

Multiple Agency Fiscal Note Summary

Bill Number: 1554 HB	Title: Farm & agricultural land
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Total \$						

Local Gov. Courts *						
Local Gov. Other **	Fiscal note not available					
Local Gov. Total						

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Revenue	.1	17,900	17,900	.0	0	0	.0	0	0
Total	0.1	\$17,900	\$17,900	0.0	\$0	\$0	0.0	\$0	\$0

Local Gov. Courts *									
Local Gov. Other **	Fiscal note not available								
Local Gov. Total									

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Prepared by: Doug Jenkins, OFM	Phone: 360-902-0563	Date Published: Preliminary 2/ 8/2005
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Department of Revenue Fiscal Note

Bill Number: 1554 HB	Title: Farm & agricultural land	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.2		0.1		
Fund					
GF-STATE-State 001-1	17,900		17,900		
Total \$	17,900		17,900		

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

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Agency Preparation: Diana Tibbetts	Phone: 360-570-6085	Date: 02/07/2005
Agency Approval: Don Gutmann	Phone: 360-570-6073	Date: 02/07/2005
OFM Review: Doug Jenkins	Phone: 360-902-0563	Date: 02/07/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 amends the definition of "farm and agricultural land" in RCW 84.34.020(2). Any parcel of land 5 to 20 acres in size classified as "farm and agricultural," which is classified under chapter 84.34 RCW, must be devoted primarily to agricultural uses and produce a minimum amount of gross income from agricultural uses to obtain and retain classified status. The amended text defines "gross income from agricultural uses" to include, but not limited to, the wholesale value of agricultural products donated to nonprofit food banks or feeding programs.

Because no effective date is specified, it is assumed that this act would take effect 90 days after the end of session.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS/DATA SOURCES

The current use program is administered by each local county assessor.

CURRENTLY REPORTING TAXPAYERS (Impact for taxpayers who are known or estimated to be currently paying the tax in question)

No impact to the state property tax.

It should be noted however, that if a very large "farm and agricultural" parcel was classified as current use, the impact could be significant to the local tax code areas covering that parcel.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000): None.

Local Government, if applicable (cash basis, \$000): Minimal.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This bill would require the Department of Revenue to revise and reprint one publication and two forms. The current use manual and training materials would also be updated. The agency would have to amend three rules for a total cost of \$17,300. The overall one-time cost of \$17,900 during fiscal year 2006 consists of:

- 1. 0.01 FTE which represents 16 hours at the Property Tax Specialist level to update forms, the publication, and training materials.
- 2. \$17,300 to amend three administrative rules. This represents staff time, printing, and postage.

The Department will absorb these costs. However, should this bill and other similar bills pass, the net impact may result in costs above the level the Department can reasonably absorb. In that event, the Department will need additional resources to implement the legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.2		0.1		
A-	8.900		8,900		
B-	2.200		2,200		
E-	5.800		5,800		
J-	1.000		1,000		
Total \$	\$17,900		\$17,900		

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
HEARINGS SCHEDULER	31,032	0.0		0.0		
PROP TAX SPECIALIST	53,136	0.0		0.0		
RULES MANAGER	69,500	0.0		0.0		
RULES POLICY SPECIALIST	68,600	0.0		0.0		
TAX POLICY SPECIALIST 3	58,656	0.1		0.1		
Total FTE's		0.2		0.1		

Part IV: Capital Budget Impact

NONE.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

This bill would require revising three existing rules for the change in the current use program: WACs 458-30-220, 458-30-225, and 458-30-275. The total cost of revising these rules is \$17,300. Persons interested in the rule-making would include nonprofit food banks and small farmers who sell food to these banks or other feeding programs.