

Frequently Asked Questions Regarding The Public Benefit Rating System (PBRs) Adopted December, 2014

Q: Who will be affected by this change in Kittitas County Code?

A: All taxpayers who own property that is classified in Washington State Law as Current Use (CU) Open Space Land RCW 84.34.020 (1) which is defined in WAC 458-30-200 (gg). Property classified as Farm and Agriculture RCW 84.34.020 (2) **are not affected**.

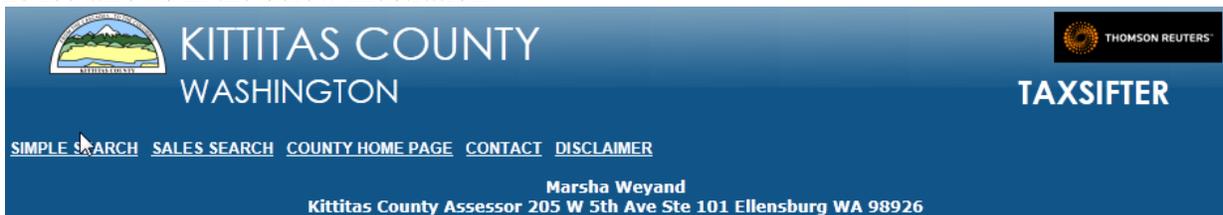
<http://apps.leg.wa.gov/rcw/default.aspx?cite=84.34.020>

<http://apps.leg.wa.gov/wac/default.aspx?cite=458-30-200>

Q: How do I know if my property is classified as Open Space RCW 84.34.020 (1)?

<http://apps.leg.wa.gov/rcw/default.aspx?cite=84.34.020>

A: You can use the Property Search, called TaxSifter <http://www.co.kittitas.wa.us/assessor/property.aspx>. Enter a parcel number in the Search Box and find the “DOR Code” field. If it contains 94, the property is classified as Open Space RCW 84.34.020 (1). There will also be a YES flag in the “Current Use/DFL” field. See the red arrows in the below illustration:



Assessor **Treasurer** **Appraisal** **MapSifter**

Parcel

| | | | |
|---------------------|--|---------------------|------------|
| Parcel#: | [REDACTED] | Owner Name: | [REDACTED] |
| DOR Code: | 94 - Undeveloped - Open Space | Address1: | [REDACTED] |
| Situs: | [REDACTED] | Address2: | [REDACTED] |
| Map Number: | [REDACTED] | City, State: | [REDACTED] |
| Status: | [REDACTED] | Zip: | [REDACTED] |
| Description: | [REDACTED] | | |
| Comment: | SENT OFFICIAL NOTICE OF VALUE, 9/5/2014; 14 FOR 15 | | |

| 2015 Market Value | | 2015 Taxable Value | | 2015 Assessment Data | |
|-------------------|----------|--------------------|----------|------------------------------|-------------------------------|
| Land: | \$48,580 | Land: | \$11,610 | District: | 4 - COR SD28 H02 CO COF ST |
| Improvements: | \$0 | Improvements: | \$0 | Current Use/DFL: | Yes |
| Permanent Crop: | \$0 | Permanent Crop: | \$0 | Senior/Disability Exemption: | No |
| Total | \$48,580 | Total | \$11,610 | Total Acres: | 11.43000 |

Q: Why was the PBRs created?

A: Implementation of a PBRs was recommended by the Washington State Department of Revenue review of Kittitas County’s administration of Open Space. It will provide a comprehensive structure under which the County can manage applications for and valuation of Open Space Land as defined in Washington State Law:

RCW 84.34.020 (1) <http://apps.leg.wa.gov/rcw/default.aspx?cite=84.34.020>

WAC 458-30-200 (gg) <http://apps.leg.wa.gov/wac/default.aspx?cite=458-30-200>

While all Current Use classifications, including Open Space Land, provide for lower taxes for owners, there is also a tax shift created. The tax burden is shifted by all programs that lower or exempt parcel value so all taxpayers are affected when Open Space Land applications are approved. Because of the tax shift and because CU Open Space Land is intended to benefit the public, a PBRs will help to insure that property classified as Open Space Land is beneficial to the public.

Q: Where can I find out more about a tax shift?

