

Skagit County Agricultural Advisory Board (AAB)
Minutes – May 19, 2004

Members in attendance:

Oscar Lagerlund
Dave Boon
Randy Good
Lyle Wesen
Larry Jensen
Rose Merritt
Murray Benjamin
Mike Hulbert
Bob Hughes

Members not in attendance:

Bob Finkbohner
Roger Knutzen

Others in attendance

Mark Leander
Rick Haley
Ric Boge
Tom Karsh
Allison Deets

1. Call to order & introductions:

Dave Boon, Chair, called the meeting to order shortly after 7pm and welcomed members and guests to the May meeting.

2. Minutes:

Dave Boon called for a motion to review and approve the minutes and agenda. Lyle Wesen moved that the minutes be approved as presented. Rose Merritt seconded the motion. Motion carried.

3. Discussion Items:

a. Personal Property Tax/Ag Tax Exemptions – Mark Leander

County Assessor Mark Leander thanked the AAB for the opportunity to address the Board on the issue of personal property tax as it relates to agriculture. Mr. Leander started by explaining that all personal property is taxable unless specifically exempted by law. In recent years, several proposals have been brought forward at the state level to exempt ag equipment, but exempting ag equipment from personal property tax presents a significant cut to some localities' tax base.

While ag equipment is not a major element of the personal property tax here in western Washington, many eastern Washington counties depend on the personal property tax on agricultural equipment. Mark Leander clarified the difference between property tax and sales tax. The former is a budget-based tax (entities with the authority to adopt a budget have the authority to assess property tax revenues), while the latter is a rate-based tax (activity-based), therefore a property tax, being budget-based, is something communities can plan their annual budgets around. In western Washington, we have a substantial commercial and residential tax base from which to draw, so if ag were exempted here in Skagit County, the local budget would not be significantly impacted. However, on a statewide basis, an exemption for ag equipment would have a considerable impact.

Chair Dave Boon asked what role impact fees play in the county budget. Mark Leander explained that the impact fee is part of the overall cost to improve a piece of property, through platting or any other improvements. AAB member Lyle Wesen asked Mark Leander how many adjacent states charge a personal property tax on ag equipment; Mark responded that he didn't really know, off the top of his head. He noted that the state constitution is focused on equity – the “one size fits all” idea; the exception to that rule is open space taxation. Lyle Wesen noted

that there is a wide disparity in building lot assessments and asked for clarification on the reasoning behind assessments. Mark Leander explained that the assessments depend on the lot size, location, and contiguousness to adjacent same-owner parcels, among other things. Randy Good asked if there were any difference between taxation of ag land and easement-encumbered land. Mr. Leander noted that there is a difference – since there is less market value to assess, the easement changes the valuation. Finally, Mr. Leander stated that while exempting personal property tax on ag equipment in Skagit County would not significantly impact the budget, state law prohibits the exemption of personal property tax at the local level.

b. Upcoming Critical Areas Ordinance amendment – Tom Karsh

Tom Karsh provided the AAB with handouts outlining the proposed actions to be taken by the County regarding critical areas and monitoring. There are two separate actions the County is currently contemplating, both of which must be resolved by June 24th in order to meet a Western Washington Growth Management Hearings Board order. The deadline for public comment on both actions is June 4th; the Planning Commission meets on the 8th to discuss an amendment to the Critical Areas Ordinance, and the Commissioners meet on June 21st to consider the amendment and the formal adoption of monitoring programs.

The Planning Commission will be considering the addition of certain verbiage to the current Critical Areas Ordinance. The sentence to be considered as a possible addition is, “Failure to comply with these mandatory Watercourse Protection Measures for Ongoing Agriculture shall result in enforcement upon complaint.” The Planning Commission, Tom Karsh stressed, will be considering only that amendment at the hearing on Tuesday, June 8th. Written comments are due by the close of business on June 4th.

Rick Haley, from Skagit County Public Works, is developing the water quality monitoring program, and has been working with Pat Larson, a scientist from Oregon State University, who is representing the Skagit County Cattlemen’s concerns on water quality issues. Rick Haley reported that the County is conducting its study independently and the data will be publicly available. The process, he noted has been informed by different private and public groups. Randy Good submitted a letter to the AAB from Pat Larson, detailing specific concerns regarding the development and management of the water quality program,

Ric Boge reported on the habitat monitoring program, which will monitor salmon habitat at sixty random sites throughout the County to establish baseline conditions. The study will be spread out over several years, developing some idea of watershed trends over time. Thirty of the sites will be in the agricultural zone, and Ric Boge said that the County would need the help of agriculture in order to get this monitoring accomplished. He noted that the County’s position is that agriculture is doing no harm, and that these two monitoring programs are a way to prove that current County regulations are sufficient to protect salmon habitat and water quality. The County was forced into monitoring programs because it decided not to require mandatory buffers on waterways.

By consensus, the AAB voted to have a special meeting prior to the June 4th comment period deadline, where it will determine whether it needs to comment on any of the proposed actions and to develop those comments. The date will be determined in the next week or two; in the meantime, members will familiarize themselves with the documents handed out during the meeting.

c. Recommendation of candidates – Dave Boon

Dave Boon reported that two positions are now open on the AAB, because Bob Finkbohner is resigning pending an upcoming relocation to California. The other open position, which has been vacant for some time, was vacated by Beth Vander Veen earlier in the year. A public service announcement requested candidates for the AAB; the period for submittal of letters and statements of qualification was from April 15th to May 15th. All AAB members were provided with the letters and statements of qualification provided by candidates prior to the meeting and so have had the opportunity to review the documents. Candidates for the open position were Scott DeGraw, Glenn Johnson, Ann Marie Lohman, Kim D. Mower, and John Rogers. After brief discussion, members identified two candidates each for the two open positions. The candidates to be recommended by the AAB for consideration as members will be forwarded to the Board of County Commissioners. The AAB will recommend Ann Marie Lohman and Kim D. Mower for the open positions.

d. Miscellaneous

The Farm Stand Ordinance Subcommittee is drafting alternate language to the current ordinance, but is not yet ready to present language to the full AAB for approval. The TDR Research Committee has met once and will meet again in June. An update on the tribal/ag summit group was provided, as well as the current draft of the working document developed by ag and tribal leaders.

Adjourn regular session.