

2 **SSB 5230 - H COMM AMD ADOPTED 4-10-97**

3 By Committee on Finance

4

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

7 **"Sec. 1.** RCW 84.33.120 and 1995 c 330 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) or (10) of this section as
19 exempt from the payment of compensating tax has manifested its intent
20 in writing or by other official action to acquire a property interest
21 in classified forest land by means of a transaction that qualifies for
22 an exemption under subsection (9) or (10) of this section. The
23 governmental agency, organization, or recipient shall annually provide
24 the assessor of the county in which the land is located reasonable
25 evidence in writing of the intent to acquire the classified land as
26 long as the intent continues or within sixty days of a request by the
27 assessor. The assessor may not request this evidence more than once in
28 a calendar 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 an heir
35 or devisee of a deceased owner, shall not, by itself, result in removal
36 of classification. The signed notice of continuance shall be attached
37 to the real estate excise tax affidavit provided for in RCW 82.45.150.
38 The notice of continuance shall be on a form prepared by the department
39 of revenue. If the notice of continuance is not signed by the new

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

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

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

28 (7) Unless the owner successfully applies for designation of such
29 land or unless the removal is reversed on appeal, notation of removal
30 from classification shall immediately be made upon the assessment and
31 tax rolls, and commencing on January 1 of the year following the year
32 in which the assessor made such notation, such land shall be assessed
33 on the same basis as real property is assessed generally in that
34 county. Except as provided in subsection(~~s~~) (5)(e) (~~and~~), (9), or
35 (10) of this section and unless the assessor shall not have mailed
36 notice of classification pursuant to subsection (3) of this section, a
37 compensating tax shall be imposed which shall be due and payable to the
38 county treasurer thirty days after the owner is notified of the amount
39 of the compensating tax. As soon as possible, the assessor shall

1 compute the amount of such compensating tax and mail notice to the
2 owner of the amount thereof and the date on which payment is due. The
3 amount of such compensating tax shall be equal to the difference, if
4 any, between the amount of tax last levied on such land as forest land
5 and an amount equal to the new assessed valuation of such land
6 multiplied by the dollar rate of the last levy extended against such
7 land, multiplied by a number, in no event greater than ten, equal to
8 the number of years, commencing with assessment year 1975, for which
9 such land was assessed and valued as forest land.

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

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

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

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

30 (c) A donation of fee title, development rights, or the right to
31 harvest timber, to a government agency or organization qualified under
32 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
33 sections, or the sale or transfer of fee title to a governmental entity
34 or a nonprofit nature conservancy corporation, as defined in RCW
35 64.04.130, exclusively for the protection and conservation of lands
36 recommended for state natural area preserve purposes by the natural
37 heritage council and natural heritage plan as defined in chapter 79.70
38 RCW: PROVIDED, That at such time as the land is not used for the

1 purposes enumerated, the compensating tax specified in subsection (7)
2 of this section shall be imposed upon the current owner;

3 (d) The sale or transfer of fee title to the parks and recreation
4 commission for park and recreation purposes; or

5 (e) Official action by an agency of the state of Washington or by
6 the county or city within which the land is located that disallows the
7 present use of such land.

8 (10) In a county with a population of more than one million
9 inhabitants, the compensating tax specified in subsection (7) of this
10 section shall not be imposed if the removal of classification as forest
11 land pursuant to subsection (5) of this section resulted solely from:

12 (a) An action described in subsection (9) of this section; or

13 (b) A transfer of a property interest to a government entity, or to
14 a nonprofit historic preservation corporation or nonprofit nature
15 conservancy corporation, as defined in RCW 64.04.130, to protect or
16 enhance public resources, or to preserve, maintain, improve, restore,
17 limit the future use of, or otherwise to conserve for public use or
18 enjoyment, the property interest being transferred. At such time as
19 the property interest is not used for the purposes enumerated, the
20 compensating tax shall be imposed upon the current owner.

21 (11) With respect to any land that has been designated prior to May
22 6, 1974, pursuant to RCW 84.33.120(4) or 84.33.130, the assessor may,
23 prior to January 1, 1975, on his or her own motion or pursuant to
24 petition by the owner, change, without imposition of the compensating
25 tax provided under RCW 84.33.140, the status of such designated land to
26 classified forest land.

