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SENATE BILL 6249

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State of Washington                      59th Legislature                      2006 Regular Session

By Senators Doumit, Morton and Parlette

Read first time 01/10/2006. Referred to Committee on Ways & Means.

1            AN ACT Relating to the property taxation of forest and timber  
2 lands; amending RCW 84.33.035, 84.33.130, 84.33.140, 84.33.140,  
3 84.33.145, 84.33.170, 84.34.020, 84.34.030, 84.34.060, 84.34.070,  
4 84.34.080, 84.34.108, 84.34.145, 84.34.155, 84.34.210, 84.34.220,  
5 84.34.300, 84.34.310, 84.34.330, 84.34.340, 84.34.370, and 84.34.380;  
6 reenacting and amending RCW 84.34.320 and 84.34.360; repealing RCW  
7 84.33.077, 84.34.041, and 84.34.131; providing an effective date; and  
8 providing an expiration date.

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

10            **Sec. 1.** RCW 84.33.035 and 2004 c 177 s 1 are each amended to read  
11 as follows:

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

14            (1) "Agricultural methods" means the cultivation of trees that are  
15 grown on land prepared by intensive cultivation and tilling, such as  
16 irrigating, plowing, or turning over the soil, and on which all  
17 unwanted plant growth is controlled continuously for the exclusive  
18 purpose of raising trees such as Christmas trees and short-rotation  
19 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) "Commercial purposes" means the use of the forest land on a  
7 continuous and regular basis after application for designation that  
8 demonstrates the owner will engage in and intends to obtain, through  
9 lawful means, monetary profit from cash income by growing and  
10 harvesting timber, including timber grown using the methods described  
11 in subsection (1) of this section. However, this requirement does not  
12 apply if there is a governmental restriction that prohibits, in whole  
13 or in part, the owner from harvesting timber from the parcel.

14 (4) "Composite property tax rate" for a county means the total  
15 amount of property taxes levied upon forest lands by all taxing  
16 districts in the county other than the state, divided by the total  
17 assessed value of all forest land in the county.

18 ((+4)) (5) "Forest land" is synonymous with "designated forest  
19 land" and means any parcel of land that is ((twenty)) five or more  
20 acres or multiple parcels of land that are contiguous and total  
21 ((twenty)) five or more acres that is or are devoted primarily to  
22 growing and harvesting timber for commercial purposes as defined in  
23 this section. Designated forest land means the land only and does not  
24 include a residential homesite. The term includes land used for  
25 incidental uses that are compatible with the growing and harvesting of  
26 timber but no more than ten percent of the land may be used for such  
27 incidental uses. It also includes the land on which appurtenances  
28 necessary for the production, preparation, or sale of the timber  
29 products exist in conjunction with land producing these products.

30 ((+5)) (6) "Harvested" means the time when in the ordinary course  
31 of business the quantity of timber by species is first definitely  
32 determined. The amount harvested shall be determined by the Scribner  
33 Decimal C Scale or other prevalent measuring practice adjusted to  
34 arrive at substantially equivalent measurements, as approved by the  
35 department.

36 ((+6)) (7) "Harvester" means every person who from the person's  
37 own land or from the land of another under a right or license granted  
38 by lease or contract, either directly or by contracting with others for

1 the necessary labor or mechanical services, fells, cuts, or takes  
2 timber for sale or for commercial or industrial use. When the United  
3 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, the harvester is the first person  
7 other than the United States or any instrumentality thereof, the state,  
8 including its departments and institutions and political subdivisions,  
9 or any municipal corporation therein, who acquires title to or a  
10 possessory interest in the timber. The term "harvester" does not  
11 include persons performing under contract the necessary labor or  
12 mechanical services for a harvester.

