

REVENUE: Minimal revenue impact, no statement issued

FISCAL: Minimal fiscal impact, no statement issued

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Action: Do Pass with Amendments to the A-Engrossed Measure. (Printed B-Engrossed)

Vote: 5 - 0 - 0

Yeas: Baertschiger, Burdick, Close, Prozanski, Roblan

Nays: 0

Exc.: 0

Prepared By: Racquel Rancier, Administrator

Meeting Dates: 5/16, 5/30

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**WHAT THE MEASURE DOES:** Modifies requirements to alter, restore, or replace dwelling on exclusive farm use (EFU) land. Expands dwellings eligible for replacement to include those that formerly had specified features relating to walls, plumbing, wiring, and heating system. Requires finding that dwelling was assessed for purposes of ad valorem taxation for lesser of previous five property tax years or from time dwelling was erected and became subject to assessment, unless value eliminated due to destruction or demolition or dwelling improperly removed from tax roll. Defines “improperly removed.” Provides that replacement dwelling permit void if replaced dwelling not removed, demolished, or converted to allowable use within one year after replacement dwelling certified for occupancy; or by date set by permitting authority if dwelling attractive nuisance or unsafe for occupancy. Specifies deferred replacement permit does not expire; can only be transferred to spouse or child; and void if dwelling not removed or demolished within three months of permit issuance. Requires – if dwelling replaced no longer has specified features, removed improperly from tax roll, or replacement dwelling permit voided – replacement dwelling to be sited on same tract using all or part of replaced dwelling footprint or near certain property features or boundaries, and when possible, to be located within cluster of structures or within 500 yards of another structure. Allows replacement dwelling permit voided before Act effective date to be valid if, within one year after Act effective date, permit holder removes, demolishes, or converts to allowable use and records in county deed. Sunsets Act and restores existing statute on January 2, 2024.

**ISSUES DISCUSSED:**

- Provisions of bill and amendment
- Dwellings no longer have specified features to be eligible for replacement often due to vandalism
- Need for farmers to live on land and barriers to replace structures under existing law

**EFFECT OF COMMITTEE AMENDMENT:** Requires finding that dwelling was assessed for purposes of ad valorem taxation – unless value eliminated due to destruction or demolition – for lesser of previous five property tax years, or from time dwelling erected and became subject to assessment. Reverts to current law regarding compliance with health and safety requirements and siting. Provides that replacement dwelling permit void if dwelling not removed or demolished within time specified and removes provisions restricting transfer and specifying permit does not expire. Specifies deferred replacement permit does not expire, can only be transferred to spouse or child, and void if dwelling not removed or demolished within three months of permit issuance. Modifies definition of “improperly removed” to include dwelling with taxable value when dwelling destroyed by fire or act of God.

**BACKGROUND:** To qualify for a replacement dwelling under current law, the existing dwelling must have the following features: intact exterior walls and roof; indoor plumbing including a kitchen sink, toilet, and bathing facilities; interior wiring for lights; a heating system; and the dwelling must be removed, demolished, or converted within three months of completion of the replacement dwelling. A person may also request a deferred replacement permit to allow for the construction of the replacement dwelling at any time, provided that the existing structure is removed or demolished within three months after the permit is issued, otherwise the permit is void. House Bill 2746 B would allow dwellings that formerly had the specified features to qualify for replacement provided that certain conditions are met and allows property owners whose permits were voided before the Act to be valid if, the dwelling is removed or converted within one year after Act’s effective date. On January 2, 2024 the bill will sunset and the existing law will be reinstated.

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*This summary has not been adopted or officially endorsed by action of the committee.*