
SENATE BILL 6322

State of Washington 56th Legislature 2000 Regular Session

By Senators Loveland, Rossi and Rasmussen

Read first time 01/13/2000. Referred to Committee on Ways & Means.

1 AN ACT Relating to the taxation of forest lands; amending RCW
2 84.33.035, 84.33.130, 84.33.140, 84.33.145, 84.33.170, 84.33.210,
3 84.33.220, 84.33.230, 84.33.250, 84.33.260, 84.33.270, and 84.34.020;
4 reenacting and amending RCW 84.34.108; decodifying RCW 84.33.112,
5 84.33.113, 84.33.114, 84.33.115, 84.33.116, and 84.33.118; and
6 repealing RCW 84.33.020, 84.33.073, 84.33.100, 84.33.110, and
7 84.33.120.

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

9 **Sec. 1.** RCW 84.33.035 and 1995 c 165 s 1 are each amended to read
10 as follows:

11 Unless the context clearly requires otherwise, the definitions in
12 this section apply throughout this chapter.

13 (1) "Agricultural methods" means the cultivation of trees that are
14 grown on land prepared by intensive cultivation and tilling, such as
15 irrigating, plowing, or turning over the soil, and on which all
16 unwanted plant growth is controlled continuously for the exclusive
17 purpose of raising trees such as Christmas trees and short-rotation
18 hardwoods.

1 (2) "Average rate of inflation" means the annual rate of inflation
2 as determined by the department averaged over the period of time as
3 provided in RCW 84.33.220 (1) and (2). This rate shall be published in
4 the state register by the department not later than January 1st of each
5 year for use in that assessment year.

6 (3) "Composite property tax rate" for a county means the total
7 amount of property taxes levied upon forest lands by all taxing
8 districts in the county other than the state, divided by the total
9 assessed value of all forest land in the county.

10 ~~((+3))~~ (4) "Forest land" or "designated forest land" means
11 ~~((forest land which is classified or designated forest land under this~~
12 ~~chapter))~~ any parcel of land that is twenty or more acres or multiple
13 parcels of land that are contiguous and total twenty or more acres that
14 is or are devoted primarily to growing and harvesting timber for
15 commercial purposes. Designated forest land means the land only. The
16 term includes land used for incidental uses that are compatible with
17 the growing and harvesting of timber for commercial purposes but no
18 more than ten percent of the land may be used for such incidental uses.
19 It also includes the land on which appurtenances necessary for the
20 production, preparation, or sale of the timber products exist in
21 conjunction with land producing these products. Designated forest land
22 does not include a residential homesite.

23 ~~((+4))~~ (5) "Harvested" means the time when in the ordinary course
24 of business the quantity of timber by species is first definitely
25 determined. The amount harvested shall be determined by the Scribner
26 Decimal C Scale or other prevalent measuring practice adjusted to
27 arrive at substantially equivalent measurements, as approved by the
28 department ~~((of revenue))~~.

29 ~~((+5))~~ (6) "Harvester" means every person who from the person's
30 own land or from the land of another under a right or license granted
31 by lease or contract, either directly or by contracting with others for
32 the necessary labor or mechanical services, fells, cuts, or takes
33 timber for sale or for commercial or industrial use(~~(:—PROVIDED, That~~
34 ~~whenever))~~). When the United States or any instrumentality thereof, the
35 state, including its departments and institutions and political
36 subdivisions, or any municipal corporation therein so fells, cuts, or
37 takes timber for sale or for commercial or industrial use, the
38 harvester is the first person other than the United States or any
39 instrumentality thereof, the state, including its departments and

1 institutions and political subdivisions, or any municipal corporation
2 therein, who acquires title to or a possessory interest in (~~((such))~~) the
3 timber. The term "harvester" does not include persons performing under
4 contract the necessary labor or mechanical services for a harvester,
5 and it does not include the harvesters of Christmas trees or short-
6 rotation hardwoods.

7 ~~((+6))~~ (7) "Harvesting and marketing costs" means only those costs
8 directly associated with harvesting the timber from the land and
9 delivering it to the buyer and may include the costs of disposing of
10 logging residues but it does not include any other costs that are not
11 directly and exclusively related to harvesting and marketing of the
12 timber, such as costs of permanent roads or costs of reforesting the
13 land following harvest.

14 (8) "Local government" means any city, town, county, water-sewer
15 district, public utility district, port district, irrigation district,
16 flood control district, or any other municipal corporation, quasi-
17 municipal corporation, or other political subdivision authorized to
18 levy special benefit assessments for sanitary or storm sewerage
19 systems, domestic water supply or distribution systems, or road
20 construction or improvement purposes.

21 (9) "Local improvement district" means any local improvement
22 district, utility local improvement district, local utility district,
23 road improvement district, or any similar unit created by a local
24 government for the purpose of levying special benefit assessments
25 against property specially benefited by improvements relating to the
26 districts.

27 (10) "Owner" means the party or parties having the fee interest in
28 land, except where land is subject to a real estate contract "owner"
29 means the contract vendee.

30 (11) "Primarily" or "primary use" means the existing use of the
31 land is so prevalent that when the characteristic use of the land is
32 evaluated any other use appears to be conflicting or nonrelated.

33 (12) "Short-rotation hardwoods" means hardwood trees, such as but
34 not limited to hybrid cottonwoods, cultivated by agricultural methods
35 in growing cycles shorter than ten years.

36 ~~((+7))~~ (13) "Small harvester" means every person who from his or
37 her own land or from the land of another under a right or license
38 granted by lease or contract, either directly or by contracting with
39 others for the necessary labor or mechanical services, fells, cuts, or

1 takes timber for sale or for commercial or industrial use in an amount
2 not exceeding two million board feet in a calendar year. When the
3 United States or any instrumentality thereof, the state, including its
4 departments and institutions and political subdivisions, or any
5 municipal corporation therein so fells, cuts, or takes timber for sale
6 or for commercial or industrial use, not exceeding these amounts, the
7 small harvester is the first person other than the United States or any
8 instrumentality thereof, the state, including its departments and
9 institutions and political subdivisions, or any municipal corporation
10 therein, who acquires title to or a possessory interest in the timber.
11 Small harvester does not include persons performing under contract the
12 necessary labor or mechanical services for a harvester, and it does not
13 include the harvesters of Christmas trees or short-rotation hardwoods.

14 (14) "Special benefit assessments" means special assessments levied
15 or capable of being levied in any local improvement district or
16 otherwise levied or capable of being levied by a local government to
17 pay for all or part of the costs of a local improvement and which may
18 be levied only for the special benefits to be realized by property by
19 reason of that local improvement.