A: The Assessor's Office can provide more information about how property tax is affected by exemptions and programs that lower the taxable value of property, such as Open Space. Property tax in the State of Washington is budget based, not rate based. That means that taxing districts, such as the county, county road, cities, fire districts, school districts and hospital districts determine their budgets (the amount of money they need from property tax to operate each year.) A taxing district's budget is divided by the value of all the parcels in that district to calculate a levy rate (tax rate) for that district. Each taxpayer then pays taxes on the value of their parcels within a taxing district multiplied by the levy rate for that district.

Q: Is the authority for counties to create PBRs within the laws of the State of Washington?

A: Yes, authority is given to counties in Washington State Law and the applicable Rules: RCW 84.34.055 *OPEN SPACE PRIORITIES— OPEN SPACE PLAN AND PUBLIC BENEFIT RATING SYSTEM* and WAC 458-30-330 *OPEN SPACE PLAN AND PUBLIC BENEFIT RATING SYSTEM— AUTHORIZATION AND PROCEDURE TO ESTABLISH—ADOPTION—NOTICE TO OWNER— VALUATION.*

<http://apps.leg.wa.gov/rcw/default.aspx?cite=84.34.055>

<http://apps.leg.wa.gov/wac/default.aspx?cite=458-30-330>

Q: What is the purpose of the new PBRs?

A: The PBRs will insure fair and equitable processing of CU Open Space Land applications. Detailed land use criteria will be used to determine whether applications should be approved or denied which will guide Boards of County Commissioners in a more consistent manner as they process these applications. This is especially important because Boards of County Commissioners can change due to the election process. When applications are approved, the rating portion of the program will establish a percentage reduction which will become the basis for the CU Open Space Land Value, or Taxable Value, that will be placed on the property.

Q: What will happen to property that was approved by the Board of County Commissioners as CU Open Space Land prior to the adoption of the PBRs?

A: All property previously approved for classification as CU Open Space Land RCW 84.34.020 (1) will be reviewed and rated according to the PBRs. <http://apps.leg.wa.gov/rcw/default.aspx?cite=84.34.020>

Q: How will the rating system work?

A: Each parcel will be assigned points by Kittitas County Community Development based upon detailed land use criteria in the PBRs. The points assigned to each parcel will be based upon the public benefit provided by the parcel.

Q: How does the point assignment relate to property values?

A: The PBRs includes an assessed valuation schedule associated with rating points. The more points assigned, the higher the percentage reduction will be that is applied to a parcel's Market Land Value. Market Value is determined by the Kittitas County Assessor's Office. The resulting CU Open Space Land Value is the value upon which the property will be taxed.

Q: Should my mortgage company be informed of a value change?

A: Yes, you should always notify your mortgage company of any value change. A value change will most likely result in a change in the amount of tax you will pay in the following year.

Q: Will CU Open Space Land Values increase or decrease pursuant to application of the PBRs?

A: Some parcels will experience increases in while others may experience decreases. The points assigned are based on benefit to the public so changes in value will vary for each parcel. The previous CU Open Space Land Value was not based on market value as is the PBRs.

Q: Will all land previously classified as CU Open Space RCW 84.34.020(1) continue to receive a tax benefit? <http://apps.leg.wa.gov/rcw/default.aspx?cite=84.34.020>

A: No, some land will no longer have a CU Open Space Land Value lower than the Market Land Value pursuant to PBRs rating. There is a minimum number of points that must be met in order to continue to receive a percentage reduction from Market Value; CU Open Space Land Value will then become equivalent to Market Land Value. See the next question for how to avoid payment of back seven years taxes, compounded interest and a 20% penalty.

Q: If land does not receive the minimum number of points to qualify for a percentage reduction, will owners have to pay the typical seven years back taxes, compounded interest and 20% penalty pursuant to removal of the CU Open Space Land classification?

A: No, but only if owners comply with the time period allowed in:

RCW 84.34.055 <http://apps.leg.wa.gov/rcw/default.aspx?cite=84.34.055> and

WAC 458-30-330 <http://apps.leg.wa.gov/wac/default.aspx?cite=458-30-330>.

Owners must, within thirty days of receipt of an Official Notice of Value relating to the new CU Open Space Land Value based on the PBRs, request that their land be removed from CU Open Space. Those Notices are scheduled to be mailed by the Assessor's Office in November. If the request is timely, property will be removed from CU Open Space Land classification without payment of up to seven-years of additional tax, compounded interest and a 20% penalty, as is typically required when property is removed from classification. Otherwise, owners may be subject to pay up to seven-years of additional tax, compounded interest and a 20% penalty if removal becomes necessary for other reasons, such a sale to an owner that does not choose to keep the land classified as CU Open Space Land. Changes in use of the land can also initiate removal from CU Open Space Land classification.

