
SUBSTITUTE SENATE BILL 6099

State of Washington

52nd Legislature

1992 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators L. Smith and Bauer)

Read first time 02/11/92.

1 AN ACT Relating to compensating taxes on lands valued at current
2 use; and amending RCW 84.34.108.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 84.34.108 and 1989 c 378 s 35 are each amended to read
5 as follows:

6 (1) When land has once been classified under this chapter, a
7 notation of such designation shall be made each year upon the
8 assessment and tax rolls and such land shall be valued pursuant to RCW
9 84.34.060 or 84.34.065 until removal of all or a portion of such
10 designation by the assessor upon occurrence of any of the following:

11 (a) Receipt of notice from the owner to remove all or a portion of
12 such designation;

13 (b) Sale or transfer to an ownership making all or a portion of
14 such land exempt from ad valorem taxation;

1 (c) Sale or transfer of all or a portion of such land to a new
2 owner, unless the new owner has signed a notice of classification
3 continuance. The signed notice of continuance shall be attached to the
4 real estate excise tax affidavit provided for in RCW 82.45.120, as now
5 or hereafter amended. The notice of continuance shall be on a form
6 prepared by the department of revenue. If the notice of continuance is
7 not signed by the new owner and attached to the real estate excise tax
8 affidavit, all additional taxes calculated pursuant to subsection (3)
9 of this section shall become due and payable by the seller or
10 transferor at time of sale. The county auditor shall not accept an
11 instrument of conveyance of classified land for filing or recording
12 unless the new owner has signed the notice of continuance or the
13 additional tax has been paid. The seller, transferor, or new owner may
14 appeal the new assessed valuation calculated under subsection (3) of
15 this section to the county board of equalization. Jurisdiction is
16 hereby conferred on the county board of equalization to hear these
17 appeals;

18 (d) Determination by the assessor, after giving the owner written
19 notice and an opportunity to be heard, that all or a portion of such
20 land is no longer primarily devoted to and used for the purposes under
21 which it was granted classification.

22 (2) Within thirty days after such removal of all or a portion of
23 such land from current use classification, the assessor shall notify
24 the owner in writing, setting forth the reasons for such removal. The
25 seller, transferor, or owner may appeal such removal to the county
26 board of equalization.

27 (3) Unless the removal is reversed on appeal, the assessor shall
28 revalue the affected land with reference to full market value on the
29 date of removal from classification. Both the assessed valuation
30 before and after the removal of classification shall be listed and

1 taxes shall be allocated according to that part of the year to which
2 each assessed valuation applies. Except as provided in subsection (5)
3 of this section, an additional tax shall be imposed which shall be due
4 and payable to the county treasurer thirty days after the owner is
5 notified of the amount of the additional tax. As soon as possible, the
6 assessor shall compute the amount of such an additional tax and the
7 treasurer shall mail notice to the owner of the amount thereof and the
8 date on which payment is due. The amount of such additional tax shall
9 be equal to:

10 (a) The difference between the property tax paid as "open space
11 land", "farm and agricultural land", or "timber land" and the amount of
12 property tax otherwise due and payable for the seven years last past
13 had the land not been so classified; plus

14 (b) Interest upon the amounts of such additional tax (~~(paid at the~~
15 ~~same statutory rate charged on delinquent property taxes))~~ from the
16 dates on which such additional tax could have been paid without penalty
17 if the land had been assessed at a value without regard to this
18 chapter. The rate of interest shall be variable and shall be the
19 lesser of twelve percent or the average of the federal short-term rate
20 as defined in 26 U.S.C. Sec. 1274(d) plus two percentage points. The
21 rate shall be computed by taking an arithmetical average to the nearest
22 percentage point of the federal short-term rate, compounded annually,
23 for the months of January, April, July, and October of the immediately
24 preceding calendar year as published by the United States secretary of
25 the treasury. The rate so computed shall be adjusted on January 1 of
26 each year.

27 (4) Additional tax, together with applicable interest thereon,
28 shall become a lien on such land which shall attach at the time such
29 land is removed from current use classification under this chapter and
30 shall have priority to and shall be fully paid and satisfied before any

1 recognizance, mortgage, judgment, debt, obligation or responsibility to
2 or with which such land may become charged or liable. Such lien may be
3 foreclosed upon expiration of the same period after delinquency and in
4 the same manner provided by law for foreclosure of liens for delinquent
5 real property taxes as provided in RCW 84.64.050 now or as hereafter
6 amended. Any additional tax unpaid on its due date shall thereupon
7 become delinquent. From the date of delinquency until paid, interest
8 shall be charged at the same rate applied by law to delinquent ad
9 valorem property taxes.

10 (5) The additional tax specified in subsection (3) of this section
11 shall not be imposed if the removal of designation pursuant to
12 subsection (1) of this section resulted solely from:

13 (a) Transfer to a government entity in exchange for other land
14 located within the state of Washington;

15 (b) A taking through the exercise of the power of eminent domain,
16 or sale or transfer to an entity having the power of eminent domain in
17 anticipation of the exercise of such power;

18 (c) Sale or transfer of land within two years after the death of
19 the owner of at least a fifty percent interest in such land;

20 (d) A natural disaster such as a flood, windstorm, earthquake, or
21 other such calamity rather than by virtue of the act of the landowner
22 changing the use of such property;

23 (e) Official action by an agency of the state of Washington or by
24 the county or city within which the land is located which disallows the
25 present use of such land;

26 (f) Transfer to a church and such land would qualify for property
27 tax exemption pursuant to RCW 84.36.020; or

28 (g) Acquisition of property interests by state agencies or agencies
29 or organizations qualified under RCW 84.34.210 and 64.04.130 for the
30 purposes enumerated in those sections: PROVIDED, That at such time as

1 these property interests are not used for the purposes enumerated in
2 RCW 84.34.210 and 64.04.130 the additional tax specified in subsection
3 (3) of this section shall be imposed.