
HOUSE BILL 1038

State of Washington

55th Legislature

1997 Regular Session

By Representatives D. Schmidt, Scott and D. Sommers

Read first time 01/13/97. Referred to Committee on Government Administration.

1 AN ACT Relating to recording documents in the county auditor's
2 office; and amending RCW 4.28.320, 4.28.325, 36.18.005, 47.28.025,
3 60.44.030, 60.68.045, 61.16.030, 61.24.030, 64.32.120, 65.04.020,
4 65.04.060, 65.08.060, 65.08.140, 65.08.160, 84.26.080, 84.33.120,
5 84.33.140, 84.34.108, and 84.56.330.

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

7 **Sec. 1.** RCW 4.28.320 and 1893 c 127 s 17 are each amended to read
8 as follows:

9 In an action affecting the title to real property the plaintiff, at
10 the time of filing the complaint, or at any time afterwards, or
11 whenever a writ of attachment of property shall be issued, or at any
12 time afterwards, the plaintiff or a defendant, when he sets up an
13 affirmative cause of action in his answer, and demands substantive
14 relief at the time of filing his answer, or at any time afterwards, if
15 the same be intended to affect real property, may file with the auditor
16 of each county in which the property is situated a notice of the
17 pendency of the action, containing the names of the parties, the object
18 of the action, and a description of the real property in that county
19 affected thereby. From the time of the filing only shall the pendency

1 of the action be constructive notice to a purchaser or encumbrancer of
2 the property affected thereby, and every person whose conveyance or
3 encumbrance is subsequently executed or subsequently recorded shall be
4 deemed a subsequent purchaser or encumbrancer, and shall be bound by
5 all proceedings taken after the filing of such notice to the same
6 extent as if he were a party to the action. For the purpose of this
7 section an action shall be deemed to be pending from the time of filing
8 such notice: PROVIDED, HOWEVER, That such notice shall be of no avail
9 unless it shall be followed by the first publication of the summons, or
10 by the personal service thereof on a defendant within sixty days after
11 such filing. And the court in which the said action was commenced may,
12 at its discretion, at any time after the action shall be settled,
13 discontinued or abated, on application of any person aggrieved and on
14 good cause shown and on such notice as shall be directed or approved by
15 the court, order the notice authorized in this section to be canceled
16 of record, in whole or in part, by the county auditor of any county in
17 whose office the same may have been filed or recorded, and such
18 cancellation shall be (~~made by an indorsement to that effect on the~~
19 ~~margin of the record~~) evidenced by the recording of the court order.

20 **Sec. 2.** RCW 4.28.325 and 1963 c 137 s 1 are each amended to read
21 as follows:

22 In an action in a United States district court for any district in
23 the state of Washington affecting the title to real property in the
24 state of Washington, the plaintiff, at the time of filing the
25 complaint, or at any time afterwards, or a defendant, when he sets up
26 an affirmative cause of action in his answer, or at any time afterward,
27 if the same be intended to affect real property, may file with the
28 auditor of each county in which the property is situated a notice of
29 the pendency of the action, containing the names of the parties, the
30 object of the action and a description of the real property in that
31 county affected thereby. From the time of the filing only shall the
32 pendency of the action be constructive notice to a purchaser or
33 encumbrancer of the property affected thereby, and every person whose
34 conveyance or encumbrance is subsequently executed or subsequently
35 recorded shall be deemed a subsequent purchaser or encumbrancer, and
36 shall be bound by all proceedings taken after the filing of such notice
37 to the same extent as if he were a party to the action. For the
38 purpose of this section an action shall be deemed to be pending from

1 the time of filing such notice: PROVIDED, HOWEVER, That such notice
2 shall be of no avail unless it shall be followed by the first
3 publication of the summons, or by personal service thereof on a
4 defendant within sixty days after such filing. And the court in which
5 the said action was commenced may, in its discretion, at any time after
6 the action shall be settled, discontinued or abated, on application of
7 any person aggrieved and on good cause shown and on such notice as
8 shall be directed or approved by the court, order the notice authorized
9 in this section to be canceled of record, in whole or in part, by the
10 county auditor of any county in whose office the same may have been
11 filed or recorded, and such cancellation shall be (~~made by an~~
12 ~~indorsement to that effect on the margin of the record~~) evidenced by
13 the recording of the court order.

