

**Whatcom County Current Use Program Administration Review Follow-up
 Status of Work Completed
 April 30, 2014**

NOTE: Refer to our original report issued in November 2012 for a complete explanation of each requirement.

Requirement	Topic	Work Completed on Requirement	Completed / Pending Completion	Future Follow-up?
1	Rating Land Under the Public Benefit Rating System (PBRs)	<p>Planning and Development Services (PDS) staff indicated that of the 53 parcels they identified that must be rated under the PBRs, as amended:</p> <ul style="list-style-type: none"> • 47 parcels are located in unincorporated Whatcom County. • 6 parcels are located within the City of Bellingham. <p>PDS staff outlined a variety of factors for the delay in completing the ratings, questions they have about the process, and steps to move forward.</p> <p>Supporting documents reviewed: Electronic Spreadsheet Rqt 1, Rqt 1, 1-A, 1-B, 1-C</p>	Pending Completion	<p>Yes. The county legislative authority must act to approve the rating of any parcels that need initial rating or re-rating under the PBRs, as amended.</p> <p>To determine if the PDS/county legislative authority has met the requirement, the Department of Revenue (Department) expects the PDS/county legislative authority to provide:</p> <ul style="list-style-type: none"> • Documentation of the approved rating or re-rating by the county legislative authority for the parcels remaining to be rated under the PBRs, as amended. • Documentation of notice to the Assessor of the rating or re-rating of the parcels remaining to be rated under the PBRs, as amended.
2	Valuing Open Space Land	<p>The Assessor relayed that they have valued, and will continue to value, qualified open space parcels according to the PBRs valuation schedule as directed by the county legislative authority.</p> <p>For the Assessor to complete this requirement, the county legislative authority must first act on the parcels noted in requirement number 1.</p> <p>Supporting documents reviewed: Reqt_2</p>	Pending Completion	<p>Yes. Though the Assessor does not control when the PDS/county legislative authority will complete the rating on the remaining open space parcels, the Department cannot consider the requirement complete until valuations (based on the PBRs) are completed.</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> • Documentation of notice to the 53 property owners identified in requirement number 1, which reflects the change of value because of the county legislative authority's approval of the rating under the PBRs, as amended.

**Whatcom County Current Use Program Administration Review Follow-up
 Status of Work Completed
 April 30, 2014**

NOTE: Refer to our original report issued in November 2012 for a complete explanation of each requirement.

Requirement	Topic	Work Completed on Requirement	Completed / Pending Completion	Future Follow-up?
3	Property Owned by Entities Exempt from Ad Valorem Tax	<p>The Assessor indicated that this requirement resulted from the single instance of a highly rare, particularly complex conveyance activity. The Assessor and PDS staff further noted:</p> <ul style="list-style-type: none"> • The personality of the situation has been identified. • The RCWs and WACs have been reviewed and they will be applied correctly in the future for this rare and infrequent situation. • This situation has been included in procedures. • The staff has been directed on how to handle every conveyance. <p>Supporting documents reviewed: Electronic Spreadsheet-Rqt 3, Reqt_3</p>	Completed	<p>No.</p> <p>The Department verified the subject parcel reflects non-classified land and the listing of all classified property does not include land owned by entities exempt from ad valorem tax.</p>
4	Minimum Acreage for Timber Land Parcels	<p>PDS staff reported they are:</p> <ul style="list-style-type: none"> • Developing recommendations for coordination with the Assessor's staff. • Enhancing record keeping practices. • Developing a GIS mapping tool that may help PDS planners recognize when parcels subject to land division are also classified. <p>The Assessor reported that they are:</p> <ul style="list-style-type: none"> • Determining the continued eligibility of parcels classified as timber land. • Developing computer database queries to target specifically defined property characteristics, such as parcel size. 	Pending Completion	<p>Yes. The Department will continue to monitor continued eligibility of timber land parcels.</p> <p>To determine if the PDS/county legislative authority has met the requirement, the Department expects the PDS/county legislative authority to provide:</p> <ul style="list-style-type: none"> • A listing of timber land parcels approved for classification in 2014 (January 1 through the date of the next follow-up). <ul style="list-style-type: none"> – The Department will review approved parcels for the minimum acreage required.

**Whatcom County Current Use Program Administration Review Follow-up
Status of Work Completed
April 30, 2014**

NOTE: Refer to our original report issued in November 2012 for a complete explanation of each requirement.