13 ~~((7))~~ (8) "Harvesting and marketing costs" means only those costs  
14 directly associated with harvesting the timber from the land and  
15 delivering it to the buyer and may include the costs of disposing of  
16 logging residues. Any other costs that are not directly and  
17 exclusively related to harvesting and marketing of the timber, such as  
18 costs of permanent roads or costs of reforesting the land following  
19 harvest, are not harvesting and marketing costs.

20 ~~((8))~~ (9) "Incidental use" means a use of designated forest land  
21 that is compatible with its purpose for growing and harvesting timber.  
22 An incidental use may include a gravel pit, a shed or land used to  
23 store machinery or equipment used in conjunction with the timber  
24 enterprise, and any other use that does not interfere with or indicate  
25 that the forest land is no longer primarily being used to grow and  
26 harvest timber.

27 ~~((9))~~ (10) "Local government" means any city, town, county,  
28 water-sewer district, public utility district, port district,  
29 irrigation district, flood control district, or any other municipal  
30 corporation, quasi-municipal corporation, or other political  
31 subdivision authorized to levy special benefit assessments for sanitary  
32 or storm sewerage systems, domestic water supply or distribution  
33 systems, or road construction or improvement purposes.

34 ~~((10))~~ (11) "Local improvement district" means any local  
35 improvement district, utility local improvement district, local utility  
36 district, road improvement district, or any similar unit created by a  
37 local government for the purpose of levying special benefit assessments

1 against property specially benefited by improvements relating to the  
2 districts.

3 ~~((+11+))~~ (12) "Owner" means the party or parties having the fee  
4 interest in land, except where land is subject to a real estate  
5 contract "owner" means the contract vendee.

6 ~~((+12+))~~ (13) "Primarily" or "primary use" means the existing use  
7 of the land is so prevalent that when the characteristic use of the  
8 land is evaluated any other use appears to be conflicting or  
9 nonrelated.

10 ~~((+13+))~~ (14) "Short-rotation hardwoods" means hardwood trees, such  
11 as but not limited to hybrid cottonwoods, cultivated by agricultural  
12 methods in growing cycles shorter than fifteen years.

13 ~~((+14+))~~ (15) "Small harvester" means every person who from his or  
14 her own land or from the land of another under a right or license  
15 granted by lease or contract, either directly or by contracting with  
16 others for the necessary labor or mechanical services, fells, cuts, or  
17 takes timber for sale or for commercial or industrial use in an amount  
18 not exceeding two million board feet in a calendar year. When the  
19 United States or any instrumentality thereof, the state, including its  
20 departments and institutions and political subdivisions, or any  
21 municipal corporation therein so fells, cuts, or takes timber for sale  
22 or for commercial or industrial use, not exceeding these amounts, the  
23 small harvester is the first person other than the United States or any  
24 instrumentality thereof, the state, including its departments and  
25 institutions and political subdivisions, or any municipal corporation  
26 therein, who acquires title to or a possessory interest in the timber.  
27 Small harvester does not include persons performing under contract the  
28 necessary labor or mechanical services for a harvester, and it does not  
29 include the harvesters of Christmas trees or short-rotation hardwoods.

30 ~~((+15+))~~ (16) "Special benefit assessments" means special  
31 assessments levied or capable of being levied in any local improvement  
32 district or otherwise levied or capable of being levied by a local  
33 government to pay for all or part of the costs of a local improvement  
34 and which may be levied only for the special benefits to be realized by  
35 property by reason of that local improvement.

36 ~~((+16+))~~ (17) "Stumpage value of timber" means the appropriate  
37 stumpage value shown on tables prepared by the department under RCW  
38 84.33.091, provided that for timber harvested from public land and sold

1 under a competitive bidding process, stumpage value shall mean the  
2 actual amount paid to the seller in cash or other consideration. The  
3 stumpage value of timber from public land does not include harvesting  
4 and marketing costs if the timber from public land is harvested by, or  
5 under contract for, the United States or any instrumentality of the  
6 United States, the state, including its departments and institutions  
7 and political subdivisions, or any municipal corporation therein.  
8 Whenever payment for the stumpage includes considerations other than  
9 cash, the value shall be the fair market value of the other  
10 consideration. If the other consideration is permanent roads, the  
11 value of the roads shall be the appraised value as appraised by the  
12 seller.