14 **Sec. 3.** RCW 36.18.005 and 1991 c 26 s 1 are each amended to read
15 as follows:

16 The definitions set forth in this section apply throughout this
17 chapter unless the context clearly requires otherwise.

18 (1) "Recording officer" means the county auditor, or in charter
19 counties the county official charged with the responsibility for
20 recording instruments in the county records.

21 (2) "File," "filed," or "filing" means the act of delivering an
22 instrument to the auditor or recording officer for recording into the
23 official public records.

24 (3) "Record," "recorded," or "recording" means the process, such as
25 electronic, mechanical, optical, magnetic, or microfilm storage used by
26 the auditor or recording officer after filing to incorporate the
27 instrument into the public records.

28 (4) "Multiple transactions" means a document that contains two or
29 more transactions in the title and/or requiring multiple indexing.

30 **Sec. 4.** RCW 47.28.025 and 1984 c 7 s 165 are each amended to read
31 as follows:

32 Whenever the department establishes the location, width, and lines
33 of any new highway, or declares any such new highway as a limited
34 access facility and schedules the acquisition of the right of way for
35 the highway or facility within the ensuing two years, it may cause the
36 description and plan of any such highway to be made, showing the center
37 line of the highway and the established width thereof, and attach

1 thereto a certified copy of the resolution. Such description, plan,
2 and resolution shall then be recorded in the office of the county
3 auditor of the proper county (~~in a separate book kept for such~~
4 ~~purposes, which shall be furnished to the county auditor of the county~~
5 ~~by the department at the expense of the state~~)).

6 **Sec. 5.** RCW 60.44.030 and 1937 c 69 s 3 are each amended to read
7 as follows:

8 The county auditor shall record the claims mentioned in this
9 chapter (~~in a book to be kept by him for that purpose~~), which record
10 must be indexed as deeds and other conveyances are required by law to
11 be indexed.

12 **Sec. 6.** RCW 60.68.045 and 1992 c 133 s 3 are each amended to read
13 as follows:

14 (1) When a notice of a tax lien is recorded under RCW 60.68.015(2),
15 the county auditor shall forthwith enter it in (~~an alphabetical tax~~
16 ~~lien index to be provided by the board of county commissioners~~) the
17 general index showing (~~on one line~~) the name and residence of the
18 taxpayer named in the notice, the collector's serial number of the
19 notice, the date and hour of recording, and the amount of tax and
20 penalty assessed. The auditor has the authority to produce a separate
21 tax lien index listing.

22 (2) When a notice of a tax lien is filed under RCW 60.68.015(3),
23 the department of licensing shall enter it in the uniform commercial
24 code filing system showing the name and address of the taxpayer as the
25 debtor, and the internal revenue service as a secured party, and
26 include the collector's serial number of the notice, the date and hour
27 of filing, and the amount of tax and penalty assessed.

28 **Sec. 7.** RCW 61.16.030 and 1995 c 62 s 15 are each amended to read
29 as follows:

30 If the mortgagee fails to acknowledge satisfaction of the mortgage
31 as provided in RCW 61.16.020 sixty days from the date of such request
32 or demand, the mortgagee shall forfeit and pay to the mortgagor damages
33 and a reasonable attorneys' fee, to be recovered in any court having
34 competent jurisdiction, and said court, when convinced that said
35 mortgage has been fully satisfied, shall issue an order in writing,
36 directing the auditor to cancel said mortgage, and the auditor shall

1 immediately record the order ((and cancel the mortgage as directed by
2 the court, upon the margin of the page upon which the mortgage is
3 recorded, making reference thereupon to the order of the court and to
4 the page where the order is recorded)).

5 **Sec. 8.** RCW 61.24.030 and 1990 c 111 s 1 are each amended to read
6 as follows:

7 It shall be requisite, to foreclosure under this chapter:

8 (1) That the deed of trust contains a power of sale;

9 (2) That the deed of trust provides in its terms that the real
10 property conveyed is not used principally for agricultural or farming
11 purposes;

12 (3) That a default has occurred in the obligation secured or a
13 covenant of the grantor, which by the terms of the deed of trust makes
14 operative the power to sell;