Requirement	Topic	Work Completed on Requirement	Completed / Pending Completion	Future Follow-up?
		<p><i>Assessor's report on work completed on minimum acreage for timber land parcels (continued)...</i></p> <p>This process will involve a parcel-by-parcel investigation of timber land parcels (application materials, splits/merges, changes of use, historical activity, and abutting property). The Assessor expects to determine continued eligibility within six months (September 2014) and all Notices of Intent to Remove mailed within 30 days of determinations.</p> <p>Supporting documents reviewed: PID158077, Rqt 4, 4-A</p>		<p><i>The Department's future follow-up on minimum acreage for timber land parcels (continued)...</i></p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <p>A listing of parcels reviewed by the Assessor for continued eligibility, noting the parcels removed from timber land because of the Assessor's review for continued eligibility.</p> <p>The Department will continue to review classified parcels for parcels with less than the five-acre minimum.</p>
5	Minimum Acreage for Designated Forest Land (DFL) Parcels	<p>The Assessor provided an explanation of the plan he intends to use to identify the affected DFL parcels. The Assessor provided documentation (print screens) showing a DFL parcel with a change of classification in the 2013 assessment year. The removal was not due to following acreage requirements, but due to the Assessor following his existing policy of removal at the time of transfer of the property. The Assessor computed compensating tax for the removal; however, the Department did not verify the tax calculations, as they were not included with the recorded document. The Assessor provided a detailed explanation of:</p> <ul style="list-style-type: none"> • His reasons for not bringing the parcels into compliance during the last 13 years. • His reasons for not bringing the parcels into compliance since the Department's report was issued. • His intention to continue this existing policy that is contrary to current law, while recognizing implementation of new legislation may mitigate the issue for parcels not currently meeting acreage requirements. 	Pending Completion	<p>Yes. The Department has advised the Assessor that we do not support an option that allows land to stay in DFL when the total designated acreage is below 20 acres. The Assessor should have removed any parcels that did not qualify under existing law.</p> <p>To determine if the Assessor has met the requirement, the Department expects the Assessor to provide:</p> <ul style="list-style-type: none"> • Documentation (print screens) for any removals of DFL parcels in the 2014 assessment year <u>due to not meeting the acreage requirements of DFL</u>, for the following non-qualifying parcels identified during our original review: PID 36318, PID 14573, PID 108789, PID 108810. <p>The Department acknowledges that 2014 legislative changes effective in June 2014 may help to resolve incorrectly classified land (those parcels not meeting the minimum acreage requirements). The Department encourages the Assessor to consult the Prosecuting Attorney for legal advice on the timing of removals and the new legislation.</p>

**Whatcom County Current Use Program Administration Review Follow-up
 Status of Work Completed
 April 30, 2014**

NOTE: Refer to our original report issued in November 2012 for a complete explanation of each requirement.

Requirement	Topic	Work Completed on Requirement	Completed / Pending Completion	Future Follow-up?
6	Applications for Open Space or Timber Land in Incorporated Areas	<p>PDS staff provided documentation that reflected an understanding that action is required from both city and county granting authorities (with each body affirming the entirety of an application without modification, or both bodies affirming an application with identical modifications, or as a combined granting authority).</p> <p>PDS staff provided a detailed explanation of the reasons that specific parcels had not been acted on by the county legislative authority. Regardless of perceived barriers to approval, the granting authorities should meet, hear, and document their decision (either as individual bodies or as a combined granting authority).</p> <p>Supporting documents reviewed: Rqt 6</p>	Pending Completion	<p>Yes. The PDS staff should not hold applications pending a more favorable decision by the city granting authorities. To ensure property owner's due process, the granting authority must schedule the hearing, make their decision on the approval or denial of an application, and then notify the property owner.</p> <p>To determine if the PDS/county legislative authority has met the requirement, the Department expects the PDS/county legislative authority to provide:</p> <ul style="list-style-type: none"> • Written procedures for processing open space and timber land applications for parcels that are located within incorporated city limits (when available). • Documentation of approved or denied applications for parcels that are located within incorporated city limits.
7	Open Space Taxation Agreements	<p>PDS staff relayed that they have developed procedures for processing OSTAs in a timely, expedient, and consistent manner.</p> <p>PDS staff will conduct additional research on the OSTA that was the subject of the requirement before determining the course of action required. The Department encourages PDS staff to consult the Prosecuting Attorney for legal advice on the timing of transfers of real property (as needed).</p> <p>Supporting documents reviewed: Rqt 7, 7-A, 7-B, 7-C, 7-D</p>	Pending Completion	<p>Yes.</p> <p>To determine if the PDS/county legislative authority has met the requirement, the Department expects the PDS/county legislative authority to provide:</p> <ul style="list-style-type: none"> • A copy of the corrected OSTA for parcel number 400534-198432, signed by the owner of the property (note: the prior owner of the property signed the OSTA on June 30, 2011).