20 (15) "Stumpage value of timber" means the appropriate stumpage
21 value shown on tables prepared by the department (~~of revenue~~) under
22 RCW 84.33.091, provided that for timber harvested from public land and
23 sold under a competitive bidding process, stumpage value shall mean
24 (~~that~~) the actual amount paid to the seller in cash or other
25 consideration. Whenever payment for the stumpage includes
26 considerations other than cash, the value shall be the fair market
27 value of the other consideration(~~, provided that~~). If the other
28 consideration is permanent roads, the value of the roads shall be the
29 appraised value as appraised by the seller.

30 (~~(+8)~~) (16) "Timber" means forest trees, standing or down, on
31 privately or publicly owned land, and except as provided in RCW
32 84.33.170 includes Christmas trees and short-rotation hardwoods.

33 (~~(+9)~~) (17) "Timber assessed value" for a county means a value,
34 calculated by the department (~~of revenue~~) before October 1st of each
35 year, equal to the total stumpage value of timber harvested from
36 privately owned land in the county during the most recent four calendar
37 quarters for which the information is available multiplied by a ratio.
38 The numerator of the ratio is the rate of tax imposed by the county
39 under RCW 84.33.051 for the year of the calculation. The denominator

1 of the ratio is the composite property tax rate for the county for
2 taxes due in the year of the calculation, expressed as a percentage of
3 assessed value.

4 ~~((10))~~ (18) "Timber assessed value" for a taxing district means
5 the timber assessed value for the county multiplied by a ratio. The
6 numerator of the ratio is the total assessed value of forest land in
7 the taxing district. The denominator is the total assessed value of
8 forest land in the county. As used in this section, "assessed value of
9 forest land" means the assessed value of forest land for taxes due in
10 the year the timber assessed value for the county is calculated.

11 **Sec. 2.** RCW 84.33.130 and 1994 c 301 s 32 are each amended to read
12 as follows:

13 (1) Lands that were assessed as classified forest land before the
14 effective date of this section shall be considered designated forest
15 land and shall not be required to apply for designation under this
16 chapter. The land and timber shall be taxed in accordance with the
17 provisions of this chapter and RCW 28A.150.250.

18 (2) An owner of land desiring that it be designated as forest land
19 and valued ~~((pursuant to RCW 84.33.120))~~ under RCW 84.33.140 as of
20 January 1st of any year shall ~~((make))~~ submit an application to the
21 ~~((county))~~ assessor ~~((before such))~~ of the county in which the land is
22 located before January 1st of that year. The application shall be
23 accompanied by a reasonable processing fee if a processing fee is
24 established by the county legislative authority.

25 (3) No application of designation is required when publicly owned
26 forest land is exchanged for privately owned forest land designated
27 under this chapter. The land exchanged and received by a taxable owner
28 shall be automatically granted designation under this chapter if the
29 following conditions are met:

30 (a) The land will be used to grow and harvest timber for commercial
31 purposes; and

32 (b) The owner of the land submits a document explaining the details
33 of the forest land exchange within sixty days of the closing date of
34 the exchange. However, if the owner fails to submit information
35 regarding the exchange by the end of this sixty-day period, the owner
36 must file an application for designation as forest land under this
37 chapter and the regular application process will be followed.

1 ~~((2))~~ (4) The application shall be made upon forms prepared by
2 the department ~~((of revenue))~~ and supplied by the ~~((county))~~ assessor,
3 and shall include the following:

4 (a) A legal description of, or assessor's ~~((tax lot))~~ parcel
5 numbers for, all land the applicant desires to be designated as forest
6 land;

7 (b) The date or dates of acquisition of ~~((such))~~ the land;

8 (c) A brief description of the timber on ~~((such))~~ the land, or if
9 the timber has been harvested, the owner's plan for restocking;

10 (d) Whether there is a ~~((forest))~~ timber management plan for
11 ~~((such))~~ the land prepared by a trained forester or any other person
12 with adequate knowledge of timber management practices;

13 (e) If so, the nature and extent ~~((of implementation of such plan))~~
14 to which the management plan has been implemented;

15 (f) Whether ~~((such))~~ the land is used for grazing;

16 (g) Whether ~~((such))~~ the land has been subdivided or a plat has
17 been filed with respect ~~((thereto))~~ to the land;

18 (h) Whether ~~((such))~~ the land and the applicant are in compliance
19 with the restocking, forest management, fire protection, insect and
20 disease control, weed control, and forest debris provisions of Title 76
21 RCW or any applicable ~~((regulations thereunder))~~ rules;

22 (i) Whether ~~((such))~~ the land is subject to forest fire protection
23 assessments ~~((pursuant to))~~ under RCW 76.04.610;

24 (j) Whether ~~((such))~~ the land is subject to a lease, option, or
25 other right ~~((which))~~ that permits it to be used for any purpose other
26 than growing and harvesting timber for commercial purposes;

27 (k) A summary of the past experience and activity of the applicant
28 in growing and harvesting timber for commercial purposes;

29 (l) A summary of current and continuing activity of the applicant
30 in growing and harvesting timber for commercial purposes;

31 (m) A statement that the applicant is aware of the potential tax
32 liability involved when ~~((such))~~ the land ceases to be designated as
33 forest land;

34 (n) An affirmation that the statements contained in the application
35 are true and that the land described in the application ~~((is, by itself~~
36 ~~or with other forest land not included in the application, in~~
37 ~~contiguous ownership of twenty or more acres which is primarily devoted~~
38 ~~to and used for growing and harvesting timber))~~ meets the definition of
39 forest land in RCW 84.33.035; and

1 (o) A description and/or drawing showing what areas of land for
2 which designation is sought are used for incidental uses compatible
3 with the definition of forest land in RCW 84.33.035.

4 (5) The assessor shall afford the applicant an opportunity to be
5 heard if the (~~(application)~~) applicant so requests.

6 ~~((+3))~~ (6) The assessor shall act upon the application with due
7 regard to all relevant evidence and without any one or more items of
8 evidence necessarily being determinative, except that the application
9 may be denied for one of the following reasons, without regard to other
10 items:

11 (a) The land does not contain either a "merchantable stand of
12 timber" (~~(or an "adequate stocking")~~) as defined (~~(by rule adopted by~~
13 ~~the forest practices board, except this reason (a))~~) in chapter 76.09
14 RCW and applicable rules. This reason shall not alone be sufficient
15 ~~((for denial of))~~ to deny the application (i) if ((such)) the land has
16 been recently harvested or supports a growth of brush or noncommercial
17 type timber, and the application includes a plan for restocking within
18 three years or ((such)) a longer period necessitated by unavailability
19 of seed or seedlings, or (ii) if only isolated areas within ((such))
20 the land do not meet ((such)) the minimum standards due to rock
21 outcroppings, swamps, unproductive soil or other natural conditions;

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

27 (c) The land abuts a body of salt water and lies between the line
28 of ordinary high tide and a line paralleling ~~((such))~~ the ordinary high
29 tide line and two hundred feet horizontally landward ((therefrom,
30 except that)) from the high tide line. However, if the assessor
31 determines that a higher and better use ((determined by the assessor
32 to)) exists for ((such)) the land but this use would not be permitted
33 or economically feasible by virtue of any federal, state, or local law
34 or regulation ((such)), the land shall be assessed and valued
35 ~~((pursuant to the procedures set forth in RCW 84.33.110 and 84.33.120))~~
36 under RCW 84.33.140 without being designated as forest land.

