

Open Space Tax Program: Open Space Land

Protects farmlands that do not meet the Open Space Taxation Act “Farm and Agricultural Land” requirements but have a high potential of returning to farming in the future by allowing them to be taxed at current use, rather than highest and best use.

Overview

In 1992, the state Open Space Taxation Act was amended to allow for a new classification: “Open Space Lands.” This includes land that was formerly classified as farm and agricultural land that no longer produces the required amount of income or is not currently being farmed, or traditional farmland not classified in the Open Space Tax Program that is not irrevocably devoted to a use inconsistent with agricultural uses, and has a *high potential of returning to farming in the future*.

The program is authorized under State RCW 84.34, and administered by Thurston County. The Thurston County Assessor maintains two values for each land parcel that is classified as “Open Space Land”: a fair market value (based on its highest and best use) and a current use value (based on its classified use). Property taxes are based on the current use value.

Where it has worked

736 acres of farm and agricultural land in Thurston County are currently enrolled in the program.

Eligibility

While the State defines “Farm and Agricultural Lands,” Thurston County has greater leeway in defining “Open Space Lands.” To qualify, property must contain natural resources or scenic beauty preserved for the public good. The size requirement for eligibility is:

- 1 or more acres for property inside the Urban Growth Area.
- 5 or more acres for property outside the Urban Growth Area.

Property owners interested in this classification apply to Thurston County Resource Stewardship’s planning department. The Planning Commission reviews the application and makes recommendations to the Board of County Commissioners. The Board makes the final decision.

Challenges

- The Open Space Tax Program does not provide permanent protection from open space lands converting to other uses.
- Land can be withdrawn from the program at any time. However, the property owner must pay back taxes, and in some cases penalties, unless he or she had the land in the program for eight years and gives two years notice of intent to withdraw from the program.

Opportunities to make the program more effective

- Promote the program
- Reduce the current \$1,416 application fee (2015)

Who needs to make a change?

Thurston County