13 ~~((17))~~ (18) "Timber" means forest trees, standing or down, on  
14 privately or publicly owned land, and except as provided in RCW  
15 84.33.170 includes Christmas trees and short-rotation hardwoods.

16 ~~((18))~~ (19) "Timber assessed value" for a county means the sum  
17 of: (a) The total stumpage value of timber harvested from publicly  
18 owned land in the county multiplied by the public timber ratio, plus;  
19 (b) the total stumpage value of timber harvested from privately owned  
20 land in the county multiplied by the private timber ratio. The  
21 numerator of the public timber ratio is the rate of tax imposed by the  
22 county under RCW 84.33.051 on public timber harvests for the year of  
23 the calculation. The numerator of the private timber ratio is the rate  
24 of tax imposed by the county under RCW 84.33.051 on private timber  
25 harvests for the year of the calculation. The denominator of the  
26 private timber ratio and the public timber ratio is the composite  
27 property tax rate for the county for taxes due in the year of the  
28 calculation, expressed as a percentage of assessed value. The  
29 department shall use the stumpage value of timber harvested during the  
30 most recent four calendar quarters for which the information is  
31 available. The department shall calculate the timber assessed value  
32 for each county before October 1st of each year.

33 ~~((19))~~ (20) "Timber assessed value" for a taxing district means  
34 the timber assessed value for the county multiplied by a ratio. The  
35 numerator of the ratio is the total assessed value of forest land in  
36 the taxing district. The denominator is the total assessed value of  
37 forest land in the county. As used in this section, "assessed value of  
38 forest land" means the assessed value of forest land for taxes due in

1 the year the timber assessed value for the county is calculated plus an  
2 additional value for public forest land. The additional value for  
3 public forest land is the product of the number of acres of public  
4 forest land that are available for timber harvesting determined under  
5 RCW 84.33.089 and the average assessed value per acre of private forest  
6 land in the county.

7 ~~((+20))~~ (21) "Timber management plan" means a plan prepared by a  
8 trained forester, or any other person with adequate knowledge of timber  
9 management practices, concerning the use of the land to grow and  
10 harvest timber. Such a plan ~~((includes))~~ may include:

11 (a) A legal description of the forest land;

12 (b) A statement that the forest land is held in contiguous  
13 ownership of ~~((twenty))~~ five or more acres and is primarily devoted to  
14 and used to grow and harvest timber;

15 (c) A brief description of the timber on the forest land or, if the  
16 timber on the land has been harvested, the owner's plan to restock the  
17 land with timber;

18 (d) A statement about whether the forest land is also used to graze  
19 livestock;

20 (e) A statement about whether the land has been used in compliance  
21 with the restocking, forest management, fire protection, insect and  
22 disease control, and forest debris provisions of Title 76 RCW; and

23 (f) If the land has been recently harvested or supports a growth of  
24 brush and noncommercial type timber, a description of the owner's plan  
25 to restock the forest land within three years.

26 **Sec. 2.** RCW 84.33.130 and 2003 c 170 s 4 are each amended to read  
27 as follows:

28 (1) Notwithstanding any other provision of law, lands that were  
29 assessed as classified forest land before July 22, 2001, or open space  
30 timber land under chapter 84.34 RCW before June 8, 2006, shall be  
31 designated forest land for the purposes of this chapter. For any  
32 forest land removed from designation after the merger of designated  
33 forest land and open space timber land on June 8, 2006, only  
34 compensating tax shall be collected as a result of the removal in  
35 accordance with RCW 84.33.140(12), unless otherwise provided by law.  
36 The owners of previously classified forest land shall not be required

1 to apply for designation under this chapter. As of (~~July 22, 2001~~)  
2 June 9, 2006, the land and timber on such land shall be assessed and  
3 taxed in accordance with the provisions of this chapter.