37 (7) The application shall be deemed to have been approved unless,
38 prior to May ((17)) 1st of the year after ((such)) the application was
39 mailed or delivered to the assessor, the assessor ((shall notify))

1 notifies the applicant in writing of the extent to which the
2 application is denied.

3 ~~((4))~~ (8) An owner who receives notice ~~((pursuant to subsection~~
4 ~~(3) of this section))~~ that his or her application has been denied, in
5 whole or in part, may appeal ~~((such))~~ the denial to the county board of
6 equalization.

7 **Sec. 3.** RCW 84.33.140 and 1999 sp.s. c 4 s 703 are each amended to
8 read as follows:

9 (1) When land has been designated as forest land ~~((pursuant to RCW~~
10 ~~84.33.120(4) or))~~ under RCW 84.33.130, a notation of ~~((such))~~ the
11 designation shall be made each year upon the assessment and tax
12 rolls~~((7))~~. A copy of the notice of approval together with the legal
13 description or assessor's ~~((tax lot))~~ parcel numbers for ~~((such))~~ the
14 land shall, at the expense of the applicant, be filed by the assessor
15 in the same manner as deeds are recorded~~((7 and such))~~.

16 (2) In preparing the assessment roll as of January 1, 2001, for
17 taxes payable in 2002 and each January 1st thereafter, the assessor
18 shall list each parcel of designated forest land at a value with
19 respect to the grade and class provided in this subsection and adjusted
20 as provided in subsection (3) of this section. The assessor shall
21 compute the assessed value of the land using the same assessment ratio
22 applied generally in computing the assessed value of other property in
23 the county. Values for the several grades of bare forest land shall be
24 as follows:

<u>LAND</u>	<u>OPERABILITY</u>	<u>VALUES</u>
<u>GRADE</u>	<u>CLASS</u>	<u>PER ACRE</u>
	<u>1</u>	<u>\$245</u>
<u>1</u>	<u>2</u>	<u>239</u>
	<u>3</u>	<u>227</u>
	<u>4</u>	<u>164</u>
	<u>1</u>	<u>207</u>
<u>2</u>	<u>2</u>	<u>199</u>
	<u>3</u>	<u>191</u>
	<u>4</u>	<u>138</u>
	<u>1</u>	<u>161</u>
<u>3</u>	<u>2</u>	<u>156</u>
	<u>3</u>	<u>155</u>
	<u>4</u>	<u>118</u>

1		<u>1</u>	<u>122</u>
2	<u>4</u>	<u>2</u>	<u>119</u>
3		<u>3</u>	<u>118</u>
4		<u>4</u>	<u>90</u>
5		<u>1</u>	<u>89</u>
6	<u>5</u>	<u>2</u>	<u>82</u>
7		<u>3</u>	<u>81</u>
8		<u>4</u>	<u>54</u>
9		<u>1</u>	<u>45</u>
10	<u>6</u>	<u>2</u>	<u>41</u>
11		<u>3</u>	<u>41</u>
12		<u>4</u>	<u>39</u>
13		<u>1</u>	<u>22</u>
14	<u>7</u>	<u>2</u>	<u>22</u>
15		<u>3</u>	<u>21</u>
16		<u>4</u>	<u>21</u>
17	<u>8</u>		<u>1</u>

18 (3) On or before December 31, 2001, the department shall adjust by
19 rule under chapter 34.05 RCW, the forest land values contained in
20 subsection (2) of this section in accordance with this subsection, and
21 shall certify the adjusted values to the assessor who will use these
22 values in preparing the assessment roll as of January 1, 2002. For the
23 adjustment to be made on or before December 31, 2001, for use in the
24 2002 assessment year, the department shall:

25 (a) Divide the aggregate value of all timber harvested within the
26 state between July 1, 1996, and June 30, 2001, 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 84.33.074; and

29 (b) Divide the aggregate value of all timber harvested within the
30 state between July 1, 1995, and June 30, 2000, by the aggregate harvest
31 volume for the same period, as determined from the harvester excise tax
32 returns filed with the department under RCW 84.33.074; and

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

37 For the adjustments to be made on or before December 31, 2002, and
38 each succeeding year thereafter, the same procedure described above in
39 this subsection shall be followed using harvester excise tax returns

1 filed under RCW 84.33.074. However, this adjustment shall be made to
2 the prior year's adjusted value, and the five-year periods for
3 calculating average harvested timber values shall be successively one
4 year more recent.

5 (4) ~~Land ((shall be)) graded, assessed, and valued ((pursuant to~~
6 ~~RCW 84.33.110 and 84.33.120)) as forest land shall continue to be so~~
7 graded, assessed, and valued until removal of ~~((such))~~ designation by
8 the assessor upon the occurrence of any of the following:

9 (a) Receipt of notice from the owner to remove ~~((such))~~ the
10 designation;

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

13 (c) Sale or transfer of all or a portion of ~~((such))~~ the land to a
14 new owner, unless the new owner has signed a notice of forest land
15 designation continuance, except transfer to an owner who is an heir or
16 devisee of a deceased owner, shall not, by itself, result in removal of
17 ~~((classification))~~ designation. The signed notice of continuance shall
18 be ~~((attached to the real estate excise tax affidavit provided for in~~
19 ~~RCW 82.45.150. The notice of continuance shall be))~~ on a form prepared
20 by the department ~~((of revenue))~~ as part of the real estate excise tax
21 affidavit provided for in RCW 82.45.150. If the notice of continuance
22 is not signed by the new owner ~~((and attached to the real estate excise~~
23 ~~tax affidavit))~~, all compensating taxes calculated ~~((pursuant to))~~
24 under subsection ~~((+3))~~ (10) of this section shall become due and
25 payable by the seller or transferor at time of sale. The ~~((county))~~
26 auditor shall not accept an instrument of conveyance of designated
27 forest land for filing or recording unless the new owner has signed the
28 notice of continuance or the compensating tax has been paid, as
29 evidenced by the real estate excise tax stamp affixed thereto by the
30 treasurer. The seller, transferor, or new owner may appeal the new
31 assessed valuation calculated under subsection ~~((+3))~~ (10) of this
32 section to the county board of equalization. Jurisdiction is hereby
33 conferred on the county board of equalization to hear these appeals;