Q: What is the process to request removal from CU Open Space Land RCW 84.34.020 (1)? <http://apps.leg.wa.gov/rcw/default.aspx?cite=84.34.020>

A: Complete and sign the form at the end of these FAQ's and return it to the Kittitas County Assessor's Office. A separate form for each parcel is required and all owners must sign the form.

Q: May I request removal from CU Open Space Land classification before I receive my Official Notice Value?

A: Yes, you may submit the completed form anytime before the Official Notices of Value are mailed, but no later than 30 days from the date of the Official Notice of Value stated on the notice.

Q: When was the PBRs adopted by Kittitas County and where is it in County Code?

A: The PBRs was adopted in December 2014 after a public hearing pursuant to Ordinance 2014-015 <http://www.co.kittitas.wa.us/uploads/bocc/ordinances/2014-015-ordinance.pdf>. The PBRs is now incorporated into Kittitas County Code Chapter 3.46 http://www.co.kittitas.wa.us/boc/countycode/title03.aspx#Chapter_3.46.

Q: When will the PBRs be implemented for new CU Open Space Land applications?

A: The PBRs will be used to process all applications submitted in 2015 for CU Open Space Land RCW 84.34.020 (1) <http://apps.leg.wa.gov/rcw/default.aspx?cite=84.34.020>. New 2015 applications, if approved, will apply to the 2016 assessments for taxes payable in 2017 pursuant to WAC 458-30-215 <http://apps.leg.wa.gov/wac/default.aspx?cite=458-30-215>.

Q: When will the review occur for parcels currently classified as CU Open Space Land?

A: All property currently classified as Open Space Land will be rated according to the PBRs this year prior to the Notices of Value the Assessor will mail in November. Those new CU Open Space Land Values will be based on the PBRs rating and used to calculate the 2016 property tax.

Q: Is there an appeal process for my PBRs rating?

A: No, but you may contact Kittitas County Community Development Services to insure the rating is correct.

Q: Is there an appeal process for my CU Open Space Land Value?

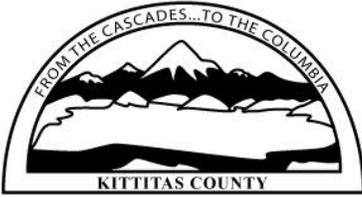
A: Yes, appeals of value may be submitted to the Kittitas County Board of Equalization. However, Open Space Land Value is a percentage of Market Land Value so you must first review your Market Land Value. Appeals of Open Space Land Value must be accompanied by an Appeal of Market Land Value because of the relationship CU Open Space Land Value has to Market Land Value. The appeal process is referenced on the Official Notices of Value and found in Washington State law RCW 84.48 <http://apps.leg.wa.gov/rcw/default.aspx?cite=84.48> and WAC 458-14 <http://apps.leg.wa.gov/wac/default.aspx?cite=458-14>. Appeals must be submitted within 30 days from the date of the Official Notice of Value.

Q: Where can I find out more information about Current Use?

A: Washington State Department of Revenue's website contains an Open Space Act publication: http://dor.wa.gov/docs/Pubs/Prop_Tax/OpenSpace.pdf

Q: Whom do I contact to obtain more information on the PBRs?

A: Questions on the rating process: Community Development Services at 962-7506
Questions on removal, value and application process: Assessor's Office at 962-7501



MARSHA WEYAND, ASSESSOR

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Upper County Toll-Free 674-2584

www.co.kittitas.wa.us/assessor

COMPLETE, SIGN AND RETURN TO ASSESSOR'S OFFICE

I have received the Official Notice of Value for my land classified as Current Use Open Space RCW 84.34 resulting from the implementation of Kittitas County's Public Benefit Rating System. I hereby request my land be removed from such classification without payment of additional tax, interest and penalty pursuant to RCW 84.34.055 and WAC 458-30-330.

By my signature on this document, I certify that I understand that my request for removal from Current Use Open Space RCW 84.34 will not be granted unless all owners of title have signed this request for removal.

Parcel Number _____ Acreage _____
(ONE PARCEL ONLY PER FORM)

Print Owner Name _____ Date _____

Signature _____

Attach separate page if necessary