

2 **SHB 1700** - S COMM AMD
3 By Committee on Ways & Means

4 ADOPTED 4/13/95

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 84.33.120 and 1992 c 69 s 1 are each amended to read
8 as follows:

9 (1) In preparing the assessment rolls as of January 1, 1982, for
10 taxes payable in 1983 and each January 1st thereafter, the assessor
11 shall list each parcel of forest land at a value with respect to the
12 grade and class provided in this subsection and adjusted as provided in
13 subsection (2) of this section and shall compute the assessed value of
14 the land by using the same assessment ratio he or she applies generally
15 in computing the assessed value of other property in his or her county.
16 Values for the several grades of bare forest land shall be as follows.

17	LAND	OPERABILITY	VALUES
18	GRADE	CLASS	PER ACRE
19			
20		1	\$141
21	1	2	136
22		3	131
23		4	95
24			
25		1	118
26	2	2	114
27		3	110
28		4	80
29			
30		1	93
31	3	2	90
32		3	87
33		4	66
34			

1		1	70
2	4	2	68
3		3	66
4		4	52
5	<hr/>		
6		1	51
7	5	2	48
8		3	46
9		4	31
10	<hr/>		
11		1	26
12	6	2	25
13		3	25
14		4	23
15	<hr/>		
16		1	12
17	7	2	12
18		3	11
19		4	11
20	<hr/>		
21	8		1
22	<hr/>		

23 (2) On or before December 31, 1981, the department shall adjust, by
24 rule under chapter 34.05 RCW, the forest land values contained in
25 subsection (1) of this section in accordance with this subsection, and
26 shall certify these adjusted values to the county assessor for his or
27 her use in preparing the assessment rolls as of January 1, 1982. For
28 the adjustment to be made on or before December 31, 1981, for use in
29 the 1982 assessment year, the department shall:

30 (a) Divide the aggregate value of all timber harvested within the
31 state between July 1, 1976, and June 30, 1981, by the aggregate harvest
32 volume for the same period, as determined from the harvester excise tax
33 returns filed with the department under RCW 82.04.291 and 84.33.071;
34 and

35 (b) Divide the aggregate value of all timber harvested within the
36 state between July 1, 1975, and June 30, 1980, by the aggregate harvest
37 volume for the same period, as determined from the harvester excise tax
38 returns filed with the department under RCW 82.04.291 and 84.33.071;
39 and

1 (c) Adjust the forest land values contained in subsection (1) of
2 this section by a percentage equal to one-half of the percentage change
3 in the average values of harvested timber reflected by comparing the
4 resultant values calculated under (a) and (b) of this subsection.

5 For the adjustments to be made on or before December 31, 1982, and
6 each succeeding year thereafter, the same procedure shall be followed
7 as described in this subsection utilizing harvester excise tax returns
8 filed under RCW 82.04.291 and this chapter except that this adjustment
9 shall be made to the prior year's adjusted value, and the five-year
10 periods for calculating average harvested timber values shall be
11 successively one year more recent.

12 (3) In preparing the assessment roll for 1972 and each year
13 thereafter, the assessor shall enter as the true and fair value of each
14 parcel of forest land the appropriate grade value certified to him or
15 her by the department of revenue, and he or she shall compute the
16 assessed value of such land by using the same assessment ratio he or
17 she applies generally in computing the assessed value of other property
18 in his or her county. In preparing the assessment roll for 1975 and
19 each year thereafter, the assessor shall assess and value as classified
20 forest land all forest land that is not then designated pursuant to RCW
21 84.33.120(4) or 84.33.130 and shall make a notation of such
22 classification upon the assessment and tax rolls. On or before January
23 15 of the first year in which such notation is made, the assessor shall
24 mail notice by certified mail to the owner that such land has been
25 classified as forest land and is subject to the compensating tax
26 imposed by this section. If the owner desires not to have such land
27 assessed and valued as classified forest land, he or she shall give the
28 assessor written notice thereof on or before March 31 of such year and
29 the assessor shall remove from the assessment and tax rolls the
30 classification notation entered pursuant to this subsection, and shall
31 thereafter assess and value such land in the manner provided by law
32 other than this chapter 84.33 RCW.

33 (4) In any year commencing with 1972, an owner of land which is
34 assessed and valued by the assessor other than pursuant to the
35 procedures set forth in RCW 84.33.110 and this section, and which has,
36 in the immediately preceding year, been assessed and valued by the
37 assessor as forest land, may appeal to the county board of equalization
38 by filing an application with the board in the manner prescribed in
39 subsection (2) of RCW 84.33.130. The county board shall afford the

1 applicant an opportunity to be heard if the application so requests and
2 shall act upon the application in the manner prescribed in subsection
3 (3) of RCW 84.33.130.