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

36 (i) ~~((Such))~~ The land is no longer primarily devoted to and used
37 for growing and harvesting timber for commercial purposes. However,
38 land shall not be removed from designation if a governmental agency,
39 organization, or other recipient identified in subsection ~~((+5))~~ (12)

1 or ~~((+6))~~ (13) of this section as exempt from the payment of
2 compensating tax has manifested its intent in writing or by other
3 official action to acquire a property interest in the designated forest
4 land by means of a transaction that qualifies for an exemption under
5 subsection ~~((+5))~~ (12) or ~~((+6))~~ (13) of this section. The
6 governmental agency, organization, or recipient shall annually provide
7 the assessor of the county in which the land is located reasonable
8 evidence in writing of the intent to acquire the designated land as
9 long as the intent continues or within sixty days of a request by the
10 assessor. The assessor may not request this evidence more than once in
11 a calendar year;

12 (ii) The owner has failed to comply with a final administrative or
13 judicial order with respect to a violation of the restocking, forest
14 management, fire protection, insect and disease control, weed control,
15 and forest debris provisions of Title 76 RCW or any applicable
16 ~~((regulations thereunder))~~ rules; or

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

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

27 ~~(+2))~~ (5) Land shall not be removed from designation if there is a
28 governmental restriction that prohibits the owner from harvesting
29 timber from the owner's designated forest land. If only a portion of
30 the parcel is impacted by governmental restrictions of this nature, the
31 restrictions cannot be used as a basis to remove the remainder of the
32 land from designation.

33 (6) The assessor shall have the option of requiring an owner of
34 forest land to file a timber management plan with the assessor upon the
35 occurrence of one of the following:

36 (a) An application for designation as forest land is submitted;

37 (b) Designated forest land is sold or transferred and a notice of
38 continuance, described in subsection (4)(c) of this section, is signed;

39 or

1 (c) If an assessor has reason to believe that designated land is no
2 longer being used to grow and harvest timber for commercial purposes,
3 the assessor may require the landowner to submit a timber management
4 plan to determine if the land should continue to be designated as
5 forest land.

6 (7) If land is removed from designation because of any of the
7 circumstances listed in subsection (4)(a) through (c) of this section,
8 the removal shall apply only to the land affected. If land is removed
9 from designation because of subsection (4)(d) of this section, the
10 removal shall apply only to the actual area of land that is no longer
11 primarily devoted to the growing and harvesting of timber for
12 commercial purposes, without regard to any other land that may have
13 been included in the application and approved for designation, as long
14 as the remaining designated forest land meets the definition of forest
15 land contained in RCW 84.33.035.

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

21 ~~((3))~~ (9) Unless the removal is reversed on appeal a copy of the
22 notice of removal with a notation of the action, if any, upon appeal,
23 together with the legal description or assessor's ((tax lot)) parcel
24 numbers for the land removed from designation shall, at the expense of
25 the applicant, be filed by the assessor in the same manner as deeds are
26 recorded(, and commencing on January 1 of the year following the year
27 in which the assessor mailed such notice, such land shall be assessed
28 on the same basis as real property is assessed generally in that
29 county)) and a notation of removal from designation shall immediately
30 be made upon the assessment and tax rolls. The assessor shall revalue
31 the land to be removed with reference to its true and fair value as of
32 January 1st of the year of removal from designation. Both the assessed
33 value before and after the removal of designation shall be listed and
34 taxes shall be allocated to that part of the year to which each
35 assessed value applies.

36 (10) Except as provided in subsection ((1)(c), (5), or (6))
37 (4)(c), (12), or (13) of this section, a compensating tax shall be
38 imposed ((which)) on land removed from designation as forest land. The
39 compensating tax shall be due and payable to the ((county)) treasurer

1 thirty days after the owner is notified of the amount of (~~the~~
2 ~~compensating~~) this tax. As soon as possible after the decision is
3 made to remove the land from designation, the assessor shall compute
4 the amount of (~~such~~) compensating tax and mail a notice to the owner
5 of the amount (~~thereof~~) of compensating tax owed and the date on
6 which payment of this tax is due. The amount of (~~such~~) compensating
7 tax shall be equal to the difference between the amount of tax last
8 levied on (~~such~~) the land as designated forest land and an amount
9 equal to the new assessed (~~valuation~~) value of (~~such~~) the land
10 multiplied by the dollar rate of the last levy extended against
11 (~~such~~) the land(~~(7)~~). This amount shall be prorated from the date of
12 removal for the balance of the current year and multiplied by a number,
13 in no event greater than ten, equal to the number of years for which
14 (~~such~~) the land was designated as forest land.

15 (~~(4)~~) (11) Compensating tax, together with applicable interest
16 thereon, shall become a lien on (~~such~~) the land which shall attach at
17 the time (~~such~~) the land is removed from designation as forest land
18 and shall have priority to and shall be fully paid and satisfied before
19 any recognizance, mortgage, judgment, debt, obligation, or
20 responsibility to or with which (~~such~~) the land may become charged or
21 liable. (~~Such~~) The lien may be foreclosed upon expiration of the
22 same period after delinquency and in the same manner provided by law
23 for foreclosure of liens for delinquent real property taxes as provided
24 in RCW 84.64.050. Any compensating tax unpaid on its due date shall
25 thereupon become delinquent. From the date of delinquency until paid,
26 interest shall be charged at the same rate applied by law to delinquent
27 ad valorem property taxes.

28 (~~(5)~~) (12) The compensating tax specified in subsection (~~(3)~~)
29 (10) of this section shall not be imposed if the removal of designation
30 (~~pursuant to~~) under subsection (~~(1)~~) (4) of this section resulted
31 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
8 ((+3)) (10) 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 (e) Official action by an agency of the state of Washington or by
12 the county or city within which the land is located that disallows the
13 present use of (~~such~~) the land;
14 (f) The creation, sale, or transfer of forestry riparian easements
15 under RCW 76.13.120; (~~or~~)
16 (g) The creation, sale, or transfer of a fee interest or a
17 conservation easement for the riparian open space program under RCW
18 76.09.040; or
19 (h) A removal, sale, or transfer of designated land that occurs
20 within the two years immediately following the date the owner of at
21 least a fifty percent interest in the land dies if, before January 1,
22 1993, the deceased owner's land was classified or designated under this
23 chapter or was classified under chapter 84.34 RCW and has continuously
24 remained so classified or designated until the date of removal, sale,
25 or transfer. The date of death shown on a death certificate shall be
26 the date used for the purposes of this exemption.
27 ((+6)) (13) In a county with a population of more than one million
28 inhabitants, the compensating tax specified in subsection ((+3)) (10)
29 of this section shall not be imposed if the removal of
30 (~~classification~~) designation as forest land (~~pursuant to~~) under
31 subsection ((+1)) (4) of this section resulted solely from:
32 (a) An action described in subsection ((+5)) (12) of this section;
33 or
34 (b) A transfer of a property interest to a government entity, or to
35 a nonprofit historic preservation corporation or nonprofit nature
36 conservancy corporation, as defined in RCW 64.04.130, to protect or
37 enhance public resources, or to preserve, maintain, improve, restore,
38 limit the future use of, or otherwise to conserve for public use or
39 enjoyment, the property interest being transferred. At such time as

1 the property interest is not used for the purposes enumerated, the
2 compensating tax shall be imposed upon the current owner.

