



CURRENT USE PROGRAM

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What is the “Current Use Program”?

In 1970, the state legislature declared a state interest in the preservation of agricultural, forest and open space areas where market value taxation would otherwise economically prohibit their continued use. In effect, qualifying lands pay roughly 1% of the property taxes that would otherwise be due.

It’s a great incentive to preserve natural resources—but there is a catch.

What If I Want to Remove the Current Use Classification?

You will be hit with a pretty stiff penalty. The assessor will impose an additional tax equal to the difference between the tax paid on the current use value and the tax that would have been paid on that land had it not been so classified. The additional tax is payable for the last seven years, plus interest at the same rate as charged on delinquent property taxes, plus a penalty of 20 percent of the total amount.

For example, Joe has twenty acres of farmland in the Current Use program which is currently assessed at a value of \$500,000. He currently pays only \$48 a year in reduced taxes, but his ‘normal’ tax bill would be \$4,616. The difference for 2009 is \$4,568. Upon removal from the program, Joe will need to pay roughly \$33,000.

EXAMPLE ONLY						
Year	Assessed Value	Tax Rate*	'Normal' Tax	'Current Use' Taxable Value	'Current Use' Tax	Difference in Tax
2009	\$500,000	0.0092317	\$4,616	\$5,150	\$48	\$4,568
2008	\$472,500	0.0092317	\$4,362	\$4,867	\$45	\$4,317
2007	\$446,513	0.0092317	\$4,122	\$4,599	\$42	\$4,080
2006	\$421,954	0.0092317	\$3,895	\$4,346	\$40	\$3,855
2005	\$398,747	0.0092317	\$3,681	\$4,107	\$38	\$3,643
2004	\$376,816	0.0092317	\$3,479	\$3,881	\$36	\$3,443
2003	\$356,091	0.0092317	\$3,287	\$3,668	\$34	\$3,253
subtotal						\$27,160
+ 20% penalty						\$5,432
Total due**						\$32,592

* Tax rates vary by year, shown is the previous five-year average

** Plus 1% per month interest

Do I Have to Pay the Penalty?

Not necessarily. If you annex to a city, the city will impose urban zoning which generally prohibits commercial agricultural uses because they are land-extensive and counter-productive to the state Growth Management Act's focus on urban density. In such a case, the penalty is not assessed because an official action of the city disallows the present use of such land.

Does Annexation Automatically Remove Me from Current Use Classification?

No. Some or all of the property may continue to be eligible if designated and zoned as Open Space for the protection of riparian habitat, for example.

But I Still Have Questions!

For more information on the Current Use program, contact the Clark County Assessor at (360) 397-2391.

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