

From: Yakima County Farm Bureau

Date: 12-29-19

To: Jennifer Wallace, Executive Director WACO

RE: WACO Initiative to add income test to tax law regarding Current Use to parcels of 20 acres and larger

This correspondence is from the Yakima County Farm Bureau (YCFB). YCFB is a grass roots organization with 2700 members consisting of farmers and ranchers with operations both large and small as well as other folks with interest in agriculture affairs in Yakima and Klickitat Counties.

Recently our County Farm Bureau became aware of a plan by the Washington Association Of County Officials (WACO) to request that the Washington State Legislature amend the law regarding Current Use taxation on parcels 20 acres or larger. According to WACO's web site, the request is to require an income test and that the threshold would be a minimum of \$4,000 per year in gross income on 20 acre plus parcels.

The YCFB strongly opposes such a change as it would prove disastrous to many of our members as well as a great number of farmers and ranchers across the State. We believe that this plan if implemented would drive many deserving parcels out of open space (Current Use designation). Besides paying higher future taxes a land owner would be expected to pay back taxes and severe penalties. There are lands in this State where development is not allowed at all due to zoning and potable water shortages. Land owners not able to afford the draconian rejection of their Current Use designation with no development option would be forced into insolvency and three years later, foreclosure of their property by the County.

It is well established that current use taxation saves farm family operations and also saves public entities a degree of stress by reducing the exodus of lands from agricultural and into development which will lead to added costs of required infrastructures such as greater roads, new schools, fire protection, sanitation services, potable water supplies, added law enforcement etc. into formally rural areas. A regressive policy that creates the above financial chaos should be eliminated not expanded.

After reading some recent news articles about this plan it is obvious that the administration of WACO is not cognizant of the economic realities of many of the lands across the State that are taxed under Current Use. It seems that the genesis of this proposal began as a perception that parcels of 20 acres or greater are unfairly or too easily given Current Use status by not passing an income test, yet if any inequity exists it is that under current statute, parcels smaller than 20 acres are being tested or judged unfairly by having an arbitrary income test.

The YCFB does not however advocate granting land owners special tax treatment for non-qualifying properties but we fail to see where the current controls over parcels in question are broken as there is an audit process in place. We believe it is incumbent upon your administrative body to gain the knowledge necessary about the true nature and economics of agricultural land in our State before making adjustments to a good law that has been saving farm lands for almost 50 years.

The YCFB urges WACO to stop proposing this change to Current Use tax law.

Mark Herke

President, Yakima County Farm Bureau