3 **Sec. 4.** RCW 84.33.145 and 1999 sp.s. c 4 s 704 are each amended to
4 read as follows:

5 (1) If no later than thirty days after removal of (~~classification~~
6 ~~or~~) designation the owner applies for classification under RCW
7 84.34.020 (1), (2), or (3), then the (~~classified-or~~) designated
8 forest land shall not be considered removed from (~~classification-or~~)
9 designation for purposes of the compensating tax under RCW (~~84.33.120~~
10 ~~or~~) 84.33.140 until the application for current use classification
11 under chapter 84.34 RCW (~~84.34.030~~) is denied or the property is
12 removed from (~~designation~~) classification under RCW 84.34.108. Upon
13 removal (~~from designation~~) of classification under RCW 84.34.108, the
14 amount of compensating tax due under this chapter shall be equal to:

15 (a) The difference, if any, between the amount of tax last levied
16 on (~~such~~) the land as designated forest land and an amount equal to
17 the new assessed valuation of (~~such~~) the land when removed from
18 (~~designation~~) classification under RCW 84.34.108 multiplied by the
19 dollar rate of the last levy extended against (~~such~~) the land,
20 multiplied by

21 (b) A number equal to:

22 (i) The number of years the land was (~~classified-or~~) designated
23 under this chapter, if the total number of years the land was
24 (~~classified-or~~) designated under this chapter and classified under
25 chapter 84.34 RCW is less than ten; or

26 (ii) Ten minus the number of years the land was classified under
27 chapter 84.34 RCW, if the total number of years the land was
28 (~~classified-or~~) designated under this chapter and classified under
29 chapter 84.34 RCW is at least ten.

30 (2) Nothing in this section authorizes the continued
31 (~~classification-or~~) designation under this chapter or defers or
32 reduces the compensating tax imposed upon forest land not transferred
33 to classification under subsection (1) of this section which does not
34 meet the (~~necessary~~) definition(~~s~~) of forest land under RCW
35 (~~84.33.100~~) 84.33.035. Nothing in this section affects the
36 additional tax imposed under RCW 84.34.108.

37 (3) In a county with a population of more than one million
38 inhabitants, no amount of compensating tax is due under this section if

1 the removal from classification under RCW 84.34.108 results from a
2 transfer of property described in RCW 84.34.108(6).

3 **Sec. 5.** RCW 84.33.170 and 1995 c 165 s 2 are each amended to read
4 as follows:

5 Notwithstanding any provision of this chapter to the contrary, this
6 chapter shall not exempt from the ad valorem tax nor subject to the
7 excise tax imposed by this chapter, Christmas trees and short-rotation
8 hardwoods, which are cultivated by agricultural methods, and ~~((such))~~
9 the land on which ~~((such))~~ the Christmas trees and short-rotation
10 hardwoods stand shall not be taxed as provided in RCW ~~((84.33.100~~
11 ~~through))~~ 84.33.140. However, short-rotation hardwoods, which are
12 cultivated by agricultural methods, on land classified as timber land
13 under chapter 84.34 RCW, shall be subject to the excise tax imposed
14 under this chapter.

15 **Sec. 6.** RCW 84.33.210 and 1992 c 52 s 7 are each amended to read
16 as follows:

17 (1) Any ~~((forest))~~ land that is designated ~~((for classification~~
18 ~~pursuant to))~~ as forest land under this chapter ~~((84.33-RCW))~~ at the
19 earlier of the times the legislative authority of a local government
20 adopts a resolution, ordinance, or legislative act (a) to create a
21 local improvement district, in which ~~((such))~~ the land is included or
22 would have been included but for ~~((such classification))~~ the
23 designation, or (b) to approve or confirm a final special benefit
24 assessment roll relating to a sanitary or storm sewerage system,
25 domestic water supply or distribution system, or road construction or
26 improvement, which roll would have included ~~((such))~~ the land but for
27 ~~((such classification))~~ the designation, shall be exempt from special
28 benefit assessments or charges in lieu of assessment for such purposes
29 as long as that land remains ~~((in such classification))~~ designated as
30 forest land, except as otherwise provided in RCW 84.33.250.

31 (2) Whenever a local government creates a local improvement
32 district, the levying, collection, and enforcement of assessments shall
33 be in the manner and subject to the same procedures and limitations as
34 are provided ~~((pursuant to))~~ under the law concerning the initiation
35 and formation of local improvement districts for the particular local
36 government. Notice of the creation of a local improvement district
37 that includes designated forest land shall be filed with the ~~((county))~~

1 assessor and the legislative authority of the county in which ((such))
2 the land is located. The ((county)) assessor, upon receiving notice of
3 the creation of ((such)) a local improvement district, shall send a
4 notice to the owners of the designated forest lands listed on the tax
5 rolls of the applicable ((county)) treasurer of:

6 (a) The creation of the local improvement district;

7 (b) The exemption of that land from special benefit assessments;

8 (c) The fact that the designated forest land may become subject to
9 the special benefit assessments if the owner waives the exemption by
10 filing a notarized document with the governing body of the local
11 government creating the local improvement district before the
12 confirmation of the final special benefit assessment roll; and

13 (d) The potential liability, pursuant to RCW 84.33.220, if the
14 exemption is not waived and the land is subsequently removed from
15 ((the)) designated forest land status.

16 (3) When a local government approves and confirms a special benefit
17 assessment roll, from which designated forest land has been exempted
18 ((pursuant to)) under this section, it shall file a notice of ((such))
19 this action with the ((county)) assessor and the legislative authority
20 of the county in which ((such)) the land is located and with the
21 treasurer of that local government((, which)). The notice shall
22 describe the action taken, the type of improvement involved, the land
23 exempted, and the amount of the special benefit assessment that would
24 have been levied against the land if it had not been exempted. The
25 filing of ((such)) the notice with the ((county)) assessor and the
26 treasurer of that local government shall constitute constructive notice
27 to a purchaser or encumbrancer of the affected land, and every person
28 whose conveyance or encumbrance is subsequently executed or
29 subsequently recorded, that ((such)) the exempt land is subject to the
30 charges provided in RCW 84.33.220 and 84.33.230, if ((such)) the land
31 is withdrawn or removed from its ((classification)) designation as
32 forest land.