4 (5) Land that has been assessed and valued as classified forest
5 land as of any year commencing with 1975 assessment year or earlier
6 shall continue to be so assessed and valued until removal of
7 classification by the assessor only upon the occurrence of one of the
8 following events:

9 (a) Receipt of notice from the owner to remove such land from
10 classification as forest land;

11 (b) Sale or transfer to an ownership making such land exempt from
12 ad valorem taxation;

13 (c) Determination by the assessor, after giving the owner written
14 notice and an opportunity to be heard, that, because of actions taken
15 by the owner, such land is no longer primarily devoted to and used for
16 growing and harvesting timber. However, land shall not be removed from
17 classification if a governmental agency, organization, or other
18 recipient identified in subsection (9) of this section as exempt from
19 the payment of compensating tax has manifested its intent in writing or
20 by other official action to acquire a property interest in classified
21 forest land by means of a transaction that qualifies for an exemption
22 under subsection (9) of this section. The governmental agency,
23 organization, or recipient shall annually provide the assessor of the
24 county in which the land is located reasonable evidence in writing of
25 the intent to acquire the classified land as long as the intent
26 continues or within sixty days of a request by the assessor. The
27 assessor may not request this evidence more than once in a calendar
28 year;

29 (d) Determination that a higher and better use exists for such land
30 than growing and harvesting timber after giving the owner written
31 notice and an opportunity to be heard;

32 (e) Sale or transfer of all or a portion of such land to a new
33 owner, unless the new owner has signed a notice of forest land
34 classification continuance(~~([+])~~), except transfer to an owner who is
35 an heir or devisee of a deceased owner, shall not, by itself, result in
36 removal of classification. The signed notice of continuance shall be
37 attached to the real estate excise tax affidavit provided for in RCW
38 (~~(82.45.120, as now or hereafter amended)~~) 82.45.150. The notice of
39 continuance shall be on a form prepared by the department of revenue.

1 If the notice of continuance is not signed by the new owner and
2 attached to the real estate excise tax affidavit, all compensating
3 taxes calculated pursuant to subsection (7) of this section shall
4 become due and payable by the seller or transferor at time of sale.
5 The county auditor shall not accept an instrument of conveyance of
6 classified forest land for filing or recording unless the new owner has
7 signed the notice of continuance or the compensating tax has been paid.
8 The seller, transferor, or new owner may appeal the new assessed
9 valuation calculated under subsection (7) of this section to the county
10 board of equalization. Jurisdiction is hereby conferred on the county
11 board of equalization to hear these appeals.

12 The assessor shall remove classification pursuant to
13 (~~subsections~~) (c) or (d) (~~above~~) of this subsection prior to
14 September 30 of the year prior to the assessment year for which
15 termination of classification is to be effective. Removal of
16 classification as forest land upon occurrence of (~~subsection~~) (a),
17 (b), (d), or (e) (~~above~~) of this subsection shall apply only to the
18 land affected, and upon occurrence of (~~subsection~~) (c) of this
19 subsection shall apply only to the actual area of land no longer
20 primarily devoted to and used for growing and harvesting timber:
21 PROVIDED, That any remaining classified forest land meets necessary
22 definitions of forest land pursuant to RCW 84.33.100 as now or
23 hereafter amended.

24 (6) Within thirty days after such removal of classification as
25 forest land, the assessor shall notify the owner in writing setting
26 forth the reasons for such removal. The owner of such land shall
27 thereupon have the right to apply for designation of such land as
28 forest land pursuant to subsection (4) of this section or RCW
29 84.33.130. The seller, transferor, or owner may appeal such removal to
30 the county board of equalization.

31 (7) Unless the owner successfully applies for designation of such
32 land or unless the removal is reversed on appeal, notation of removal
33 from classification shall immediately be made upon the assessment and
34 tax rolls, and commencing on January 1 of the year following the year
35 in which the assessor made such notation, such land shall be assessed
36 on the same basis as real property is assessed generally in that
37 county. Except as provided in subsections (5)(e) and (9) of this
38 section and unless the assessor shall not have mailed notice of
39 classification pursuant to subsection (3) of this section, a

1 compensating tax shall be imposed which shall be due and payable to the
2 county treasurer thirty days after the owner is notified of the amount
3 of the compensating tax. As soon as possible, the assessor shall
4 compute the amount of such compensating tax and mail notice to the
5 owner of the amount thereof and the date on which payment is due. The
6 amount of such compensating tax shall be equal to(~~(a)~~) the
7 difference, if any, between the amount of tax last levied on such land
8 as forest land and an amount equal to the new assessed valuation of
9 such land multiplied by the dollar rate of the last levy extended
10 against such land, multiplied by (~~(b)~~) a number, in no event greater
11 than ten, equal to the number of years, commencing with assessment year
12 1975, for which such land was assessed and valued as forest land.