15 (4) That no action commenced by the beneficiary of the deed of
16 trust or the beneficiary's successor is now pending to seek
17 satisfaction of an obligation secured by the deed of trust in any court
18 by reason of the grantor's default on the obligation secured:
19 PROVIDED, That (a) the seeking of the appointment of a receiver shall
20 not constitute an action for purposes of this chapter; and (b) if a
21 receiver is appointed, the grantor shall be entitled to any rents or
22 profits derived from property subject to a homestead as defined in RCW
23 6.13.010. If the deed of trust was not granted to secure an obligation
24 incurred primarily for personal, family, or household purposes, this
25 subsection shall not apply to actions brought to enforce any other lien
26 or security interest granted to secure the obligation secured by the
27 deed of trust being foreclosed;

28 (5) That the deed of trust has been recorded in each county in
29 which the land or some part thereof is situated; and

30 (6) That at least thirty days before notice of sale shall be
31 recorded, transmitted or served, written notice of default shall be
32 transmitted by the beneficiary or trustee to the grantor or any
33 successor in interest at his last known address by both first class and
34 either registered or certified mail, return receipt requested, and the
35 beneficiary or trustee shall cause to be posted in a conspicuous place
36 on said premises, a copy of said notice, or personally served on the
37 grantor or his successor in interest. This notice shall contain the
38 following information:

1 (a) A description of the property which is then subject to the deed
2 of trust;

3 (b) The book and the page of the book of records or the county
4 auditor's record location number wherein the deed of trust is recorded;

5 (c) That the beneficiary has declared the grantor or any successor
6 in interest to be in default, and a concise statement of the default
7 alleged;

8 (d) An itemized account of the amount or amounts in arrears if the
9 default alleged is failure to make payments;

10 (e) An itemized account of all other specific charges, costs or
11 fees that the grantor is or may be obliged to pay to reinstate the deed
12 of trust before the recording of the notice of sale;

13 (f) The total of subparagraphs (d) and (e) of this subsection,
14 designated clearly and conspicuously as the amount necessary to
15 reinstate the note and deed of trust before the recording of the notice
16 of sale;

17 (g) That failure to cure said alleged default within thirty days of
18 the date of mailing of the notice, or if personally served, within
19 thirty days of the date of personal service thereof, may lead to
20 recordation, transmittal and publication of a notice of sale, and that
21 the property described in subparagraph (a) of this subsection may be
22 sold at public auction at a date no less than one hundred twenty days
23 in the future;

24 (h) That the effect of the recordation, transmittal and publication
25 of a notice of sale will be to (i) increase the costs and fees and (ii)
26 publicize the default and advertise the grantor's property for sale;

27 (i) That the effect of the sale of the grantor's property by the
28 trustee will be to deprive the grantor or his successor in interest and
29 all those who hold by, through or under him of all their interest in
30 the property described in subsection (a);

31 (j) That the grantor or any successor in interest has recourse to
32 the courts pursuant to RCW 61.24.130 to contest the alleged default on
33 any proper ground.

34 **Sec. 9.** RCW 64.32.120 and 1965 ex.s. c 11 s 4 are each amended to
35 read as follows:

36 Deeds or other conveyances of apartments shall include the
37 following:

1 (1) A description of the land as provided in RCW 64.32.090, or the
2 post office address of the property, including in either case the date
3 of recording of the declaration and the volume((7)) and page ((and)) or
4 county auditor's ((receiving)) record location number of the recorded
5 declaration;

6 (2) The apartment number of the apartment in the declaration and
7 any other data necessary for its proper identification;

8 (3) A statement of the use for which the apartment is intended;

9 (4) The percentage of undivided interest appertaining to the
10 apartment, the common areas and facilities and limited common areas and
11 facilities appertaining thereto, if any;

12 (5) Any further details which the grantor and grantee may deem
13 desirable to set forth consistent with the declaration and with this
14 chapter.

15 **Sec. 10.** RCW 65.04.020 and 1985 c 44 s 14 are each amended to read
16 as follows:

17 For the purpose of recording deeds and other instruments of
18 writing, required or permitted by law to be recorded, the county
19 auditor shall procure such ((books)) media for records as the business
20 of the office requires.

21 **Sec. 11.** RCW 65.04.060 and 1985 c 44 s 17 are each amended to read
22 as follows:

23 Whenever any mortgage, bond, lien, or instrument incumbering real
24 estate, has been satisfied, released or discharged, by the recording of
25 an instrument of release, or acknowledgment of satisfaction, the
26 auditor shall immediately note in ((both the indices, in the column
27 headed remarks, opposite to the appropriate entry, that such
28 instrument, lien or incumbrance has been satisfied. And in all cases
29 of the satisfaction or release of any recorded liens, mortgage,
30 transcript of judgment, mechanic's liens, or other incumbrance
31 whatsoever, the auditor shall note the same in index of transcripts of
32 judgment)) the comment section of the index the record location number
33 of the original mortgage, bond, lien, or instrument.