33 (4) The owner of the land exempted from special benefit assessments
34 ((pursuant to)) under this section may waive that exemption by filing
35 a notarized document to that effect with the legislative authority of
36 the local government upon receiving notice from said local government
37 concerning the assessment roll hearing and before the local government
38 confirms the final special benefit assessment roll. A copy of that
39 waiver shall be filed by the local government with the ((county))

1 assessor, but the failure (~~of such filing~~) to file this copy shall
2 not affect the waiver.

3 (5) Except to the extent provided in RCW 84.33.250, the local
4 government shall have no duty to furnish service from the improvement
5 financed by the special benefit assessment to (~~such~~) the exempted
6 land.

7 **Sec. 7.** RCW 84.33.220 and 1992 c 52 s 8 are each amended to read
8 as follows:

9 Whenever forest land has (~~once~~) been exempted from special
10 benefit assessments (~~pursuant to~~) under RCW 84.33.210, any withdrawal
11 or removal from (~~classification~~) designation or change in use from
12 forest land under this chapter (~~84.33-RCW~~) shall result in the
13 following:

14 (1) If the bonds used to fund the improvement in the local
15 improvement district have not been completely retired, (~~such~~) the
16 land shall immediately become liable for:

17 (a) The amount of the special benefit assessment listed in the
18 notice provided for in RCW 84.33.210; plus

19 (b) Interest on the amount determined in (a) of this subsection,
20 compounded annually at a rate equal to the average rate of inflation
21 from the time the initial notice is filed by the governmental entity
22 that created the local improvement district as provided in RCW
23 84.33.210, to the time the owner withdraws (~~such~~) or the assessor
24 removes the land from the exemption category provided by this chapter;
25 or

26 (2) If the bonds used to fund the improvement in the local
27 improvement district have been completely retired, (~~such~~) the land
28 shall immediately become liable for:

29 (a) The amount of the special benefit assessment listed in the
30 notice provided for in RCW 84.33.210; plus

31 (b) Interest on the amount determined in (a) of this subsection
32 compounded annually at a rate equal to the average rate of inflation
33 from the time the initial notice is filed by the governmental entity
34 that created the local improvement district as provided in RCW
35 84.33.210, to the time the bonds used to fund the improvement have been
36 retired; plus

37 (c) Interest on the total amount determined in (a) and (b) of this
38 subsection at a simple per annum rate equal to the average rate of

1 inflation from the time the bonds used to fund the improvement have
2 been retired to the time the owner withdraws (~~((such))~~) or the assessor
3 removes the land(~~((s))~~) from the exemption category provided by this
4 chapter;

5 (3) The amount payable (~~((pursuant to))~~) under this section shall
6 become due on the date (~~((such))~~) the land is withdrawn or removed from
7 its forest land (~~((classification and))~~) designation. This amount shall
8 be a lien on the land prior and superior to any other lien whatsoever
9 except for the lien for general taxes, and shall be enforceable in the
10 same manner as the collection of special benefit assessments are
11 enforced by that local government.

12 **Sec. 8.** RCW 84.33.230 and 1992 c 52 s 9 are each amended to read
13 as follows:

14 Whenever forest land is withdrawn or removed from its forest land
15 (~~((classification))~~) designation, the (~~((county))~~) assessor of the county
16 in which (~~((such))~~) the land is located shall forthwith give written
17 notice of (~~((such))~~) the withdrawal or removal to the local government or
18 its successor that (~~((had))~~) filed with the assessor the notice required
19 by RCW 84.33.210. Upon receipt of the notice from the assessor, the
20 local government shall mail a written statement to the owner of
21 (~~((such))~~) the land for the amounts payable as provided in RCW 84.33.220.
22 (~~((Such))~~) The amounts due shall be delinquent if not paid within one
23 hundred eighty days after the date of mailing of the statement(~~((,~~
24 ~~and))~~). The amount payable shall be subject to the same interest,
25 penalties, lien priority, and enforcement procedures that are
26 applicable to delinquent assessments on the assessment roll from which
27 that land had been exempted, except that the rate of interest charged
28 shall not exceed the rate provided in RCW 84.33.220.

29 **Sec. 9.** RCW 84.33.250 and 1992 c 52 s 11 are each amended to read
30 as follows:

31 The department (~~((of revenue))~~) shall adopt rules it shall deem
32 necessary to implement RCW (~~((84.33.100 and))~~) 84.33.210 through
33 84.33.270, which shall include, but not be limited to, procedures to
34 determine the extent to which a portion of the land otherwise exempt
35 may be subject to a special benefit assessment for: (1) The actual
36 connection to the domestic water system or sewerage facilities; (2)
37 (~~((for))~~) access to the road improvement in relation to its value as

1 forest land as distinguished from its value under more intensive uses;
2 and (3) ~~((for such))~~ the lands that benefit from or cause the need for
3 a local improvement district. The provision for limited special
4 benefit assessments shall not relieve ~~((such))~~ the land from liability
5 for the amounts provided in RCW 84.33.220 and 84.33.230 when ~~((such))~~
6 the land is withdrawn or removed from its forest land
7 ~~((classification))~~ designation.

8 **Sec. 10.** RCW 84.33.260 and 1992 c 52 s 12 are each amended to read
9 as follows:

10 Whenever a portion of a parcel of land that was ~~((classified))~~
11 designated as forest land ~~((pursuant to))~~ under this chapter is
12 withdrawn or removed from ~~((classification))~~ designation or there is a
13 change in use, and ~~((such))~~ the land has been exempted from any benefit
14 assessments ~~((pursuant to))~~ under RCW 84.33.210, the previously exempt
15 benefit assessments shall become due on only that portion of the land
16 that is withdrawn, removed, or changed in use.

17 **Sec. 11.** RCW 84.33.270 and 1992 c 52 s 13 are each amended to read
18 as follows:

19 (1) Forest land on which the right ~~((to))~~ of future development has
20 been acquired by any local government, the state of Washington, or the
21 United States government shall be exempt from special benefit
22 assessments in lieu of assessment for ~~((such))~~ the purposes in the same
23 manner, and under the same liabilities for payment and interest, as
24 land ~~((classified))~~ designated under this chapter as forest land, for
25 as long as ~~((such classification))~~ the designation applies.