27 **Sec. 2.** RCW 84.33.140 and 1995 c 330 s 2 are each amended to read
28 as follows:

29 (1) When land has been designated as forest land pursuant to RCW
30 84.33.120(4) or 84.33.130, a notation of such designation shall be made
31 each year upon the assessment and tax rolls, a copy of the notice of
32 approval together with the legal description or assessor's tax lot
33 numbers for such land shall, at the expense of the applicant, be filed
34 by the assessor in the same manner as deeds are recorded, and such land
35 shall be graded and valued pursuant to RCW 84.33.110 and 84.33.120
36 until removal of such designation by the assessor upon occurrence of
37 any of the following:

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

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

3 (c) Sale or transfer of all or a portion of such land to a new
4 owner, unless the new owner has signed a notice of forest land
5 designation continuance, except transfer to an owner who is an heir or
6 devisee of a deceased owner, shall not, by itself, result in removal of
7 classification. The signed notice of continuance shall be attached to
8 the real estate excise tax affidavit provided for in RCW 82.45.150.
9 The notice of continuance shall be on a form prepared by the department
10 of revenue. If the notice of continuance is not signed by the new
11 owner and attached to the real estate excise tax affidavit, all
12 compensating taxes calculated pursuant to subsection (3) of this
13 section shall become due and payable by the seller or transferor at
14 time of sale. The county auditor shall not accept an instrument of
15 conveyance of designated forest land for filing or recording unless the
16 new owner has signed the notice of continuance or the compensating tax
17 has been paid. The seller, transferor, or new owner may appeal the new
18 assessed valuation calculated under subsection (3) of this section to
19 the county board of equalization. Jurisdiction is hereby conferred on
20 the county board of equalization to hear these appeals;

21 (d) Determination by the assessor, after giving the owner written
22 notice and an opportunity to be heard, that:

23 (i) Such land is no longer primarily devoted to and used for
24 growing and harvesting timber. However, land shall not be removed from
25 designation if a governmental agency, organization, or other recipient
26 identified in subsection (5) or (6) of this section as exempt from the
27 payment of compensating tax has manifested its intent in writing or by
28 other official action to acquire a property interest in designated
29 forest land by means of a transaction that qualifies for an exemption
30 under subsection (5) or (6) of this section. The governmental agency,
31 organization, or recipient shall annually provide the assessor of the
32 county in which the land is located reasonable evidence in writing of
33 the intent to acquire the designated land as long as the intent
34 continues or within sixty days of a request by the assessor. The
35 assessor may not request this evidence more than once in a calendar
36 year;

37 (ii) The owner has failed to comply with a final administrative or
38 judicial order with respect to a violation of the restocking, forest
39 management, fire protection, insect and disease control and forest

1 debris provisions of Title 76 RCW or any applicable regulations
2 thereunder; or

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

5 Removal of designation upon occurrence of any of (a) through (c) of
6 this subsection shall apply only to the land affected, and upon
7 occurrence of (d) of this subsection shall apply only to the actual
8 area of land no longer primarily devoted to and used for growing and
9 harvesting timber, without regard to other land that may have been
10 included in the same application and approval for designation:
11 PROVIDED, That any remaining designated forest land meets necessary
12 definitions of forest land pursuant to RCW 84.33.100 (~~as now or~~
13 ~~hereafter amended~~)).

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

18 (3) Unless the removal is reversed on appeal a copy of the notice
19 of removal with notation of the action, if any, upon appeal, together
20 with the legal description or assessor's tax lot numbers for the land
21 removed from designation shall, at the expense of the applicant, be
22 filed by the assessor in the same manner as deeds are recorded, and
23 commencing on January 1 of the year following the year in which the
24 assessor mailed such notice, such land shall be assessed on the same
25 basis as real property is assessed generally in that county. Except as
26 provided in subsection (1)(c), (5), or (6) of this section, a
27 compensating tax shall be imposed which shall be due and payable to the
28 county treasurer thirty days after the owner is notified of the amount
29 of the compensating tax. As soon as possible, the assessor shall
30 compute the amount of such compensating tax and mail notice to the
31 owner of the amount thereof and the date on which payment is due. The
32 amount of such compensating tax shall be equal to the difference
33 between the amount of tax last levied on such land as forest land and
34 an amount equal to the new assessed valuation of such land multiplied
35 by the dollar rate of the last levy extended against such land,
36 multiplied by a number, in no event greater than ten, equal to the
37 number of years for which such land was designated as forest land.