34 **Sec. 12.** RCW 65.08.060 and 1984 c 73 s 1 are each amended to read
35 as follows:

1 (1) The term "real property" as used in RCW 65.08.060 through
2 65.08.150 includes lands, tenements and hereditaments and chattels real
3 and mortgage liens thereon except a leasehold for a term not exceeding
4 two years.

5 (2) The term "purchaser" includes every person to whom any estate
6 or interest in real property is conveyed for a valuable consideration
7 and every assignee of a mortgage, lease or other conditional estate.

8 (3) The term "conveyance" includes every written instrument by
9 which any estate or interest in real property is created, transferred,
10 mortgaged or assigned or by which the title to any real property may be
11 affected, including an instrument in execution of a power, although the
12 power be one of revocation only, and an instrument releasing in whole
13 or in part, postponing or subordinating a mortgage or other lien;
14 except a will, a lease for a term of not exceeding two years, and an
15 instrument granting a power to convey real property as the agent or
16 attorney for the owner of the property. "To convey" is to execute a
17 "conveyance" as defined in this subdivision.

18 (4) The term "recording officer" means the county auditor (~~(of the~~
19 ~~county)), or in charter counties, the county official charged with the~~
20 responsibility for recording instruments in the county records.

21 **Sec. 13.** RCW 65.08.140 and 1927 c 278 s 9 are each amended to read
22 as follows:

23 A recording officer is not liable for recording an instrument in a
24 wrong book, volume or set of records if the instrument is properly
25 indexed with a reference to the volume and page or record location
26 number where the instrument is actually of record.

27 **Sec. 14.** RCW 65.08.160 and 1967 c 148 s 1 are each amended to read
28 as follows:

29 A mortgage or deed of trust of real estate may be recorded and
30 constructive notice of the same and the contents thereof given in the
31 following manner:

32 (1) An instrument containing a form or forms of covenants,
33 conditions, obligations, powers, and other clauses of a mortgage or
34 deed of trust may be recorded in the office of the county auditor of
35 any county and the auditor of such county, upon the request of any
36 person, on tender of the lawful fees therefor, shall record the same.
37 Every such instrument shall be entitled on the face thereof as a

1 "Master form recorded by . . . (name of person causing the
2 instrument to be recorded)." Such instrument need not be acknowledged
3 to be entitled to record.

4 (2) When any such instrument is recorded, the county auditor shall
5 index such instrument under the name of the person causing it to be
6 recorded in the manner provided for miscellaneous instruments relating
7 to real estate.

8 (3) Thereafter any of the provisions of such master form instrument
9 may be incorporated by reference in any mortgage or deed of trust of
10 real estate situated within this state, if such reference in the
11 mortgage or deed of trust states that the master form instrument was
12 recorded in the county in which the mortgage or deed of trust is
13 offered for record, the date when and the book and page or pages or
14 record location number where such master form instrument was recorded,
15 and that a copy of such master form instrument was furnished to the
16 person executing the mortgage or deed of trust. The recording of any
17 mortgage or deed of trust which has so incorporated by reference
18 therein any of the provisions of a master form instrument recorded as
19 provided in this section shall have like effect as if such provisions
20 of the master form so incorporated by reference had been set forth
21 fully in the mortgage or deed of trust.

22 (4) Whenever a mortgage or deed of trust is presented for recording
23 on which is set forth matter purporting to be a copy or reproduction of
24 such master form instrument or of part thereof, identified by its title
25 as provided in subdivision (1) of this section and stating the date
26 when it was recorded and the book and page or record location number
27 where it was recorded, preceded by the words "do not record" or "not to
28 be recorded," and plainly separated from the matter to be recorded as
29 a part of the mortgage or deed of trust in such manner that it will not
30 appear upon a photographic reproduction of any page containing any part
31 of the mortgage or deed of trust, such matter shall not be recorded by
32 the county auditor to whom the instrument is presented for recording;
33 in such case the county auditor shall record only the mortgage or deed
34 of trust apart from such matter and shall not be liable for so doing,
35 any other provisions of law to the contrary notwithstanding.

