

REVENUE: May have revenue impact, but no statement yet issued

FISCAL: Fiscal impact issued

Action:	Do Pass, Be Printed Engrossed, and Be Referred to the Committee on Finance and Revenue by prior reference
Vote:	4 - 0 - 1
Yeas:	Bates, Beyer, Prozanski, Avakian
Nays:	0
Exc.:	Atkinson
Prepared By:	Sue Marshall, Administrator
Meeting Dates:	3/22

WHAT THE MEASURE DOES: Establishes a property tax special district assessment for land subject to conservation easements. Allows land presently subject to farm use or forestland special assessment to be transferred to a conservation easement special assessment without payment of additional property tax. Requires the owner of land placed under a conservation easement to file a written certification with the county assessor. Permits the owner or other qualified person to withdraw an application within 30 days of applying for a change in classification from conservation easement or wildlife habitat easement to other special assessment category. Applies to tax years beginning on or after July 1, 2008.

ISSUES DISCUSSED:

- Incentive rather than regulatory approach to conservation
- Resulting higher tax rate and back tax payment discourages landowners from participation in conservation easements
- Potential loss of farm and forestland if these activities are not part of the easement management plan
- Whether there is a loss of funds to counties and if it is offset by collection of an application fee

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Under current law, a property owner who wishes to designate a portion of their property for conservation may lose a farm or forestland special property tax assessment on that portion of their property if the easement precludes the owner from engaging in farming or harvesting of timber. If a property is disqualified from a forest or farmland special assessment designation, the owner must pay property tax at a higher rate. The taxes owed may also include back taxes on properties that are disqualified.

Senate Bill 514 establishes a special assessment category for property taxes on land subject to a voluntary conservation easement. The measure sets forth an application process for property owners to apply with a county assessor and designates a fee of \$250. There are provisions in the measure for certifying compliance every three years, for disqualification, and for reinstatement of a conservation easement.