

Franklin County Assessment and Property Tax Information Session



Commissioner Clint Didier

Welcome

John Rosenau
Piper Mitchell
Nikki Morgan

Assessor
Chief Deputy
Chief Appraiser

Open Space Current Use Ag Committee Members

- James Alford
- Jared Balcom
- Burl Booker
- Dana Herron
- Zachary Miller

Purpose of Presentation

- To give an overview of:
 - Personal Property Assessment
 - Basics of Levy setting process in the State of Washington
 - Real Property Assessment / Valuation Process (Ag & Commercial Business)
 - Current Use under Open Space Program
 - Market and Current Use Values
- To allow for questions and answers concerning the property tax system

Personal Property

- Personal property is primarily property that is mobile. It includes machinery, equipment, supplies and furniture that is owned as of January 1st of assessment year (self reporting system)
- Annual Audits
 - WA State DOR audits a % annually (farmers review your depreciation schedules)
 - County Assessor's Office reviews filings annually with periodic audits
- An affidavit (list of personal property assets) is filed with the assessor each year by April 30
 - Depreciation rates are supplied by DOR
 - File to avoid penalties (amendments are allowed anytime)
 - By Mail (post marked by April 30th, be cautious of postmark delay's)
 - Personally delivered or dropped off in treasures box at courthouse
 - Email assessor-persprop@co.franklin.wa.us
- Personal property tax rates are the same as real property

Personal Property Exemptions

- HEAD OF HOUSEHOLD (\$15,000 OF VALUE, after depreciation) – MUST BE SOLE PROPRIETOR – MUST LIVE IN OUR STATE.
(Questions must be answered on annual form)
- FARM EXEMPTION – MUST BE THE FARMER – exempts them from the states portion of the tax only. (Farm can not be leased out to receive this exemption). (Questions must be answered on annual form and signed)

PERSONAL PROPERTY LISTING FOR 2022 TAX YEAR

RETURN TO: John A. Rosenau
Franklin County Assessor's Office
 1016 N 4th, Bldg A-104
 Pasco, Washington 99301
assessor-persprop@co.franklin.wa.us
 (509) 545-3506

DATE DUE
APRIL 30TH, 2021

5% penalty for each month after due date up to 25%. Willful failure to file return form 100% penalty.

P E N A L T Y

PERSONAL PROPERTY LISTING LAW 84.40.040

TAXPAYER INFORMATION

SCHEDULE # / ID # TAX DISTRICT

Check here for name OR ownership OR address change and make all changes on back of this form

PERSONAL PROPERTY LOCATION

REAL ESTATE PARCEL NO. PROPERTY TYPE

What year did you start this business in TYPE OF BUSINESS?
 Franklin County? _____

SUPPLIES NOT HELD FOR SALE

Inventory as of January 1st (if representative of monthly average). Consists of supplies and materials not normally held for sale or which do not become an ingredient or component of an article being produced for sale.
 DIVIDE YEARLY FIGURE BY 12 AND ENTER RESULT.
 \$ _____

THIS AREA MUST BE COMPLETED ANNUALLY TO QUALIFY FOR HEAD OF FAMILY EXEMPTION

Partnership Corporation Sole Proprietor LLC LLP Trust

IF SOLE PROPRIETOR, ARE YOU

The head of a family?..... Yes ___ No ___

A widow or widower?..... Yes ___ No ___

A citizen over 65 yrs. of age with 10 yrs. continuous state residence?..... Yes ___ No ___

Claiming this exemption on any other form in this or any other county?..... Yes ___ No ___

IF BOX BELOW IS BLANK ENTER WASHINGTON STATE UBI NO.

WASHINGTON STATE UBI NO. _____

LINE NO.	ITEM DESCRIPTION ENTER ADDITIONAL ASSETS BELOW	YEAR ACQUIRED	ORIGINAL COST	ASSET#
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Assets will be removed ONLY when disposition is marked on the corresponding line item.

IMPORTANT: It is NOT sufficient to write: 'See Attached Schedule' for dispositions.