4 (a) Any open space taxation agreement recorded with a county  
5 legislative authority by an owner of classified open space timber land  
6 before June 8, 2006, becomes null and void when the subject land  
7 becomes designated as forest land under this chapter.

8 (b) An owner of land previously classified as open space timber  
9 land may request removal of their land from designation as forest land  
10 under this chapter within thirty days of the date the assessor mailed  
11 the notice of transfer via certified mail to the owner. If the owner  
12 submits a written request to remove the land from designation as forest  
13 land within the specified time frame, no compensating tax shall be  
14 imposed on the removal under RCW 84.33.140(12).

15 (2) An owner of land desiring that it be designated as forest land  
16 and valued under RCW 84.33.140 as of January 1st of any year shall  
17 submit an application to the assessor of the county in which the land  
18 is located before January 1st of that year. The application shall be  
19 accompanied by a reasonable processing fee when the county legislative  
20 authority has established the requirement for such a fee.

21 (3) No application of designation is required when publicly owned  
22 forest land is exchanged for privately owned forest land designated  
23 under this chapter. The land exchanged and received by an owner  
24 subject to ad valorem taxation shall be automatically granted  
25 designation under this chapter if the following conditions are met:

26 (a) The land will be used to grow and harvest timber; and

27 (b) The owner of the land submits a document to the assessor's  
28 office that explains the details of the forest land exchange within  
29 sixty days of the closing date of the exchange. However, if the owner  
30 fails to submit information regarding the exchange by the end of this  
31 sixty-day period, the owner must file an application for designation as  
32 forest land under this chapter and the regular application process will  
33 be followed.

34 (4) The application shall be made upon forms prepared by the  
35 department and supplied by the assessor, and shall include the  
36 following:

37 (a) A legal description of, or assessor's parcel numbers for, all  
38 land the applicant desires to be designated as forest land;

- 1 (b) The date or dates of acquisition of the land;
- 2 (c) A brief description of the timber on the land, or if the timber  
3 has been harvested, the owner's plan for restocking;
- 4 (d) A copy of the timber management plan, if one exists, for the  
5 land prepared by a trained forester or any other person with adequate  
6 knowledge of timber management practices;
- 7 (e) If a timber management plan exists, an explanation of the  
8 nature and extent to which the management plan has been implemented;
- 9 (f) Whether the land is used for grazing;
- 10 (g) Whether the land has been subdivided or a plat has been filed  
11 with respect to the land;
- 12 (h) Whether the land and the applicant are in compliance with the  
13 restocking, forest management, fire protection, insect and disease  
14 control, and forest debris provisions of Title 76 RCW or any applicable  
15 rules under Title 76 RCW;
- 16 (i) Whether the land is subject to forest fire protection  
17 assessments under RCW 76.04.610;
- 18 (j) Whether the land is subject to a lease, option, or other right  
19 that permits it to be used for any purpose other than growing and  
20 harvesting timber;
- 21 (k) A summary of the past experience and activity of the applicant  
22 in growing and harvesting timber;
- 23 (l) A summary of current and continuing activity of the applicant  
24 in growing and harvesting timber;
- 25 (m) A statement that the applicant is aware of the potential tax  
26 liability involved when the land ceases to be designated as forest  
27 land;
- 28 (n) An affirmation that the statements contained in the application  
29 are true and that the land described in the application meets the  
30 definition of forest land in RCW 84.33.035; and
- 31 (o) A description and/or drawing showing what areas of land for  
32 which designation is sought are used for incidental uses compatible  
33 with the definition of forest land in RCW 84.33.035.
- 34 (5) The assessor shall afford the applicant an opportunity to be  
35 heard if the applicant so requests.
- 36 (6) The assessor shall act upon the application with due regard to  
37 all relevant evidence and without any one or more items of evidence



