



Washington State law provides property tax relief for certain commercial agricultural, forest, and open space lands under RCW 84.33 for Designated Forest Land (DFL) and RCW 84.34 for Open Space. If your land meets certain use requirements, its taxable assessed value will be based on its current use rather than its fair market value. Current use classification is not automatic; you must apply and meet the requirements of the program. The programs only apply to the assessed value of the land and cannot be applied to any improvements or structures that are located on the property.

If approved for DFL or Open Space, the reduction in assessed value is placed on the assessment rolls on January 1, following the year the application was submitted. For example, applications made in 2024 will be placed on the 2025 assessment rolls for taxes payable in 2026.

For more information about the Designated Forest Land or Open Space property tax reduction programs, contact Erin Fonville at **(509) 667-6375** or **erin.fonville@co.chelan.wa.us**.



REMOVAL FROM PROGRAMS

Land may be removed from designation if:

- You choose to remove the land, and you notify the assessor in writing.
- You sell or transfer the land to an owner, which makes the land exempt from ad valorem taxation.
- You sell or transfer the land to a new owner who does not sign a notice of continuance.
- Determination by the assessor, after giving the owner written notice and an opportunity to be heard, that the land no longer qualifies.

Compensating Taxes: Upon removal, you will be required to pay a compensating tax unless the removal meets one of the exceptions. The calculation for the amount due is different depending on what program the property is enrolled in. For DFL, it is based on the difference between the current fair market value of the land and the DFL value. This amount is then multiplied by the last levy rate and the last years that the land was designated, up to 9 years plus the current year.

For open space, it is based on the difference between the assessed market value of the land and the current use value. This amount is then multiplied by the last levy rate and the number of years that the land was designated, up to 7 years plus the current year. If the property has been classified for less than 10 years, a 20% penalty is also applied.



Chelan County Property Tax Reduction Programs for Current Use (Forest & Open Space)

Assessor's Office

Chelan County Courthouse, Level 2
350 Orondo Ave, Suite 206
Wenatchee, WA 98801



DESIGNATED FOREST LAND (DFL)

As a way to encourage commercial forestry and sound forestry practices, landowners can choose to have their land designated as forest land, resulting in a lower assessed value and lower property taxes. The land must be used primarily for growing and harvesting timber and consist of at least 5 or more acres. Residential home sites (minimum of one acre) are not included in the 5-acre minimum. DFL may include land used for incidental uses that are compatible with growing and harvesting timber, but no more than ten percent of the land may be used for such incidental uses. If the land has amenities necessary for the production, preparation, or sale of timber products, that land may also be included. Landowners must comply with forest practice laws and regulations.

Application Process: Applications are processed through the Assessor's Office. The application form is available on our website at www.co.chelan.wa.us/assessor/pages/current-use-exemptions. The application must also include a timber management plan for the property. The application fee for DFL is \$750, which includes the recording fees for the Notice of Approval form that is recorded with the County Auditor (2 pages).



OPEN SPACE FARM & AG

The 1970 Open Space Taxation Act allows property owners to have their farm and agricultural lands valued at their current use rather than at their highest and best use. The Open Space Farm & Ag program is for any parcel of land that is devoted primarily to the production of agricultural commodities for commercial purposes. If a residence exists on farms less than 20 acres, a one-acre residence site is excluded. There are income requirements for 3 out of the last 5 years based on the amount of property to be classified:

- Less than 5 acres require an annual gross income from agricultural products of \$1,500 total.
- 5 to 20 acres require an annual gross income for agricultural products of \$200 per acre.
- 20 acres or more do not require a specific amount, but there must be sufficient income to ascertain the property is a commercial-scale farm.

Application Process: Applications are processed through the Assessor's Office. The application form is available on our website at www.co.chelan.wa.us/assessor/pages/current-use-exemptions. The application must include proof of gross income for the commercial operation along with a farm plan. The application fee is \$600, which includes the recording fees for the Notice of Approval form that is recorded with the County Auditor (2 pages).



OPEN SPACE PUBLIC BENEFIT RATING SYSTEM (PBRs)

The Board of Chelan County Commissioners adopted the Open Space Public Benefit Rating System (PBRs) for open-space lands in 1998 to provide a method for determining the public benefit to Chelan County for the designation of open space lands under the current use taxation program. Any land area in which preservation in its present use would conserve or enhance natural resources, protect streams or water supply, promote conservation, enhance the value to the public, enhance recreation opportunities, or preserve historic sites may qualify for a property tax reduction. Agricultural, forest, and residential lands do not qualify for the program. The PBRs system and the amount of property tax reduction are based upon the number of eligibility points for which the land qualifies. The rating factors include priority resources, public access, and bonus categories where variable points are accrued with regard to special conditions.

Application Process: Applications are processed through the Community Development Department. For information on the program, application process, and application fees, please contact them at (509) 667-6225 or visit their website at <https://www.co.chelan.wa.us/community-development>.