PLEASE SEE BACK OF THIS FORM FOR INSTRUCTIONS OR VISIT OUR WEBSITE AT WWW.CO.FRANKLIN.WA.US/ASSESSOR

PLEASE ATTACH A COPY OF YOUR DETAIL ASSET LISTING

Print owner's name: _____
 Preparer/agent name: _____ Date: _____
 Signature: **X** _____
 Phone: () _____ Email address: _____

Owner
 Agent

ASSESSOR'S USE ONLY
 REC'D
 A/V
 ENTERED

THIS RETURN SUBJECT TO AUDIT AND VERIFICATION BY THE COUNTY ASSESSOR AND STATE DEPARTMENT OF REVENUE
 THE CONTENTS OF THIS FORM CONFORM TO THE STANDARDS AS PRESCRIBED BY THE STATE DEPARTMENT OF REVENUE
YOU WILL RECEIVE AN ASSESSMENT NOTICE BASED ON INFORMATION YOU PROVIDE ON THIS LISTING

APPLICATION FOR EXEMPTION OF FARM MACHINERY AND EQUIPMENT TO BE FILED WITH FRANKLIN COUNTY PERSONAL PROPERTY AFFIDAVIT

All qualifying farming machinery and equipment is exempt from state property tax beginning with personal property assessments performed in 2002 for tax collections in 2003. Qualifying machinery and equipment must be: (1) owned by an active farmer, (i.e. someone who is in the business of farming), and (2) the equipment must have been used in the business of farming during each year the claim for exemption is made. Additionally, equipment claimed for exemption must also have been used exclusively in growing and producing agricultural products. Equipment not qualifying includes equipment: (1) used to produce products used as ingredients of a manufacturing process, (2) equipment used in growing or producing agricultural products for personal consumption, (3) used in the selling of animals from stockyards, slaughter houses and packing houses and (4) equipment used in cultivating or raising timber. The claim for exemption must be submitted annually together with the personal property affidavit in the county for which the affidavit is made. For a listing of qualifying farming activities refer to RCW 82.04.213 and RCW 15.85.020

Account Number: _____
Applicant's Name: _____
Address _____

Date of Application: _____ Assessment Applied for: <u>2022</u>

Do you grow agricultural products that are for sale? Yes No
Do you consider yourself to be a "farmer" as defined? Yes No

"Farmer" means any one person engaged in the business of growing or producing, upon the person's own lands or upon the lands in which the person has a present right of possession, any agricultural product whatsoever for sale. "Farmer" does not include a person using such products as ingredients in a manufacturing process, or a person growing or producing such products for the person's own consumption. "Farmer" does not include a person selling any animal or substance obtained therefrom in connection with the person's business of operating a stockyard or a slaughter or packinghouse. "Farmer" does not include any person in respect to the business of taking, cultivating or raising timber.

IF ANY ITEMS ON ENCLOSED PERSONAL PROPERTY LISTING DO NOT QUALIFY, CIRCLE THE LINE NUMBER

<u>Certification</u>	
I certify under penalty of perjury under the laws of the State of Washington that the above described farm machinery and equipment is used exclusively in growing and producing agricultural products during the calendar year for which the claim for exemption is made. I further certify that the statements made in this application are true and correct.	
Date _____	Signature _____

How Property is Listed

- Year of acquisition
- Purchase price plus delivery and installation less sales tax
- Example: farmer Smith bought a 1990 tractor from farmer Brown for \$15,000 in 2020. Farmer Smith would list the tractor as purchase date of 2020 and purchase price of \$15,000 on the January 2021 form for taxes payable for 2022.
(Trade in does not affect purchase price).

Late Filing & Penalties

- To avoid a penalty, the assessor must receive your return form by April 30
 - Post marked by April 30th (be aware of delay's for postmarking)
 - Personally delivered to the Assessor's Office or dropped off at Treasurer's drop box in parking lot of Courthouse
 - Amendments are allowed to follow filing deadline (omitted property)

- Late Filing
 - Penalty of five percent per month after April 30th, up to a maximum of 25 percent. This applies to the next years bill
 - On a new business / farm, if the Assessor sends a blank form and it is not returned, the Assessor will estimate the value of the property based on the best information available and assess a 100% willful failure to file penalty
 - Subject to a retroactive tax bill up to 3 yrs

- Omitted Property from on time filing / Never Filed (ever)
 - No percentage penalty
 - Subject to a retroactive tax bill up to 3 yrs

State Audits

- AUDITS – Every year the DOR (Department of Revenue) conducts audits on several accounts to measure our level of assessment. This ratio is used to factor state utility values for the county. (Example using %).
- Personal Property State Assessed Value @ 93.5%.
- Real Property State Assessed Value @ 85%.
- For an approx. loss of \$95,481 to the county budget.
 - All other taxing districts are affected as a loss also (This effects levy rates for the county in all the affected districts).