26 (2) Any interest, development right, easement, covenant, or other
27 contractual right that effectively protects, preserves, maintains,
28 improves, restores, prevents the future nonforest use of, or otherwise
29 conserves forest land shall be exempt from special benefit assessments
30 as long as ~~((such))~~ the development right or other ~~((such))~~ interest
31 effectively serves to prevent nonforest development of ~~((such))~~ the
32 land.

33 **Sec. 12.** RCW 84.34.020 and 1998 c 320 s 7 are each amended to read
34 as follows:

35 As used in this chapter, unless a different meaning is required by
36 the context:

1 (1) "Open space land" means (a) any land area so designated by an
2 official comprehensive land use plan adopted by any city or county and
3 zoned accordingly, or (b) any land area, the preservation of which in
4 its present use would (i) conserve and enhance natural or scenic
5 resources, or (ii) protect streams or water supply, or (iii) promote
6 conservation of soils, wetlands, beaches or tidal marshes, or (iv)
7 enhance the value to the public of abutting or neighboring parks,
8 forests, wildlife preserves, nature reservations or sanctuaries or
9 other open space, or (v) enhance recreation opportunities, or (vi)
10 preserve historic sites, or (vii) preserve visual quality along
11 highway, road, and street corridors or scenic vistas, or (viii) retain
12 in its natural state tracts of land not less than one acre situated in
13 an urban area and open to public use on such conditions as may be
14 reasonably required by the legislative body granting the open space
15 classification, or (c) any land meeting the definition of farm and
16 agricultural conservation land under subsection (8) of this section.
17 As a condition of granting open space classification, the legislative
18 body may not require public access on land classified under (b)(iii) of
19 this subsection for the purpose of promoting conservation of wetlands.

20 (2) "Farm and agricultural land" means:

21 (a) Any parcel of land that is twenty or more acres or multiple
22 parcels of land that are contiguous and total twenty or more acres:

23 (i) Devoted primarily to the production of livestock or
24 agricultural commodities for commercial purposes;

25 (ii) Enrolled in the federal conservation reserve program or its
26 successor administered by the United States department of agriculture;
27 or

28 (iii) Other similar commercial activities as may be established by
29 rule;

30 (b) Any parcel of land that is five acres or more but less than
31 twenty acres devoted primarily to agricultural uses, which has produced
32 a gross income from agricultural uses equivalent to, as of January 1,
33 1993:

34 (i) One hundred dollars or more per acre per year for three of the
35 five calendar years preceding the date of application for
36 classification under this chapter for all parcels of land that are
37 classified under this subsection or all parcels of land for which an
38 application for classification under this subsection is made with the
39 granting authority prior to January 1, 1993; and

1 (ii) On or after January 1, 1993, two hundred dollars or more per
2 acre per year for three of the five calendar years preceding the date
3 of application for classification under this chapter;

4 (c) Any parcel of land of less than five acres devoted primarily to
5 agricultural uses which has produced a gross income as of January 1,
6 1993, of:

7 (i) One thousand dollars or more per year for three of the five
8 calendar years preceding the date of application for classification
9 under this chapter for all parcels of land that are classified under
10 this subsection or all parcels of land for which an application for
11 classification under this subsection is made with the granting
12 authority prior to January 1, 1993; and

13 (ii) On or after January 1, 1993, fifteen hundred dollars or more
14 per year for three of the five calendar years preceding the date of
15 application for classification under this chapter.

16 Parcels of land described in (b)(i) and (c)(i) of this subsection
17 shall, upon any transfer of the property excluding a transfer to a
18 surviving spouse, be subject to the limits of (b)(ii) and (c)(ii) of
19 this subsection.

20 (~~(Agricultural lands shall also include such)~~) (d) Any lands
21 including incidental uses as are compatible with agricultural purposes,
22 including wetlands preservation, provided such incidental use does not
23 exceed twenty percent of the classified land and the land on which
24 appurtenances necessary to the production, preparation, or sale of the
25 agricultural products exist in conjunction with the lands producing
26 such products. Agricultural lands shall also include any parcel of
27 land of one to five acres, which is not contiguous, but which otherwise
28 constitutes an integral part of farming operations being conducted on
29 land qualifying under this section as "farm and agricultural lands"; or

30 (~~((d))~~) (e) The land on which housing for employees and the
31 principal place of residence of the farm operator or owner of land
32 classified pursuant to (a) of this subsection is sited if: The housing
33 or residence is on or contiguous to the classified parcel; and the use
34 of the housing or the residence is integral to the use of the
35 classified land for agricultural purposes.

36 (3) "Timber land" means any parcel of land that is five or more
37 acres or multiple parcels of land that are contiguous and total five or
38 more acres which is or are devoted primarily to the growth and harvest
39 of (~~(forest—crops)~~) timber for commercial purposes. A timber

1 management plan shall be filed with the county legislative authority at
2 the time (a) an application is made for classification as timber land
3 pursuant to this chapter or (b) when a sale or transfer of timber land
4 occurs and a notice of classification continuance is signed. Timber
5 land means the land only.

6 (4) "Current" or "currently" means as of the date on which property
7 is to be listed and valued by the assessor.

8 (5) "Owner" means the party or parties having the fee interest in
9 land, except that where land is subject to real estate contract "owner"
10 shall mean the contract vendee.

11 (6) "Contiguous" means land adjoining and touching other property
12 held by the same ownership. Land divided by a public road, but
13 otherwise an integral part of a farming operation, shall be considered
14 contiguous.

15 (7) "Granting authority" means the appropriate agency or official
16 who acts on an application for classification of land pursuant to this
17 chapter.

18 (8) "Farm and agricultural conservation land" means either:

19 (a) Land that was previously classified under subsection (2) of
20 this section, that no longer meets the criteria of subsection (2) of
21 this section, and that is reclassified under subsection (1) of this
22 section; or

23 (b) Land that is traditional farmland that is not classified under
24 chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a
25 use inconsistent with agricultural uses, and that has a high potential
26 for returning to commercial agriculture.

27 **Sec. 13.** RCW 84.34.108 and 1999 sp.s. c 4 s 706 and 1999 c 233 s
28 22 are each reenacted and amended to read as follows:

29 (1) When land has once been classified under this chapter, a
30 notation of ((~~such~~)) the classification shall be made each year upon
31 the assessment and tax rolls and ((~~such~~)) the land shall be valued
32 pursuant to RCW 84.34.060 or 84.34.065 until removal of all or a
33 portion of ((~~such~~)) the classification by the assessor upon occurrence
34 of any of the following:

35 (a) Receipt of notice from the owner to remove all or a portion of
36 ((~~such~~)) the classification;

37 (b) Sale or transfer to an ownership, except a transfer that
38 resulted from a default in loan payments made to or secured by a

1 governmental agency that intends to or is required by law or regulation
2 to resell the property for the same use as before, making all or a
3 portion of ((such)) the land exempt from ad valorem taxation;

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

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

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

33 (2) Land may not be removed from classification because of:

34 (a) The creation, sale, or transfer of forestry riparian easements
35 under RCW 76.13.120; or

36 (b) The creation, sale, or transfer of a fee interest or a
37 conservation easement for the riparian open space program under RCW
38 76.09.040.