13 (8) Compensating tax, together with applicable interest thereon,
14 shall become a lien on such land which shall attach at the time such
15 land is removed from classification as forest land and shall have
16 priority to and shall be fully paid and satisfied before any
17 recognizance, mortgage, judgment, debt, obligation or responsibility to
18 or with which such land may become charged or liable. Such lien may be
19 foreclosed upon expiration of the same period after delinquency and in
20 the same manner provided by law for foreclosure of liens for delinquent
21 real property taxes as provided in RCW 84.64.050. Any compensating tax
22 unpaid on its due date shall thereupon become delinquent. From the
23 date of delinquency until paid, interest shall be charged at the same
24 rate applied by law to delinquent ad valorem property taxes.

25 (9) The compensating tax specified in subsection (7) of this
26 section shall not be imposed if the removal of classification as forest
27 land pursuant to subsection (5) of this section resulted solely from:

28 (a) Transfer to a government entity in exchange for other forest
29 land located within the state of Washington;

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

33 (c) A donation of fee title, development rights, or the right to
34 harvest timber, to a government agency or organization qualified under
35 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
36 sections, or the sale or transfer of fee title to a governmental entity
37 or a nonprofit nature conservancy corporation, as defined in RCW
38 64.04.130, exclusively for the protection and conservation of lands
39 recommended for state natural area preserve purposes by the natural

1 heritage council and natural heritage plan as defined in chapter 79.70
2 RCW: PROVIDED, That at such time as the land is not used for the
3 purposes enumerated, the compensating tax specified in subsection (7)
4 of this section shall be imposed upon the current owner;

5 (d) The sale or transfer of fee title to the parks and recreation
6 commission for park and recreation purposes.

7 (10) With respect to any land that has been designated prior to May
8 6, 1974, pursuant to RCW 84.33.120(4) or 84.33.130, the assessor may,
9 prior to January 1, 1975, on his or her own motion or pursuant to
10 petition by the owner, change, without imposition of the compensating
11 tax provided under RCW 84.33.140, the status of such designated land to
12 classified forest land.

13 **Sec. 2.** RCW 84.33.140 and 1992 c 69 s 2 are each amended to read
14 as follows:

15 (1) When land has been designated as forest land pursuant to RCW
16 84.33.120(4) or 84.33.130, a notation of such designation shall be made
17 each year upon the assessment and tax rolls, a copy of the notice of
18 approval together with the legal description or assessor's tax lot
19 numbers for such land shall, at the expense of the applicant, be filed
20 by the assessor in the same manner as deeds are recorded, and such land
21 shall be graded and valued pursuant to RCW 84.33.110 and 84.33.120
22 until removal of such designation by the assessor upon occurrence of
23 any of the following:

24 (a) Receipt of notice from the owner to remove such designation;

25 (b) Sale or transfer to an ownership making such land exempt from
26 ad valorem taxation;

27 (c) Sale or transfer of all or a portion of such land to a new
28 owner, unless the new owner has signed a notice of forest land
29 designation continuance(~~(+)~~), except transfer to an owner who is an
30 heir or devisee of a deceased owner, shall not, by itself, result in
31 removal of classification. The signed notice of continuance shall be
32 attached to the real estate excise tax affidavit provided for in RCW
33 (~~82.45.120, as now or hereafter amended~~) 82.45.150. The notice of
34 continuance shall be on a form prepared by the department of revenue.
35 If the notice of continuance is not signed by the new owner and
36 attached to the real estate excise tax affidavit, all compensating
37 taxes calculated pursuant to subsection (3) of this section shall
38 become due and payable by the seller or transferor at time of sale.

1 The county auditor shall not accept an instrument of conveyance of
2 designated forest land for filing or recording unless the new owner has
3 signed the notice of continuance or the compensating tax has been paid.
4 The seller, transferor, or new owner may appeal the new assessed
5 valuation calculated under subsection (3) of this section to the county
6 board of equalization. Jurisdiction is hereby conferred on the county
7 board of equalization to hear these appeals;

8 (d) Determination by the assessor, after giving the owner written
9 notice and an opportunity to be heard, that: (i) Such land is no
10 longer primarily devoted to and used for growing and harvesting
11 timber((7)). However, land shall not be removed from designation if a
12 governmental agency, organization, or other recipient identified in
13 subsection (5) of this section as exempt from the payment of
14 compensating tax has manifested its intent in writing or by other
15 official action to acquire a property interest in designated forest
16 land by means of a transaction that qualifies for an exemption under
17 subsection (5) of this section. The governmental agency, organization,
18 or recipient shall annually provide the assessor of the county in which
19 the land is located reasonable evidence in writing of the intent to
20 acquire the designated land as long as the intent continues or within
21 sixty days of a request by the assessor. The assessor may not request
22 this evidence more than once in a calendar year;

23 (ii) ~~((such))~~ The owner has failed to comply with a final
24 administrative or judicial order with respect to a violation of the
25 restocking, forest management, fire protection, insect and disease
26 control and forest debris provisions of Title 76 RCW or any applicable
27 regulations thereunder((7)); or

28 (iii) Restocking has not occurred to the extent or within the time
29 specified in the application for designation of such land.

