



**STATE OF WASHINGTON**  
**DEPARTMENT OF REVENUE**

November 19, 2008

**TO:** Interested Parties

**FROM:** Brad Flaherty, Assistant Director  
Property Tax Division

**SUBJECT: STAKEHOLDER MEETING TO REVIEW OPEN SPACE TAXATION  
ACT DEFINITION (WAC 458-30-200) TO BE HELD IN YAKIMA ON  
DECEMBER 4, 2008 FROM 1:00 TO 3:00 P.M.**

The Department of Revenue wants to acknowledge recent concerns and confusion about the definition of “commercial agricultural purposes” as defined in WAC 458-30-200 and is beginning a stakeholder process to consider changes to the rule.

**Definition to be reviewed**

The Legislature enacted chapter 84.34 RCW, the Open Space Taxation Act, in 1970, and the Department adopted rules (chapter 458-30 WAC) to implement and administer this program in 1971. In 1988, the original rules were repealed and new rules adopted, including WAC 458-30-200, which defines “commercial agricultural purposes,” in pertinent part, as the:

- (i) Raising, harvesting, and selling lawful crops;*
- (ii) Feeding, breeding, managing, and selling of livestock, poultry, fur-bearing animals, or honey bees, or any products thereof;*
- (iii) Dairying or selling of dairy products;*
- (iv) Animal husbandry;*
- (v) Aquaculture;*
- (vi) Horticulture; or*
- (vii) Participating in a government-funded crop reduction or acreage set-aside program.*

Except for the inclusion of the cultivation of Christmas trees and certain short-rotation hardwoods, the definition of “commercial agricultural purposes” has remained virtually unchanged since at least 1988. It is time to give the definition a thorough review to make sure it makes sense in light of current agricultural practices and other current use provisions.

**Specific issues to be addressed**

We are aware of two specific issues that need to be covered. Persons who purchase calves or piglets in the Spring, raise them over the Summer, and sell them in the late Fall want this activity to be included in the definition of “commercial agricultural purposes.” The eligibility of horse boarding also needs to be addressed. You may know of other issues we need to consider.

**Yakima meeting scheduled**

The Department held meetings in Olympia on November 13, 2008.

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We will be holding a meeting in Eastern Washington on:

**DATE:** Thursday, December 4, 2008  
**TIME:** 1:00 p.m. to 3:00 p.m.  
**PLACE:** Red Lion Hotel  
East West Ballroom  
607 E. Yakima Avenue  
Yakima, Washington 98901

Space is limited. Please confirm your attendance by sending an e-mail to Marilou Rickert at [MarilouR@DOR.WA.GOV](mailto:MarilouR@DOR.WA.GOV).

### **Purpose of meetings**

The purpose of these meetings is to gather information to help the Department evaluate the definition of commercial agricultural activities to ensure the definition reflects current farming practices. The Department will not be making any decisions at the meetings. Nor will representatives of the Department be discussing the pros and cons of different positions or proposals. The Department will be collecting testimony and comments about what farming activities are being carried out by Washington farmers, the nature and components of these activities, whether or not these activities constitute “commercial agricultural production” as required by statute for agricultural classification, and the impact of these activities on the preservation of farmland.

### **How to participate**

Those interested may participate in the meeting verbally or by written comment. All testimony and comments, whether verbal or written, will be included in a final report of the meetings, which will be provided to Department decision makers, interested legislators, and other interested parties. Verbal testimony will be recorded at the meeting. Written comments may be provided at the meeting or sent to Marilou Rickert via e-mail at [MarilouR@DOR.WA.GOV](mailto:MarilouR@DOR.WA.GOV).

### **Rulemaking**

Although no rulemaking activities will be conducted at the meetings, the Department intends to begin updating WAC 458-30-200 in the weeks following these meetings. Anyone who wishes to be kept informed of the Department’s rulemaking activity should contact Marilou Rickert by e-mail at [MarilouR@DOR.WA.GOV](mailto:MarilouR@DOR.WA.GOV).

### **Additional questions**

If you have any additional questions or would like more information about the meeting, please contact Marilou Rickert in the Department’s Interpretations and Technical Advice Division at (360) 570-6115 or by e-mail at [MarilouR@DOR.WA.GOV](mailto:MarilouR@DOR.WA.GOV).

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