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

6 (4) Unless the removal is reversed on appeal, the assessor shall
7 revalue the affected land with reference to (~~full-market~~) its true
8 and fair value on (~~the date~~) January 1st of the year of removal from
9 classification. Both the assessed valuation before and after the
10 removal of classification shall be listed and taxes shall be allocated
11 according to that part of the year to which each assessed valuation
12 applies. Except as provided in subsection (6) of this section, an
13 additional tax, applicable interest, and penalty shall be imposed which
14 shall be due and payable to the (~~county~~) treasurer thirty days after
15 the owner is notified of the amount of the additional tax. As soon as
16 possible, the assessor shall compute the amount of (~~such-an~~)
17 additional tax, applicable interest, and penalty and the treasurer
18 shall mail notice to the owner of the amount thereof and the date on
19 which payment is due. The amount of (~~such~~) the additional tax,
20 applicable interest, and penalty shall be determined as follows:

21 (a) The amount of additional tax shall be equal to the difference
22 between the property tax paid as "open space land", "farm and
23 agricultural land", or "timber land" and the amount of property tax
24 otherwise due and payable for the seven years last past had the land
25 not been so classified;

26 (b) The amount of applicable interest shall be equal to the
27 interest upon the amounts of (~~such~~) the additional tax paid at the
28 same statutory rate charged on delinquent property taxes from the dates
29 on which (~~such~~) the additional tax could have been paid without
30 penalty if the land had been assessed at a value without regard to this
31 chapter;

32 (c) The amount of the penalty shall be as provided in RCW
33 84.34.080. The penalty shall not be imposed if the removal satisfies
34 the conditions of RCW 84.34.070.

35 (5) Additional tax, applicable interest, and penalty, shall become
36 a lien on (~~such~~) the land which shall attach at the time (~~such~~) the
37 land is removed from classification under this chapter and shall have
38 priority to and shall be fully paid and satisfied before any
39 recognizance, mortgage, judgment, debt, obligation or responsibility to

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

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

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

15 (b)(i) A taking through the exercise of the power of eminent
16 domain, or (ii) sale or transfer to an entity having the power of
17 eminent domain in anticipation of the exercise of such power, said
18 entity having manifested its intent in writing or by other official
19 action;

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

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

26 (e) Transfer of land to a church when ((such)) the land would
27 qualify for exemption pursuant to RCW 84.36.020;

28 (f) Acquisition of property interests by state agencies or agencies
29 or organizations qualified under RCW 84.34.210 and 64.04.130 for the
30 purposes enumerated in those sections(~~(:—PROVIDED, That)~~). At such
31 time as these property interests are not used for the purposes
32 enumerated in RCW 84.34.210 and 64.04.130 the additional tax specified
33 in subsection (4) of this section shall be imposed;

34 (g) Removal of land classified as farm and agricultural land under
35 RCW 84.34.020(2)((~~d~~)) (e);

36 (h) Removal of land from classification after enactment of a
37 statutory exemption that qualifies the land for exemption and receipt
38 of notice from the owner to remove the land from classification;

1 (i) The creation, sale, or transfer of forestry riparian easements
2 under RCW 76.13.120; (~~or~~)

3 (j) The creation, sale, or transfer of a fee interest or a
4 conservation easement for the riparian open space program under RCW
5 76.09.040; or

6 (k) A removal, sale, or transfer of classified land that occurs
7 within the two years immediately following the date the owner of at
8 least a fifty percent interest in the land dies if, prior to January 1,
9 1993, the deceased owner's land was classified under this chapter or
10 was classified or designated under chapter 84.33 RCW and has
11 continuously remained so classified or designated until the date of
12 removal, sale, or transfer. The date of death shown on a death
13 certificate will be the date used for the purposes of this exemption.

14 NEW SECTION. Sec. 14. The following sections are decodified:

15 (1) RCW 84.33.112 (Forest land valuation--Grading forest land--
16 Completion date--Hearings);

17 (2) RCW 84.33.113 (Forest land valuation--Grading forest land--
18 Review of grades);

19 (3) RCW 84.33.114 (Forest land valuation--Grading forest land--
20 Certification of grades to department of revenue by department of
21 natural resources);

22 (4) RCW 84.33.115 (Forest land valuation--Grading forest land--
23 Certification of grades to county assessors--Placement of forest land
24 within land grades);

25 (5) RCW 84.33.116 (Forest land valuation--Grading forest land--
26 Notice to owners of grades--Petition for correction of grade--Appeal);
27 and

28 (6) RCW 84.33.118 (Forest land valuation--Grading forest land--
29 Notice to owners of value established--Petitions for correction of
30 value).

31 NEW SECTION. Sec. 15. The following acts or parts of acts are
32 each repealed:

33 (1) RCW 84.33.020 (Classification of timberlands) and 1990 c 33 s
34 599, 1984 c 204 s 17, & 1971 ex.s. c 294 s 2;

35 (2) RCW 84.33.073 (Definitions) and 1995 c 325 s 1, 1987 c 166 s 2,
36 1986 c 315 s 2, 1982 2nd ex.s. c 4 s 3, & 1981 c 146 s 1;

1 (3) RCW 84.33.100 (Forest land valuation--Definitions) and 1999 c
2 153 s 70, 1992 c 52 s 6, 1983 c 3 s 224, & 1971 ex.s. c 294 s 10;
3 (4) RCW 84.33.110 (Forest land valuation--Grading forest land--
4 Classes) and 1981 c 148 s 4, 1974 ex.s. c 187 s 4, & 1971 ex.s. c 294
5 s 11; and
6 (5) RCW 84.33.120 (Forest land valuation--Assessor to list forest
7 land at grade and class values--Computation of assessed value--
8 Adjustment of values--Certification--Use--Notice of continuance--
9 Appeals--Removal of classification--Compensating tax) and 1999 sp.s. c
10 4 s 702, 1999 c 233 s 20, 1997 c 299 s 1, 1995 c 330 s 1, 1992 c 69 s
11 1, 1986 c 238 s 1, 1984 c 204 s 23, 1981 c 148 s 7, 1980 c 134 s 2,
12 1974 ex.s. c 187 s 5, 1972 ex.s. c 148 s 5, & 1971 ex.s. c 294 s 12.

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