
SENATE BILL 5826

State of Washington

56th Legislature

1999 Regular Session

By Senators Haugen, McCaslin, Patterson, Wojahn, Fraser, Jacobsen, Rasmussen, Swecker, Spanel, Gardner, McDonald, Kline, Snyder, Morton and T. Sheldon

Read first time 02/10/1999. Referred to Committee on State & Local Government.

1 AN ACT Relating to the acquisition of rights and interests in open
2 space land, farm and agricultural land, and timber land; amending RCW
3 84.34.108 and 84.34.080; and providing an effective date.

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

5 **Sec. 1.** RCW 84.34.108 and 1992 c 69 s 12 are each amended to read
6 as follows:

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

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

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

1 (c) Sale or transfer of all or a portion of such land to a new
2 owner, unless the new owner has signed a notice of classification
3 continuance, except transfer to an owner who is an heir or devisee of
4 a deceased owner shall not, by itself, result in removal of
5 classification. The signed notice of continuance shall be attached to
6 the real estate excise tax affidavit provided for in RCW (~~82.45.120,~~
7 ~~as now or hereafter amended~~) 82.45.150. The notice of continuance
8 shall be on a form prepared by the department of revenue. If the notice
9 of continuance is not signed by the new owner and attached to the real
10 estate excise tax affidavit, all additional taxes calculated pursuant
11 to subsection (3) of this section shall become due and payable by the
12 seller or transferor at time of sale. The county auditor shall not
13 accept an instrument of conveyance of classified land for filing or
14 recording unless the new owner has signed the notice of continuance or
15 the additional tax has been paid. The seller, transferor, or new owner
16 may appeal the new assessed valuation calculated under subsection (3)
17 of this section to the county board of equalization. Jurisdiction is
18 hereby conferred on the county board of equalization to hear these
19 appeals;

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

25 The granting authority, upon request of an assessor, shall provide
26 reasonable assistance to the assessor in making a determination whether
27 such land continues to meet the qualifications of RCW 84.34.020 (1) or
28 (3). The assistance shall be provided within thirty days of receipt of
29 the request.

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

35 (3) Unless the removal is reversed on appeal, the assessor shall
36 revalue the affected land with reference to full market value on the
37 date of removal from classification. Both the assessed valuation
38 before and after the removal of classification shall be listed and
39 taxes shall be allocated according to that part of the year to which

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

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

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

20 (c) The amount of the penalty shall be as provided in RCW
21 84.34.080. The penalty shall not be imposed if the removal satisfies
22 the conditions of RCW 84.34.070.

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

36 (5) Seventy percent of the taxes, penalties, and interest collected
37 under this section shall be distributed in the same manner as current
38 property taxes applicable to the land. The remaining thirty percent

1 shall be distributed to the county and used to purchase rights and
2 interests in real property under RCW 84.34.210 and 84.34.220.

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

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

9 (b)(i) A taking through the exercise of the power of eminent
10 domain, or (ii) sale or transfer to an entity having the power of
11 eminent domain in anticipation of the exercise of such power, said
12 entity having manifested its intent in writing or by other official
13 action;

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

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

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

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

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

30 **Sec. 2.** RCW 84.34.080 and 1992 c 69 s 11 are each amended to read
31 as follows:

32 When land which has been classified under this chapter as open
33 space land, farm and agricultural land, or timber land is applied to
34 some other use, except through compliance with RCW 84.34.070, or except
35 as a result solely from any one of the conditions listed in RCW
36 84.34.108(~~(+5)~~) (6), the owner shall within sixty days notify the
37 county assessor of such change in use and additional real property tax

1 shall be imposed upon such land in an amount equal to the sum of the
2 following:

3 (1) The total amount of the additional tax and applicable interest
4 due under RCW 84.34.108; plus

5 (2) A penalty amounting to twenty percent of the amount determined
6 in subsection (1) of this section.

7 NEW SECTION. **Sec. 3.** This act takes effect January 1, 2001.

--- END ---