**Whatcom County Current Use Program Administration Review Follow-up
 Status of Work Completed
 April 30, 2014**

NOTE: Refer to our original report issued in November 2012 for a complete explanation of each requirement.

Recommendation	Topic	Work Completed on Recommendation	Completed / Pending Completion	Future Follow-up?
1	Continue Audit Program	No changes have been made. The Assessor is continuing the existing audit program.	Completed	No.
2	Desk Reference Manuals	<p>The Assessor continues to update their current desk reference manuals. The Assessor continues to use class training materials, as provided by the Department to participants attending training.</p> <p>The PDS administrator has created an informational handout entitled “Whatcom County Property Tax Reduction Programs”. This document is used by the Assessor’s staff and PDS staff, and has been provided to the PDS Director, and Long Range Planning Manager.</p>	Completed	No.
3	Training	<p>The Assessor has added supporting staff training requirements for three additional personnel. The administrative staff, primary Open Space Clerk, back up clerk, and the supporting clerical staff will routinely participate in the Department’s Current Use Program webinars and training sessions.</p> <p>The PDS administrator:</p> <ul style="list-style-type: none"> • Has regularly attended the Department’s training and has informed County Council of training available. • Has created “Whatcom County Property Tax Reduction Programs” that is used by the Assessor’s staff, PDS staff, PDS Director, and Long Range Planning Manager. • Requests assistance from the Department’s staff as needed. 	Completed	No.

**Whatcom County Current Use Program Administration Review Follow-up
 Status of Work Completed
 April 30, 2014**

NOTE: Refer to our original report issued in November 2012 for a complete explanation of each requirement.

Recommendation	Topic	Work Completed on Recommendation	Completed / Pending Completion	Future Follow-up?
4	Forms and Publications	<p>The Assessor reports that they have always used updated forms. They receive notifications of updated Department forms and replace outdated forms when needed.</p> <p>The PDS administrator:</p> <ul style="list-style-type: none"> • Accesses forms directly from the Department’s website. • Provides access to these forms at the Front Counter, by email, by US mail, through links to the Department website, and encourages applicants to check to see that they have the most up to date forms prior to application submittal. Future website updates will include direct links to the Department’s forms. 	Completed	No.
5	Continuance of Classification	<p>The Assessor believes no changes are necessary. The Assessor will continue to approve or deny Notices of Continuance according to statute.</p> <p>The PDS administrator has developed procedural changes that include reviewing and making recommendations on timber management plans filed when a sale or transfer of ownership takes place and a notice of continuance is signed.</p> <p>PDS practice is to review the plan and make recommendations to the Assessor’s staff for their review. If more time is needed to prepare a timber management plan, the PDS administrator first coordinates with the Assessor’s staff to get their approval on sending a letter approving an extension of time within which to submit the timber management plan, pursuant to RCW 84.34.041(4).</p>	Completed	No.

Whatcom County Current Use Program Administration Review Follow-up
Status of Work Completed
April 30, 2014

NOTE: Refer to our original report issued in November 2012 for a complete explanation of each requirement.

Recommendation	Topic	Work Completed on Recommendation	Completed / Pending Completion	Future Follow-up?
		<p><i>PDS staff's report on work completed on Continuance of Classification (continued)...</i></p> <p>The PDS administrator has prepared a written summary (preliminary draft) of the <i>Whatcom County PDS Open Space Current Use Program</i> (a summary report on the PDS administered duties in the County's Current Use Program). The document outlines many of the challenging aspects of program administration, and makes recommendations on how to remedy some of the outstanding issues. A decision on staff recommendations outlined in this report is now pending before PDS Management and the County Executive as they establish a work program for the coming year.</p>		