36 **Sec. 15.** RCW 84.26.080 and 1986 c 221 s 6 are each amended to read
37 as follows:

1 (1) When property has once been classified and valued as eligible
2 historic property, it shall remain so classified and be granted the
3 special valuation provided by RCW 84.26.070 for ten years or until the
4 property is disqualified by:

5 (a) Notice by the owner to the assessor to remove the special
6 valuation;

7 (b) Sale or transfer to an ownership making it exempt from property
8 taxation; or

9 (c) Removal of the special valuation by the assessor upon
10 determination by the local review board that the property no longer
11 qualifies as historic property or that the owner has failed to comply
12 with the conditions established under RCW 84.26.050.

13 (2) The sale or transfer to a new owner or transfer by reason of
14 death of a former owner to a new owner does not disqualify the property
15 from the special valuation provided by RCW 84.26.070 if:

16 (a) The property continues to qualify as historic property; and

17 (b) The new owner files a notice of compliance with the assessor of
18 the county in which the property is located. Notice of compliance
19 forms shall be prescribed by the state department of revenue and
20 supplied by the county assessor. The notice shall contain a statement
21 that the new owner is aware of the special valuation and of the
22 potential tax liability involved when the property ceases to be valued
23 as historic property under this chapter. The signed notice of
24 compliance shall be attached to ~~((the))~~ a real estate excise tax
25 affidavit ~~((provided for in RCW 82.45.120))~~. If the notice of
26 compliance is not signed by the new owner and attached to the real
27 estate excise tax affidavit, all additional taxes calculated pursuant
28 to RCW 84.26.090 shall become due and payable by the seller or
29 transferor at time of sale. The county auditor shall not accept an
30 instrument of conveyance of specially valued historic property for
31 filing or recording unless the new owner has signed the notice of
32 compliance or the additional tax has been paid as evidenced by the real
33 estate excise tax stamp affixed thereto by the treasurer.

34 (3) When the property ceases to qualify for the special valuation
35 the owner shall immediately notify the state or local review board.

36 (4) Before the additional tax or penalty imposed by RCW 84.26.090
37 is levied, in the case of disqualification, the assessor shall notify
38 the taxpayer by mail, return receipt requested, of the
39 disqualification.

1 **Sec. 16.** RCW 84.33.120 and 1995 c 330 s 1 are each amended to read
2 as follows:

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

11	LAND	OPERABILITY	VALUES
12	GRADE	CLASS	PER ACRE
13			
14		1	\$141
15	1	2	136
16		3	131
17		4	95
18			
19		1	118
20	2	2	114
21		3	110
22		4	80
23			
24		1	93
25	3	2	90
26		3	87
27		4	66
28			
29		1	70
30	4	2	68
31		3	66
32		4	52
33			
34		1	51
35	5	2	48
36		3	46
37		4	31
38			

1		1	26
2	6	2	25
3		3	25
4		4	23
5	<hr/>		
6		1	12
7	7	2	12
8		3	11
9		4	11
10	<hr/>		
11	8		1
12	<hr/>		

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

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

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

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

34 For the adjustments to be made on or before December 31, 1982, and
35 each succeeding year thereafter, the same procedure shall be followed
36 as described in this subsection utilizing harvester excise tax returns
37 filed under RCW 82.04.291 and this chapter except that this adjustment
38 shall be made to the prior year's adjusted value, and the five-year

1 periods for calculating average harvested timber values shall be
2 successively one year more recent.

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

24 (4) In any year commencing with 1972, an owner of land which is
25 assessed and valued by the assessor other than pursuant to the
26 procedures set forth in RCW 84.33.110 and this section, and which has,
27 in the immediately preceding year, been assessed and valued by the
28 assessor as forest land, may appeal to the county board of equalization
29 by filing an application with the board in the manner prescribed in
30 subsection (2) of RCW 84.33.130. The county board shall afford the
31 applicant an opportunity to be heard if the application so requests and
32 shall act upon the application in the manner prescribed in subsection
33 (3) of RCW 84.33.130.