Franklin County Personal Property Breakdown

USE	# of Accounts	MRKT Value	Assessed Value	New Construction
Farm	981	\$185,625,311	\$183,767,858	\$1,472,996
Commercial	1716	\$279,050,350	\$278,428,415	\$0
TOTAL	2679	\$464,675,661	\$462,196,273	\$1,472,996

LEVY PROCESS

Levy Process

- Complete revaluation cycle (by May 31st)
- Complete new construction (by August 31st)
- Receive budget request from districts (by **Nov. 30th**)
- Review budgets and process requests
- Calculate each district levy
- Check statutory levy limits
- Consolidate all levies
- Apply levy rate to taxable value

LEVY LIMITATIONS

101% Calculation

- Limits the growth of district's budget by :
 - Requiring passage of resolution/ordinance to increase from previous year.
 - Without passage of resolution, growth is limited to the previous year's growth to previous year levy + new construction and any increase in the value of state assessed property.
 - State assessed property is valued by the Department of Revenue. These properties are located in multiple counties or states. The Department of Revenue apportions the value to the county where the property is located.

Real Property

- Real property is land and any improvements, such as buildings or permanent crops that are attached to the land
 - Notify Assessor when buildings or crops are removed to accurately reduce assessed value
- Value property using one or more of three approaches to value
 - Market or Sales Comparison Approach
 - Cost Approach
 - Income Approach (commercial property)

Valuation Process

- Identification and inspection of property to be valued
 - Valuation annually & inspection every 6 years or by permit
 - Irrigation Blocks (North of Pasco and West of Hwy 395):
Fall/Winter 2021 inspection for 2022 valuation for 2023 taxes
- All property is to be valued at 100% of its market value
 - **Market Value**-is the amount of money that a willing and unobligated buyer is willing to pay a willing and unobligated seller.
- Assessor calculates both Market Value and Assessed Value (taxable), which may or may not be equal

Open Space Current Use Program

Open Space Taxation Act

The Open Space Taxation Act, enacted in 1970, allows property owners to have their farm and agricultural properties valued at their current use rather than their highest and best use. The Act states that it is in the best interest of the state to maintain, preserve, conserve and otherwise continue in existence adequate open space lands for the production of food, fiber and forest crops and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well being of the state and its citizens.

Farm & Agricultural Land

- RCW 84.343020(2)(a)(i)

Land devoted primarily to the production of livestock, or agricultural commodities for commercial purposes

- Commodities include WAC 458-30-200(2)(d)

- Agricultural, horticultural, or aquaculture produce or crop
- Raising of livestock & poultry – breeding or increasing the size of the animal
- Bees
- Fur bearing animals
- Production of milk, eggs, wool, fur, meat or honey

Classifications

- Three classifications are: Open Space Land, Farm and Agricultural Land and Timber Land
 - Farm and Agricultural land in Franklin County
 - Parcels 20 acres or more (can be multiple contiguous parcels)
 - Parcels 5 acres or more but less than 20 acres
 - Parcels under 5 acres
 - Income requirements for parcels under 20 acres
 - Owner must apply to Assessor to enroll in program

Open Space Removal

- If property is transferred, the new owner may choose to continue in Current Use (if qualified)
- Non-continuance in Current Use or removal from program
 - Compensating Tax = the tax difference between market and open space value with interest for the prior 7 years plus the current year taxes (RCW 84.34.108)
 - Properties in Current Use less than 10 years are subject to a 20% penalty of the total Compensating Tax
- Assessor periodically audits parcels to verify compliance with the income requirements of Current Use
- Compensating tax is distributed by the County Treasurer in the same manner in which current taxes applicable to the subject land are distributed - the interest and penalties are distributed to the County's Current Expense Fund

