



# Current Use & Forest Land Assessment Overview

## Current Use Property Tax Assessment

Washington State law provides property tax relief for certain agricultural, timber, open space and forest lands. If your land meets certain use requirements, taxable value will be based on its current use rather than market value. Current use classification is not automatic - you must apply. Application and recording fees may be required. There are four categories, which are briefly described below. More detailed information is available by category.

## Change of Use/Removal from Classification

If the use of the land changes or the property is sold and the new owner does not wish to continue the use, the classification must be removed and compensating/back taxes paid.

### 1. Open Space Land

**Intent of the law:** To preserve ecologically sensitive land for the enjoyment of the people of the state of Washington.

**Requirements:** Land must have at least 2 ecological features such as ponds, streams, wetland or wildlife habitat, and/or be a scenic resource, historic site, or traditional farmland (little or no farming activity, but with high potential for returning to commercial agriculture). Other than traditional farm classification, the land may not be used to graze domestic animals. If farm animals are present a Farm Plan is required. If approved, certain restrictions and requirements will apply. Public access is encouraged. If a residence exists on the parcel, a 1 acre residence site is excluded from classification.

**Application procedure:** Applications must be filed with the Department of Community Development. Applications are processed during the next calendar year and any tax reduction will affect the following year's taxes. There is an application fee of \$300.

**Valuation:** Taxable value is reduced by the following -

- 50% - If property qualifies with at least two priority resources
- 60% - If property meets requirements for 50% reduction and public access is also allowed
- 80% - If property qualifies with at least 3 priority resources and has a conservation easement
- 90% - If property meets requirements for 80% reduction and public access is also allowed

### 2. Farm & Agricultural Land

**Intent of the law:** To preserve lands used for the commercial production of agricultural products.

**Requirements:** The land must be primarily devoted to raising agricultural products for commercial purposes. Eligible lands include cultivated Christmas tree farms. If a residence exists on farms less than 20 acres, a one-acre residence site is excluded from classification.

There are income requirements based on the amount of property to be classified:

- Less than 5 acres requires an annual gross income from agricultural products of \$1,500.
- 5 to 20 acres require an annual gross income from agricultural products of \$200 per acre.
- 20 or more acres do not require a specific amount, but there must be sufficient income to ascertain the property is a commercial-scale farm.

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## Farm & Agricultural Land (continued)

**Application procedure:** Applications must be filed with the County Assessor on or before December 31. The application must include copies of qualifying income tax returns from 3 of the last 5 years, which show income derived from the land. There is an application fee of \$300 and a Farm Plan is required if farm animals are present. Applications are processed during the next calendar year and any tax reduction will affect the following year's taxes.

**Valuation:** Taxable value is based on soil type, productivity and other valuation factors provided by the State Department of Revenue.

### **3. Timber Land**

**Intent of the law:** To promote the growth and harvest of forest products.

**Requirements:** A minimum of 5 contiguous acres, which must be primarily devoted to the growth and production of forest products. Any property 20 acres or larger will be classified under Designated Forest Land. If there is a residence on the parcel, a 1 acre building site is excluded from classification and it must be at least 6 acres in total area to qualify for this program.

**Application procedure:** Applications must be filed with the Department of Community Development. Applications are processed during the next calendar year and any tax reduction will affect the following year's taxes. There is an application fee of \$300 and a Forest Management Plan is required.

**Valuation:** Taxable value is based on soil type.

### **4. Designated Forest Land**

**Intent of the law:** To promote the growth of and harvest of forest products.

**Requirements:** A minimum of 20 contiguous acres, which must be primarily devoted to and used for growing and harvesting timber. Smaller parcels may qualify for timber land classification. If there is a residence on the parcel, a minimum 1 acre building site is excluded from the classification.

**Application procedure:** Applications must be filed with the County Assessor on or before December 31. Applications are processed during the next calendar year and any tax reduction will affect the following year's taxes. There is no application fee. However, recording fees may apply. A site plan and forest management plan is required.

**Valuation:** Taxable value is based on soil type.

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