
HOUSE BILL 2765

State of Washington

57th Legislature

2002 Regular Session

By Representatives Orcutt, Fromhold, Morell and McDermott

Read first time 01/28/2002. Referred to Committee on Natural Resources.

1 AN ACT Relating to timber and forest lands; and reenacting and
2 amending RCW 84.33.140.

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

4 **Sec. 1.** RCW 84.33.140 and 2001 c 305 s 2, 2001 c 249 s 3, and 2001
5 c 185 s 5 are each reenacted and amended to read as follows:

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

12 (2) In preparing the assessment roll as of January 1, 2002, for
13 taxes payable in 2003 and each January 1st thereafter, the assessor
14 shall list each parcel of designated forest land at a value with
15 respect to the grade and class provided in this subsection and adjusted
16 as provided in subsection (3) of this section. The assessor shall
17 compute the assessed value of the land using the same assessment ratio
18 applied generally in computing the assessed value of other property in

1 the county. Values for the several grades of bare forest land shall be
2 as follows:

3	LAND	OPERABILITY	VALUES
4	GRADE	CLASS	PER ACRE
5		1	\$234
6	1	2	229
7		3	217
8		4	157
9		1	198
10	2	2	190
11		3	183
12		4	132
13		1	154
14	3	2	149
15		3	148
16		4	113
17		1	117
18	4	2	114
19		3	113
20		4	86
21		1	85
22	5	2	78
23		3	77
24		4	52
25		1	43
26	6	2	39
27		3	39
28		4	37
29		1	21
30	7	2	21
31		3	20
32		4	20
33	8		1

34 (3) On or before December 31, 2001, the department shall adjust by
35 rule under chapter 34.05 RCW, the forest land values contained in
36 subsection (2) of this section in accordance with this subsection, and
37 shall certify the adjusted values to the assessor who will use these
38 values in preparing the assessment roll as of January 1, 2002. For the

1 adjustment to be made on or before December 31, 2001, for use in the
2 2002 assessment year, the department shall:

3 (a) Divide the aggregate value of all timber harvested within the
4 state between July 1, 1996, and June 30, 2001, by the aggregate harvest
5 volume for the same period, as determined from the harvester excise tax
6 returns filed with the department under RCW 84.33.074; and

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

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

15 (4) For the adjustments to be made on or before December 31, 2002,
16 and each succeeding year thereafter, the same procedure described in
17 subsection (3) of this section shall be followed using harvester excise
18 tax returns filed under RCW 84.33.074. However, this adjustment shall
19 be made to the prior year's adjusted value, and the five-year periods
20 for calculating average harvested timber values shall be successively
21 one year more recent.

22 (5) Land graded, assessed, and valued as forest land shall continue
23 to be so graded, assessed, and valued until removal of designation by
24 the assessor upon the occurrence of any of the following:

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

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

28 (c) Sale or transfer of all or a portion of the land to a new
29 owner, unless the new owner has signed a notice of forest land
30 designation continuance, except transfer to an owner who is an heir or
31 devisee of a deceased owner, shall not, by itself, result in removal of
32 designation. The signed notice of continuance shall be attached to the
33 real estate excise tax affidavit provided for in RCW 82.45.150. The
34 notice of continuance shall be on a form prepared by the department.
35 If the notice of continuance is not signed by the new owner and
36 attached to the real estate excise tax affidavit, all compensating
37 taxes calculated under subsection (11) of this section shall become due
38 and payable by the seller or transferor at time of sale. The auditor
39 shall not accept an instrument of conveyance of designated forest land

1 for filing or recording unless the new owner has signed the notice of
2 continuance or the compensating tax has been paid, as evidenced by the
3 real estate excise tax stamp affixed thereto by the treasurer. The
4 seller, transferor, or new owner may appeal the new assessed valuation
5 calculated under subsection (11) of this section to the county board of
6 equalization in accordance with the provisions of RCW 84.40.038.
7 Jurisdiction is hereby conferred on the county board of equalization to
8 hear these appeals;

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

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

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

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

31 (6) Land shall not be removed from designation if there is a
32 governmental restriction that prohibits, in whole or in part, the
33 harvesting of timber from the owner's designated forest land. If only
34 a portion of the parcel is impacted by governmental restrictions of
35 this nature, the restrictions cannot be used as a basis to remove the
36 remainder of the forest land from designation under this chapter. For
37 the purposes of this section, "governmental restrictions" includes:
38 (a) Any law, regulation, rule, ordinance, program, or other action
39 adopted or taken by a federal, state, county, city, or other

1 governmental entity; or (b) the land's zoning or its presence within an
2 urban growth area designated under RCW 36.70A.110.

3 (7) The assessor shall have the option of requiring an owner of
4 forest land to file a timber management plan with the assessor upon the
5 occurrence of one of the following:

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

7 (b) Designated forest land is sold or transferred and a notice of
8 continuance, described in subsection (5)(c) of this section, is signed.