30 Removal of designation upon occurrence of any of ((subsections)) (a)
31 through (c) ((above)) of this subsection shall apply only to the land
32 affected, and upon occurrence of ((subsection)) (d) of this subsection
33 shall apply only to the actual area of land no longer primarily devoted
34 to and used for growing and harvesting timber, without regard to other
35 land that may have been included in the same application and approval
36 for designation: PROVIDED, That any remaining designated forest land
37 meets necessary definitions of forest land pursuant to RCW 84.33.100 as
38 now or hereafter amended.

1 (2) Within thirty days after such removal of designation of forest
2 land, the assessor shall notify the owner in writing, setting forth the
3 reasons for such removal. The seller, transferor, or owner may appeal
4 such removal to the county board of equalization.

5 (3) Unless the removal is reversed on appeal a copy of the notice
6 of removal with notation of the action, if any, upon appeal, together
7 with the legal description or assessor's tax lot numbers for the land
8 removed from designation shall, at the expense of the applicant, be
9 filed by the assessor in the same manner as deeds are recorded, and
10 commencing on January 1 of the year following the year in which the
11 assessor mailed such notice, such land shall be assessed on the same
12 basis as real property is assessed generally in that county. Except as
13 provided in subsection (5) of this section, a compensating tax shall be
14 imposed which shall be due and payable to the county treasurer thirty
15 days after the owner is notified of the amount of the compensating tax.
16 As soon as possible, the assessor shall compute the amount of such
17 compensating tax and mail notice to the owner of the amount thereof and
18 the date on which payment is due. The amount of such compensating tax
19 shall be equal to $((\text{---}(\text{a})))$ the difference between the amount of tax
20 last levied on such land as forest land and an amount equal to the new
21 assessed valuation of such land multiplied by the dollar rate of the
22 last levy extended against such land, multiplied by $((\text{+}(\text{b})))$ a number,
23 in no event greater than ten, equal to the number of years for which
24 such land was designated as forest land.

25 (4) Compensating tax, together with applicable interest thereon,
26 shall become a lien on such land which shall attach at the time such
27 land is removed from designation as forest land and shall have priority
28 to and shall be fully paid and satisfied before any recognizance,
29 mortgage, judgment, debt, obligation or responsibility to or with which
30 such land may become charged or liable. Such lien may be foreclosed
31 upon expiration of the same period after delinquency and in the same
32 manner provided by law for foreclosure of liens for delinquent real
33 property taxes as provided in RCW 84.64.050. Any compensating tax
34 unpaid on its due date shall thereupon become delinquent. From the
35 date of delinquency until paid, interest shall be charged at the same
36 rate applied by law to delinquent ad valorem property taxes.

37 (5) The compensating tax specified in subsection (3) of this
38 section shall not be imposed if the removal of designation pursuant to
39 subsection (1) of this section resulted solely from:

1 (a) Transfer to a government entity in exchange for other forest
2 land located within the state of Washington;

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

6 (c) A donation of fee title, development rights, or the right to
7 harvest timber, to a government agency or organization qualified under
8 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
9 sections, or the sale or transfer of fee title to a governmental entity
10 or a nonprofit nature conservancy corporation, as defined in RCW
11 64.04.130, exclusively for the protection and conservation of lands
12 recommended for state natural area preserve purposes by the natural
13 heritage council and natural heritage plan as defined in chapter 79.70
14 RCW: PROVIDED, That at such time as the land is not used for the
15 purposes enumerated, the compensating tax specified in subsection (3)
16 of this section shall be imposed upon the current owner;

17 (d) The sale or transfer of fee title to the parks and recreation
18 commission for park and recreation purposes.

19 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of the
21 state government and its existing public institutions, and shall take
22 effect immediately."

23 **SHB 1700** - S COMM AMD
24 By Committee on Ways & Means

ADOPTED 4/13/95

26 On page 1, line 1 of the title, after "provisions;" strike the
27 remainder of the title and insert "amending RCW 84.33.120 and
28 84.33.140; and declaring an emergency."

--- END ---