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

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

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

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

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

24 (e) Sale or transfer of all or a portion of such land to a new
25 owner, unless the new owner has signed a notice of forest land
26 classification continuance, except transfer to an owner who is an heir
27 or devisee of a deceased owner, shall not, by itself, result in removal
28 of classification. The signed notice of continuance shall be attached
29 to the real estate excise tax affidavit provided for in RCW 82.45.150.
30 The notice of continuance shall be on a form prepared by the department
31 of revenue. If the notice of continuance is not signed by the new
32 owner and attached to the real estate excise tax affidavit, all
33 compensating taxes calculated pursuant to subsection (7) of this
34 section shall become due and payable by the seller or transferor at
35 time of sale. The county auditor shall not accept an instrument of
36 conveyance of classified forest land for filing or recording unless the
37 new owner has signed the notice of continuance or the compensating tax
38 has been paid as evidenced by the real estate excise tax stamp affixed
39 thereto by the treasurer. The seller, transferor, or new owner may

1 appeal the new assessed valuation calculated under subsection (7) of
2 this section to the county board of equalization. Jurisdiction is
3 hereby conferred on the county board of equalization to hear these
4 appeals.

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

15 (6) Within thirty days after such removal of classification as
16 forest land, the assessor shall notify the owner in writing setting
17 forth the reasons for such removal. The owner of such land shall
18 thereupon have the right to apply for designation of such land as
19 forest land pursuant to subsection (4) of this section or RCW
20 84.33.130. The seller, transferor, or owner may appeal such removal to
21 the county board of equalization.

22 (7) Unless the owner successfully applies for designation of such
23 land or unless the removal is reversed on appeal, notation of removal
24 from classification shall immediately be made upon the assessment and
25 tax rolls, and commencing on January 1 of the year following the year
26 in which the assessor made such notation, such land shall be assessed
27 on the same basis as real property is assessed generally in that
28 county. Except as provided in subsections (5)(e) and (9) of this
29 section and unless the assessor shall not have mailed notice of
30 classification pursuant to subsection (3) of this section, a
31 compensating tax shall be imposed which shall be due and payable to the
32 county treasurer thirty days after the owner is notified of the amount
33 of the compensating tax. As soon as possible, the assessor shall
34 compute the amount of such compensating tax and mail notice to the
35 owner of the amount thereof and the date on which payment is due. The
36 amount of such compensating tax shall be equal to the difference, if
37 any, between the amount of tax last levied on such land as forest land
38 and an amount equal to the new assessed valuation of such land
39 multiplied by the dollar rate of the last levy extended against such

1 land, multiplied by a number, in no event greater than ten, equal to
2 the number of years, commencing with assessment year 1975, for which
3 such land was assessed and valued as forest land.

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

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

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

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

24 (c) A donation of fee title, development rights, or the right to
25 harvest timber, to a government agency or organization qualified under
26 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
27 sections, or the sale or transfer of fee title to a governmental entity
28 or a nonprofit nature conservancy corporation, as defined in RCW
29 64.04.130, exclusively for the protection and conservation of lands
30 recommended for state natural area preserve purposes by the natural
31 heritage council and natural heritage plan as defined in chapter 79.70
32 RCW: PROVIDED, That at such time as the land is not used for the
33 purposes enumerated, the compensating tax specified in subsection (7)
34 of this section shall be imposed upon the current owner;

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

37 (10) With respect to any land that has been designated prior to May
38 6, 1974, pursuant to RCW 84.33.120(4) or 84.33.130, the assessor may,
39 prior to January 1, 1975, on his or her own motion or pursuant to

1 petition by the owner, change, without imposition of the compensating
2 tax provided under RCW 84.33.140, the status of such designated land to
3 classified forest land.

4 **Sec. 17.** RCW 84.33.140 and 1995 c 330 s 2 are each amended to read
5 as follows:

6 (1) When land has been designated as forest land pursuant to RCW
7 84.33.120(4) or 84.33.130, a notation of such designation shall be made
8 each year upon the assessment and tax rolls, a copy of the notice of
9 approval together with the legal description or assessor's tax lot
10 numbers for such land shall, at the expense of the applicant, be filed
11 by the assessor in the same manner as deeds are recorded, and such land
12 shall be graded and valued pursuant to RCW 84.33.110 and 84.33.120
13 until removal of such designation by the assessor upon occurrence of
14 any of the following:

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

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

18 (c) Sale or transfer of all or a portion of such land to a new
19 owner, unless the new owner has signed a notice of forest land
20 designation continuance, except transfer to an owner who is an heir or
21 devisee of a deceased owner, shall not, by itself, result in removal of
22 classification. The signed notice of continuance shall be attached to
23 the real estate excise tax affidavit provided for in RCW 82.45.150.
24 The notice of continuance shall be on a form prepared by the department
25 of revenue. If the notice of continuance is not signed by the new
26 owner and attached to the real estate excise tax affidavit, all
27 compensating taxes calculated pursuant to subsection (3) of this
28 section shall become due and payable by the seller or transferor at
29 time of sale. The county auditor shall not accept an instrument of
30 conveyance of designated forest land for filing or recording unless the
31 new owner has signed the notice of continuance or the compensating tax
32 has been paid as evidenced by the real estate excise tax stamp affixed
33 thereto by the treasurer. The seller, transferor, or new owner may
34 appeal the new assessed valuation calculated under subsection (3) of
35 this section to the county board of equalization. Jurisdiction is
36 hereby conferred on the county board of equalization to hear these
37 appeals;

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

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

16 (ii) The owner has failed to comply with a final administrative or
17 judicial order with respect to a violation of the restocking, forest
18 management, fire protection, insect and disease control and forest
19 debris provisions of Title 76 RCW or any applicable regulations
20 thereunder; or

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

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

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

36 (3) Unless the removal is reversed on appeal a copy of the notice
37 of removal with notation of the action, if any, upon appeal, together
38 with the legal description or assessor's tax lot numbers for the land
39 removed from designation shall, at the expense of the applicant, be

1 filed by the assessor in the same manner as deeds are recorded, and
2 commencing on January 1 of the year following the year in which the
3 assessor mailed such notice, such land shall be assessed on the same
4 basis as real property is assessed generally in that county. Except as
5 provided in subsection (5) of this section, a compensating tax shall be
6 imposed which shall be due and payable to the county treasurer thirty
7 days after the owner is notified of the amount of the compensating tax.
8 As soon as possible, the assessor shall compute the amount of such
9 compensating tax and mail notice to the owner of the amount thereof and
10 the date on which payment is due. The amount of such compensating tax
11 shall be equal to the difference between the amount of tax last levied
12 on such land as forest land and an amount equal to the new assessed
13 valuation of such land multiplied by the dollar rate of the last levy
14 extended against such land, multiplied by a number, in no event greater
15 than ten, equal to the number of years for which such land was
16 designated as forest land.

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

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

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

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

37 (c) A donation of fee title, development rights, or the right to
38 harvest timber, to a government agency or organization qualified under
39 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those

1 sections, or the sale or transfer of fee title to a governmental entity
2 or a nonprofit nature conservancy corporation, as defined in RCW
3 64.04.130, exclusively for the protection and conservation of lands
4 recommended for state natural area preserve purposes by the natural
5 heritage council and natural heritage plan as defined in chapter 79.70
6 RCW: PROVIDED, That at such time as the land is not used for the
7 purposes enumerated, the compensating tax specified in subsection (3)
8 of this section shall be imposed upon the current owner;

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

11 **Sec. 18.** RCW 84.34.108 and 1992 c 69 s 12 are each amended to read
12 as follows:

13 (1) When land has once been classified under this chapter, a
14 notation of such classification shall be made each year upon the
15 assessment and tax rolls and such land shall be valued pursuant to RCW
16 84.34.060 or 84.34.065 until removal of all or a portion of such
17 classification by the assessor upon occurrence of any of the following:

18 (a) Receipt of notice from the owner to remove all or a portion of
19 such classification;

20 (b) Sale or transfer to an ownership, except a transfer that
21 resulted from a default in loan payments made to or secured by a
22 governmental agency that intends to or is required by law or regulation
23 to resell the property for the same use as before, making all or a
24 portion of such land exempt from ad valorem taxation;

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

1 the additional tax has been paid as evidenced by the real estate excise
2 tax stamp affixed thereto by the treasurer. The seller, transferor, or
3 new owner may appeal the new assessed valuation calculated under
4 subsection (3) of this section to the county board of equalization.
5 Jurisdiction is hereby conferred on the county board of equalization to
6 hear these appeals;

7 (d) Determination by the assessor, after giving the owner written
8 notice and an opportunity to be heard, that all or a portion of such
9 land no longer meets the criteria for classification under this
10 chapter. The criteria for classification pursuant to this chapter
11 continue to apply after classification has been granted.

12 The granting authority, upon request of an assessor, shall provide
13 reasonable assistance to the assessor in making a determination whether
14 such land continues to meet the qualifications of RCW 84.34.020 (1) or
15 (3). The assistance shall be provided within thirty days of receipt of
16 the request.