9 The owner of forest land must be given at least sixty days to
10 complete any required timber management plans.

11 (8) If land is removed from designation because of any of the
12 circumstances listed in subsection (5)(a) through (c) of this section,
13 the removal shall apply only to the land affected. If land is removed
14 from designation because of subsection (5)(d) of this section, the
15 removal shall apply only to the actual area of land that is no longer
16 primarily devoted to the growing and harvesting of timber, without
17 regard to any other land that may have been included in the application
18 and approved for designation, as long as the remaining designated
19 forest land meets the definition of forest land contained in RCW
20 84.33.035.

21 (9) Within thirty days after the removal of designation as forest
22 land, the assessor shall notify the owner in writing, setting forth the
23 reasons for the removal. The seller, transferor, or owner may appeal
24 the removal to the county board of equalization in accordance with the
25 provisions of RCW 84.40.038.

26 (10) Unless the removal is reversed on appeal a copy of the notice
27 of removal with a notation of the action, if any, upon appeal, together
28 with the legal description or assessor's parcel numbers for the land
29 removed from designation shall, at the expense of the applicant, be
30 filed by the assessor in the same manner as deeds are recorded and a
31 notation of removal from designation shall immediately be made upon the
32 assessment and tax rolls. The assessor shall revalue the land to be
33 removed with reference to its true and fair value as of January 1st of
34 the year of removal from designation. Both the assessed value before
35 and after the removal of designation shall be listed. Taxes based on
36 the value of the land as forest land shall be assessed and payable up
37 until the date of removal and taxes based on the true and fair value of
38 the land shall be assessed and payable from the date of removal from
39 designation.

1 (11) Except as provided in subsection (5)(c), (13), or (14) of this
2 section, a compensating tax shall be imposed on land removed from
3 designation as forest land. The compensating tax shall be due and
4 payable to the treasurer thirty days after the owner is notified of the
5 amount of this tax. As soon as possible after the land is removed from
6 designation, the assessor shall compute the amount of compensating tax
7 and mail a notice to the owner of the amount of compensating tax owed
8 and the date on which payment of this tax is due. The amount of
9 compensating tax shall be equal to the difference between the amount of
10 tax last levied on the land as designated forest land and an amount
11 equal to the new assessed value of the land multiplied by the dollar
12 rate of the last levy extended against the land, multiplied by a
13 number, in no event greater than nine, equal to the number of years for
14 which the land was designated as forest land, plus compensating taxes
15 on the land at forest land values up until the date of removal and the
16 prorated taxes on the land at true and fair value from the date of
17 removal to the end of the current tax year.

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

30 (13) The compensating tax specified in subsection (11) of this
31 section shall not be imposed if the removal of designation under
32 subsection (5) of this section resulted solely from:

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

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

38 (c) A donation of fee title, development rights, or the right to
39 harvest timber, to a government agency or organization qualified under

1 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
2 sections, or the sale or transfer of fee title to a governmental entity
3 or a nonprofit nature conservancy corporation, as defined in RCW
4 64.04.130, exclusively for the protection and conservation of lands
5 recommended for state natural area preserve purposes by the natural
6 heritage council and natural heritage plan as defined in chapter 79.70
7 RCW. At such time as the land is not used for the purposes enumerated,
8 the compensating tax specified in subsection (11) of this section shall
9 be imposed upon the current owner;

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

12 (e) Official action by an agency of the state of Washington or by
13 the county or city within which the land is located that disallows the
14 present use of the land;

15 (f) The creation, sale, or transfer of forestry riparian easements
16 under RCW 76.13.120;

17 (g) The creation, sale, or transfer of a fee interest or a
18 conservation easement for the riparian open space program under RCW
19 76.09.040;

20 (h) The sale or transfer of land within two years after the death
21 of the owner of at least a fifty percent interest in the land if the
22 land has been assessed and valued as classified forest land, designated
23 as forest land under this chapter, or classified under chapter 84.34
24 RCW continuously since 1993;

25 (i) The sale or transfer of land after the death of the owner of at
26 least a fifty percent interest in the land if the land has been
27 assessed and valued as classified forest land, designated as forest
28 land under this chapter, or classified under chapter 84.34 RCW
29 continuously since 1993 and the sale or transfer takes place within two
30 years after July 22, 2001, and the death of the owner occurred after
31 January 1, 1991; or

32 (j) The date of death shown on a death certificate is the date used
33 for the purpose of this subsection (5).

34 (14) In a county with a population of more than one million
35 inhabitants, the compensating tax specified in subsection (11) of this
36 section shall not be imposed if the removal of designation as forest
37 land under subsection (5) of this section resulted solely from:

38 (a) An action described in subsection (13) of this section; or

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

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