38 (4) Compensating tax, together with applicable interest thereon,
39 shall become a lien on such land which shall attach at the time such

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

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

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

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

19 (c) A donation of fee title, development rights, or the right to
20 harvest timber, to a government agency or organization qualified under
21 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
22 sections, or the sale or transfer of fee title to a governmental entity
23 or a nonprofit nature conservancy corporation, as defined in RCW
24 64.04.130, exclusively for the protection and conservation of lands
25 recommended for state natural area preserve purposes by the natural
26 heritage council and natural heritage plan as defined in chapter 79.70
27 RCW: PROVIDED, That at such time as the land is not used for the
28 purposes enumerated, the compensating tax specified in subsection (3)
29 of this section shall be imposed upon the current owner;

30 (d) The sale or transfer of fee title to the parks and recreation
31 commission for park and recreation purposes; or

32 (e) Official action by an agency of the state of Washington or by
33 the county or city within which the land is located that disallows the
34 present use of such land.

35 (6) In a county with a population of more than one million
36 inhabitants, the compensating tax specified in subsection (3) of this
37 section shall not be imposed if the removal of classification as forest
38 land pursuant to subsection (1) of this section resulted solely from:

39 (a) An action described in subsection (5) of this section; or

1 (b) A transfer of a property interest to a government entity, or to
2 a nonprofit historic preservation corporation or nonprofit nature
3 conservancy corporation, as defined in RCW 64.04.130, to protect or
4 enhance public resources, or to preserve, maintain, improve, restore,
5 limit the future use of, or otherwise to conserve for public use or
6 enjoyment, the property interest being transferred. At such time as
7 the property interest is not used for the purposes enumerated, the
8 compensating tax shall be imposed upon the current owner.

9 **Sec. 3.** RCW 84.33.145 and 1992 c 69 s 3 are each amended to read
10 as follows:

11 (1) If no later than thirty days after removal of classification or
12 designation the owner applies for classification under RCW 84.34.020
13 (1), (2), or (3), then the classified or designated forest land shall
14 not be considered removed from classification or designation for
15 purposes of the compensating tax under RCW 84.33.120 or 84.33.140 until
16 the application for current use classification under RCW 84.34.030 is
17 denied or the property is removed from designation under RCW 84.34.108.
18 Upon removal from designation under RCW 84.34.108, the amount of
19 compensating tax due under this chapter shall be equal to:

20 (a) The difference, if any, between the amount of tax last levied
21 on such land as forest land and an amount equal to the new assessed
22 valuation of such land when removed from designation under RCW
23 84.34.108 multiplied by the dollar rate of the last levy extended
24 against such land, multiplied by

25 (b) A number equal to:

26 (i) The number of years the land was classified or designated under
27 this chapter, if the total number of years the land was classified or
28 designated under this chapter and classified under chapter 84.34 RCW is
29 less than ten; or

30 (ii) Ten minus the number of years the land was classified under
31 chapter 84.34 RCW, if the total number of years the land was classified
32 or designated under this chapter and classified under chapter 84.34 RCW
33 is at least ten.

34 (2) Nothing in this section authorizes the continued classification
35 or designation under this chapter or defers or reduces the compensating
36 tax imposed upon forest land not transferred to classification under
37 subsection (1) of this section which does not meet the necessary

1 definitions of forest land under RCW 84.33.100. Nothing in this
2 section affects the additional tax imposed under RCW 84.34.108.

3 (3) In a county with a population of more than one million
4 inhabitants, no amount of compensating tax is due under this section if
5 the removal from classification under RCW 84.34.108 results from a
6 transfer of property described in RCW 84.34.108(5).

7 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of the
9 state government and its existing public institutions, and takes effect
10 immediately."

11 Correct the title accordingly.

--- END ---