Current Use Valuation

- Open Space/Current Use Advisory Committee
 - Appointed by the Board of Commissioners
 - Review Assessor's Current Use land valuation
 - Provide feedback and information concerning local agricultural conditions to the assessor for consideration
 - A parcel in Current Use has different Market and Assessed Land Values - both maintained by Assessor

Example:

2021 Irrigated Acre Market Rate = \$11,500

2021 Irrigated Acre Current Use = \$ 3,130

Market and Current Use Values

2020 Typical Open Pivot Land Sales

BUYER	SELLER	F.U./BLK #'S OR S-T-R	TOTAL ACRES	IRRIG ACRES	SALE DATE	MKT AV/SP RATIO	NET IRRIGATED PRICE / ACRE	
UNDERWOOD LAND HOLDINGS, LLC	STAHL H.B. TRUST	18-14-29, 19-14-29	317.91	248.00	2/5/2020	56.75%	\$17,643	
BROETJE ORCHARDS, LLC	TORRES, OROZCO, & MANTEROLA	IRR BLK 14, FU 129	185.50	169.50	2/7/2020	61.36%	\$16,982	
BROETJE ORCHARDS, LLC	TERRY COOK, KARLA NEF - COOK FAMILY TRUST	IRR BLK 14, FU 108, 107	241.54	240.54	2/13/2020	67.82%	\$15,352	
FRANK TIEGS, LLC	PREMIERE FARM PROPERTIES, LLC	4-9-31, 5-9-31, 8-9-31, 9-9-31	3,525.70	3024.52	3/13/2020	98.41%	\$11,183	
THEODORE S. & MERIDETH K. TSCHIRKY	R & L ST. HILAIRE, LLC	IRR BLK 16, FU 202	211.77	210.77	3/26/2020	73.52%	\$15,296	
BK PROPERTIES, LLC	J & B FLORA REVOCABLE TRUST	IRR BLK 17, FU 9 & PTN FU 4	212.60	212.60	6/9/2020	68.58%	\$14,581	
ELTOPIA FARM, LLC	MARVIN J. MARGE B. KLINKER	4-11-31, 6-11-31, 8-11-31, 9-11-31, 10-11-31, 11-11-31	2,344.58	1840.62	7/7/2020	77.89%	\$12,956	
SBK PROPERTIES, LLC	CHRIS FOSTER & TERESE ROBER	IRR BLK 15, PTN FU 67, 74, 75	224.90	216.40	7/9/2020	95.89%	\$10,829	
RUTH & BELLE, LLC	J & M FIELD OF DREAMS, LLC	IRR BLK 201, PTN FU 5	89.16	53.16	7/13/2020	93.07%	\$10,978	
DCM LAND, LLC	KASEY BROWN		268.40	234.50	8/6/2020	73.42%	\$13,626	
DCM LAND, LLC	MARVIN & MARGE KLINKER	20-14-29 & PTN 19-14-29	692.43	512.30	8/6/2020	69.79%	\$14,610	
BRETT S. & TABATHA A. OCHOA	CATHERINE R. & MARTIN HUARD	IRR BLK 18, FU 129	133.50	131.20	12/7/2020	76.01%	\$11,444	
						Average	76.04%	\$13,790

2020 Other Irrigated Land Sales

BUYER	SELLER	F.U./BLK #'S OR S-T-R	TOTAL ACRES	IRRIG ACRES	SALE DATE	MKT AV/SP RATIO	NET IRRIGATED PRICE / ACRE	
CONNER L. BAUMAN	JIM & CINDY EBBERSON	IRR BLK 15, PTN FU 154	19.41	18.12	1/6/2020	72.67%	\$17,980	
HC FARMS, LLC	POMONA PROPERTIES & INVESTMENTS, LLC	SHORT PLAT 2017-05, LOT 2	37.94	36.94	5/7/2020	72.06%	\$16,892	
WHITE ECHO II, LLC	FIVE G FARMS, LLC	IRR BLK 15, FU 233	102.40	101.40	6/18/2020	62.59%	\$18,301	
WHITE ECHO II, LLC	MIDDLETON ORGANIC ORCHARDS, INC. & GARY MIDDLETON	IRR BLK 15, FU 108	98.22	98.22	6/19/2020	65.59%	\$19,072	
HORIZON VINEYARDS, LLC (c/o Resource Land Holdings, LLC)	BND VINEYARDS, LLC	IRR BLK 15, FU 225, 226	436.60	390.92	7/28/2020	108.38%	\$8,438	
HORIZON VINEYARDS, LLC (c/o Resource Land Holdings, LLC)	GAMACHE VINEYARD II, LLC	IRR BLK 20, FU 129, 130, 131	219.20	218.20	7/28/2020	105.96%	\$8,903	
						Average	81.21%	\$14,931