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

22 (3) Unless the removal is reversed on appeal, the assessor shall
23 revalue the affected land with reference to full market value on the
24 date of removal from classification. Both the assessed valuation
25 before and after the removal of classification shall be listed and
26 taxes shall be allocated according to that part of the year to which
27 each assessed valuation applies. Except as provided in subsection (5)
28 of this section, an additional tax, applicable interest, and penalty
29 shall be imposed which shall be due and payable to the county treasurer
30 thirty days after the owner is notified of the amount of the additional
31 tax. As soon as possible, the assessor shall compute the amount of
32 such an additional tax, applicable interest, and penalty and the
33 treasurer shall mail notice to the owner of the amount thereof and the
34 date on which payment is due. The amount of such additional tax,
35 applicable interest, and penalty shall be determined as follows:

36 (a) The amount of additional tax shall be equal to the difference
37 between the property tax paid as "open space land", "farm and
38 agricultural land", or "timber land" and the amount of property tax

1 otherwise due and payable for the seven years last past had the land
2 not been so classified;

3 (b) The amount of applicable interest shall be equal to the
4 interest upon the amounts of such additional tax paid at the same
5 statutory rate charged on delinquent property taxes from the dates on
6 which such additional tax could have been paid without penalty if the
7 land had been assessed at a value without regard to this chapter;

8 (c) The amount of the penalty shall be as provided in RCW
9 84.34.080. The penalty shall not be imposed if the removal satisfies
10 the conditions of RCW 84.34.070.

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

24 (5) The additional tax, applicable interest, and penalty specified
25 in subsection (3) of this section shall not be imposed if the removal
26 of classification pursuant to subsection (1) of this section resulted
27 solely from:

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

30 (b)(i) A taking through the exercise of the power of eminent
31 domain, or (ii) sale or transfer to an entity having the power of
32 eminent domain in anticipation of the exercise of such power, said
33 entity having manifested its intent in writing or by other official
34 action;

35 (c) A natural disaster such as a flood, windstorm, earthquake, or
36 other such calamity rather than by virtue of the act of the landowner
37 changing the use of such property;

1 (d) Official action by an agency of the state of Washington or by
2 the county or city within which the land is located which disallows the
3 present use of such land;

4 (e) Transfer of land to a church when such land would qualify for
5 exemption pursuant to RCW 84.36.020;

6 (f) Acquisition of property interests by state agencies or agencies
7 or organizations qualified under RCW 84.34.210 and 64.04.130 for the
8 purposes enumerated in those sections: PROVIDED, That at such time as
9 these property interests are not used for the purposes enumerated in
10 RCW 84.34.210 and 64.04.130 the additional tax specified in subsection
11 (3) of this section shall be imposed; or

12 (g) Removal of land classified as farm and agricultural land under
13 RCW 84.34.020(2)(d).

14 **Sec. 19.** RCW 84.56.330 and 1961 c 15 s 84.56.330 are each amended
15 to read as follows:

16 Any person who has a lien by mortgage or otherwise, upon any real
17 property upon which any taxes have not been paid, may pay such taxes,
18 and the interest, penalty and costs thereon; and the receipt of the
19 county treasurer or other collecting official shall constitute an
20 additional lien upon such land, to the amount therein stated, and the
21 amount so paid and the interest thereon at the rate specified in the
22 mortgage or other instrument shall be collectible with, or as a part
23 of, and in the same manner as the amount secured by the original lien:
24 PROVIDED, That the person paying such taxes shall pay the same as
25 mortgagee or other lien holder and shall procure the receipt of the
26 county treasurer therefor, showing the mortgage or other lien
27 relationship of the person paying such taxes, and the same shall have
28 been recorded with the county auditor of the county wherein the said
29 real estate is situated, within ten days after the payment of such
30 taxes and the issuance of such receipt. It shall be the duty of any
31 treasurer issuing such receipt to make notation thereon of the lien
32 relationship claim of the person paying such taxes. It shall be the
33 duty of the county auditor in such cases to index and record such
34 receipts in the same manner as provided for the recording of liens on
35 real estate, upon the payment to the county auditor of the (~~sum of~~
36 ~~fifty cents~~) appropriate recording fees by the person presenting the
37 same for recording: AND PROVIDED FURTHER, That in the event the above
38 provision be not complied with, the lien created by any such payment

1 shall be subordinate to the liens of all mortgages or encumbrances upon
2 such real property, which are senior to the mortgage or other lien of
3 the person so making such payment.

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