

HB 3171 -1 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 3/29

WHAT THE MEASURE DOES:

Modifies conditions under which nonexclusive farm use zone farmland is disqualified from special assessment to include termination of a lease between a public owner of the farmland and a taxable lessee. Clarifies instances when additional taxes are not imposed upon property disqualified from special assessment. Includes unsubstantial conforming language. Applies to tax years beginning on or after July 1, 2012. Allows for refund of previous paid additional tax or abatement of tax liability if additional tax was not paid. Specifies application and fee requirements for refund. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Eliminates retroactive portion of measure and associated refund/abatement components.

BACKGROUND:

Generally, when farm or forestlands, wildlife habitat or conservation easement lands are disqualified from special assessment, the land becomes taxable and additional taxes are imposed in an amount equal to the difference between the taxes assessed against the land and the taxes that would otherwise have been assessed against the land had the land not been specially assessed. The additional tax owed is computed for the previous ten or five years depending upon the type of land and the circumstances for the special assessment disqualification. However, specific circumstances exist where no additional tax is imposed.