BUYER	SELLER	F.U./BLK #'S OR S-T-R	TOTAL ACRES	IRRIG ACRES	SALE DATE	MKT AV/SP RATIO	NET IRRIGATED PRICE / ACRE	
JOSHUA JUNGERS	LAURA MESSENGER PERS. REP FOR BRIAN MESSENGER	IRR BLK 13, FU 94	146.20	134.60	3/4/2020	98.14%	\$8,645	
BOULDER CANYON ORGANICS, LLC	OPUS WASHINGTON, INC.	IRR BLK 19, FU 150	132.10	127.50	4/8/2020	69.95%	\$15,969	
BLUEBERRY JOINT VENTURE, LLC	BASIN CITY BLUEBERRIES, LLC	IRR BLK 24, FU 13, 14	315.90	227.70	4/9/2020	50.42%	\$19,873	
DANE A. & LEAH M. HAMMERSTROM	POMONA PROPERTIES & INVESTMENTS, LLC	IRR BLK 16, PTN FU 215	4.40	4.40	5/7/2020	100.00%	\$24,182	
CHRISTOPHER W. & MEGAN N. BUTLER	DOUGLAS A. & KIMBERLY J. LEFEBRE	W1/2NE1/4NE1/4 04-10-29	20.00	19.00	10/7/2020	81.78%	\$18,153	
BRADLEY S. & BRITANY R. TAPANI	ALLEN & CHERYL OLBERDING	IRR BLK 1, FU 29	43.65	43.65	12/14/2020	48.50%	\$20,619	
JADA HOLDINGS, LLC, DABN HOLDINGS, LLC	CIRCLE K FARMS, INC.	IRR BLK 19	25.50	8.80	12/29/2020	20.60%	\$54,892	
JADA HOLDINGS, LLC (75%), DABN HOLDINGS, LLC (25%)	KARL W. KATHI L. EPPICH	IRR BLK 19, FU 181	201.61	186.92	12/29/2020	57.79%	\$17,458	
						Average	65.90%	\$22,474

2020 Commodity Prices

Month	Spring Wheat / BU	Hay / Ton	Potatoes / CWT	Corn for Grain / BU
January	\$5.87	\$183	N/A	N/A
February	\$5.90	\$184	N/A	N/A
March	\$6.09	\$189	N/A	N/A
April	\$5.88	\$188	N/A	N/A
May	\$5.85	\$175	N/A	N/A
June	\$5.90	\$215	N/A	N/A
July	\$5.65	\$203	N/A	N/A
August	\$5.39	\$196	N/A	N/A
September	\$5.32	\$183	N/A	N/A
October	\$5.68	\$196	N/A	N/A
November	\$5.55	\$190	N/A	N/A
December	\$5.71	\$177	N/A	N/A
Average	\$5.73	\$189.92	\$7.92	\$4.80

5-Year Average Crop Yield

Crop Year	Spring Wheat / BU	Irrigated Hay / Ton	Potatoes / CWT	Corn for Grain / BU
2016	120	6.5	600	215
2017	120	6.5	600	215
2018	120	6.5	630	235
2019	120	6.5	625	237
2020	120	6.5	640	228
Average	120	6.5	619	226

