

Kitsap County Assessor's Office
614 Division Street MS-22
Port Orchard, WA 98366-4677
Telephone: (360) 337-7160
Fax: (360) 337-4874
E-mail: assessor@co.kitsap.wa.us
www.kitsapgov.com/assr/