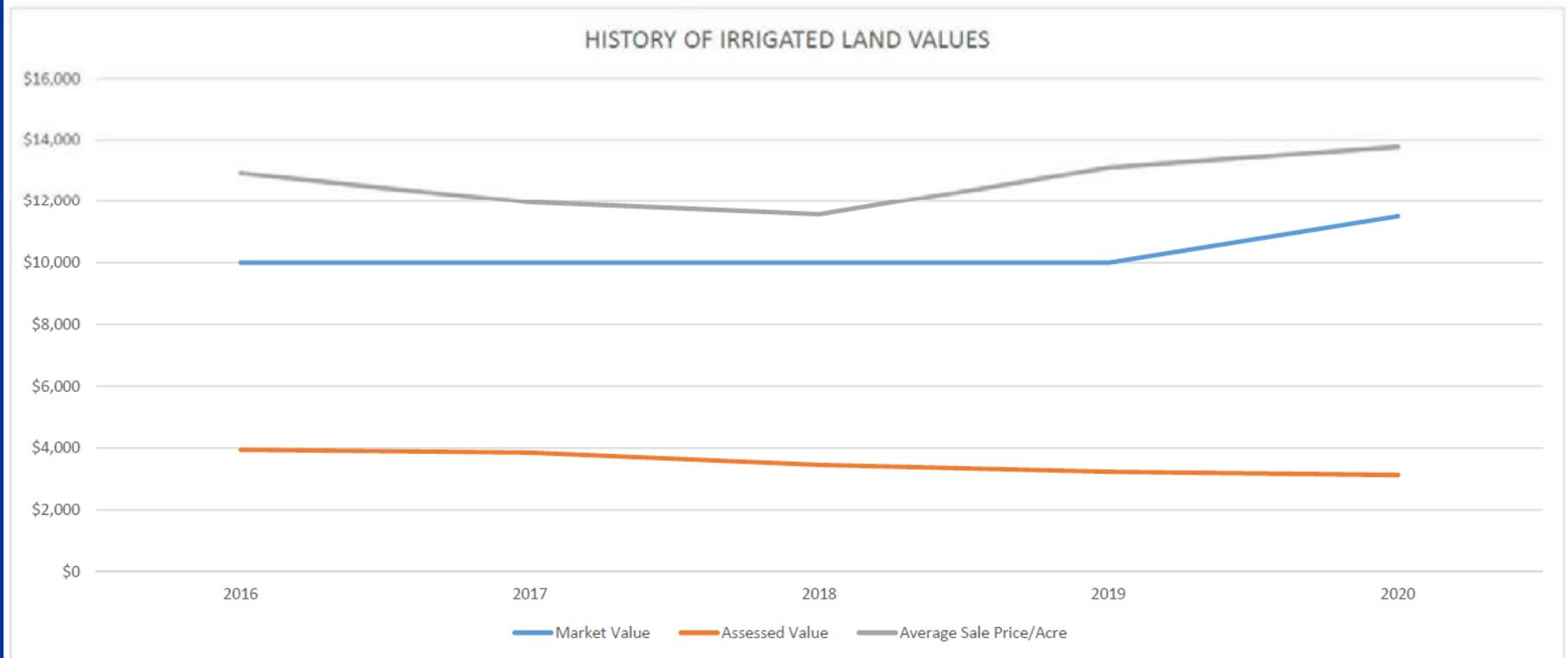
History Of Irrigated Landlord Share Net Income & Current Use Valuation

Assessment Year	Landlord Share Net Income	Irrigated Acre Current Use Value
2016	\$202.41	\$3,949
2017	\$178.66	\$3,847
2018	\$203.33	\$3,456
2019	\$220.45	\$3,230
2020	\$241.98	\$3,130

History Of Irrigated Land Valuation

HISTORY OF IRRIGATED LAND VALUES

Assessment Year	Market Value	Assessed Value	Average Sale Price/Acre
2016	\$10,000	\$3,949	\$12,941
2017	\$10,000	\$3,847	\$11,962
2018	\$10,000	\$3,456	\$11,563
2019	\$10,000	\$3,230	\$13,128
2020	\$11,500	\$3,130	\$13,790



Q & A

Tax Sifter & Map Sifter

www.franklin.co.wa.us/assessor

Emails

Assessor@co.franklin.wa.us

Assessor-persprop@co.franklin.wa.us

jrosenau@co.franklin.wa.us

pmitchell@co.franklin.wa.us

nmorgan@co.franklin.wa.us