1 necessarily being determinative, except that the application may be  
2 denied for one of the following reasons, without regard to other items:

3 (a) The land does not contain a "merchantable stand of timber" as  
4 defined in chapter 76.09 RCW and applicable rules. This reason shall  
5 not alone be sufficient to deny the application (i) if the land has  
6 been recently harvested or supports a growth of brush or noncommercial  
7 type timber, and the application includes a plan for restocking within  
8 three years or a longer period necessitated by unavailability of seed  
9 or seedlings, or (ii) if only isolated areas within the land do not  
10 meet the minimum standards due to rock outcroppings, swamps,  
11 unproductive soil or other natural conditions;

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

17 (c) The land abuts a body of salt water and lies between the line  
18 of ordinary high tide and a line paralleling the ordinary high tide  
19 line and two hundred feet horizontally landward from the high tide  
20 line. However, if the assessor determines that a higher and better use  
21 exists for the land but this use would not be permitted or economically  
22 feasible by virtue of any federal, state, or local law or regulation,  
23 the land shall be assessed and valued under RCW 84.33.140 without being  
24 designated as forest land.

25 (7) The application shall be deemed to have been approved unless,  
26 prior to (~~May~~) July 1st of the year after the application was mailed  
27 or delivered to the assessor, the assessor notifies the applicant in  
28 writing of the extent to which the application is denied.

29 (8) An owner who receives notice that his or her application has  
30 been denied, in whole or in part, may appeal the denial to the county  
31 board of equalization in accordance with the provisions of RCW  
32 84.40.038.

33 **Sec. 3.** RCW 84.33.140 and 2003 c 170 s 5 are each amended to read  
34 as follows:

35 (1) When land has been designated as forest land under RCW  
36 84.33.130, a notation of the designation shall be made each year upon  
37 the assessment and tax rolls. A copy of the notice of approval

1 together with the legal description or assessor's parcel numbers for  
2 the land shall, at the expense of the applicant, be filed by the  
3 assessor in the same manner as deeds are recorded.

4 (2) In preparing the assessment roll as of January 1, 2002, for  
5 taxes payable in 2003 and each January 1st thereafter, the assessor  
6 shall list each parcel of designated forest land at a value with  
7 respect to the grade and class provided in this subsection and adjusted  
8 as provided in subsection (3) of this section. The assessor shall  
9 compute the assessed value of the land using the same assessment ratio  
10 applied generally in computing the assessed value of other property in  
11 the county. Values for the several grades of bare forest land shall be  
12 as follows:

13	LAND	OPERABILITY	VALUES
14	GRADE	CLASS	PER ACRE
15		1	\$234
16	1	2	229
17		3	217
18		4	157
19		1	198
20	2	2	190
21		3	183
22		4	132
23		1	154
24	3	2	149
25		3	148
26		4	113
27		1	117
28	4	2	114
29		3	113
30		4	86
31		1	85
32	5	2	78
33		3	77
34		4	52
35		1	43
36	6	2	39

1		3	39
2		4	37
3		1	21
4	7	2	21
5		3	20
6		4	20
7	8		1

8 (3) On or before December 31, 2001, the department shall adjust by  
9 rule under chapter 34.05 RCW, the forest land values contained in  
10 subsection (2) of this section in accordance with this subsection, and  
11 shall certify the adjusted values to the assessor who will use these  
12 values in preparing the assessment roll as of January 1, 2002. For the  
13 adjustment to be made on or before December 31, 2001, for use in the  
14 2002 assessment year, the department shall:

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

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

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

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

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

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

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

3 (c) Sale or transfer of all or a portion of the land to a new  
4 owner, unless the new owner has signed a notice of forest land  
5 designation continuance, except transfer to an owner who is an heir or  
6 devisee of a deceased owner, shall not, by itself, result in removal of  
7 designation. The signed notice of continuance shall be attached to the  
8 real estate excise tax affidavit provided for in RCW 82.45.150. The  
9 notice of continuance shall be on a form prepared by the department.  
10 If the notice of continuance is not signed by the new owner and  
11 attached to the real estate excise tax affidavit, all compensating  
12 taxes calculated under subsection (11) of this section shall become due  
13 and payable by the seller or transferor at time of sale. The auditor  
14 shall not accept an instrument of conveyance regarding designated  
15 forest land for filing or recording unless the new owner has signed the  
16 notice of continuance or the compensating tax has been paid, as  
17 evidenced by the real estate excise tax stamp affixed thereto by the  
18 treasurer. The seller, transferor, or new owner may appeal the new  
19 assessed valuation calculated under subsection (11) of this section to  
20 the county board of equalization in accordance with the provisions of  
21 RCW 84.40.038. Jurisdiction is hereby conferred on the county board of  
22 equalization to hear these appeals;

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

25 (i) The land is no longer primarily devoted to and used for growing  
26 and harvesting timber. However, land shall not be removed from  
27 designation if a governmental agency, organization, or other recipient  
28 identified in subsection (13) or (14) of this section as exempt from  
29 the payment of compensating tax has manifested its intent in writing or  
30 by other official action to acquire a property interest in the  
31 designated forest land by means of a transaction that qualifies for an  
32 exemption under subsection (13) or (14) of this section. The  
33 governmental agency, organization, or recipient shall annually provide  
34 the assessor of the county in which the land is located reasonable  
35 evidence in writing of the intent to acquire the designated land as  
36 long as the intent continues or within sixty days of a request by the  
37 assessor. The assessor may not request this evidence more than once in  
38 a calendar year;

1 (ii) The owner has failed to comply with a final administrative or  
2 judicial order with respect to a violation of the restocking, forest  
3 management, fire protection, insect and disease control, and forest  
4 debris provisions of Title 76 RCW or any applicable rules under Title  
5 76 RCW; or

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

8 (6) Land shall not be removed from designation if there is a  
9 governmental restriction that prohibits, in whole or in part, the owner  
10 from harvesting timber from the owner's designated forest land. If  
11 only a portion of the parcel is impacted by governmental restrictions  
12 of this nature, the restrictions cannot be used as a basis to remove  
13 the remainder of the forest land from designation under this chapter.

14 For the purposes of this section, "governmental restrictions" includes:

15 (a) Any law, regulation, rule, ordinance, program, or other action  
16 adopted or taken by a federal, state, county, city, or other  
17 governmental entity; or (b) the land's zoning or its presence within an  
18 urban growth area designated under RCW 36.70A.110.

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

22 (a) An application for designation as forest land is submitted;  
23 (~~(e)~~)

24 (b) Designated forest land is sold or transferred and a notice of  
25 continuance, described in subsection (5)(c) of this section, is signed;  
26 or

27 (c) The assessor has reason to believe that the land is no longer  
28 being used as designated forest land. In this case, the assessor can  
29 require such a plan to determine whether the land can continue as  
30 designated forest land.

31 (8) If land is removed from designation because of any of the  
32 circumstances listed in subsection (5)(a) through (c) of this section,  
33 the removal shall apply only to the land affected. If land is removed  
34 from designation because of subsection (5)(d) of this section, the  
35 removal shall apply only to the actual area of land that is no longer  
36 primarily devoted to the growing and harvesting of timber, without  
37 regard to any other land that may have been included in the application

1 and approved for designation, as long as the remaining designated  
2 forest land meets the definition of forest land contained in RCW  
3 84.33.035.

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

9 (10) Unless the removal is reversed on appeal a copy of the notice  
10 of removal with a notation of the action, if any, upon appeal, together  
11 with the legal description or assessor's parcel numbers for the land  
12 removed from designation shall, at the expense of the applicant, be  
13 filed by the assessor in the same manner as deeds are recorded and a  
14 notation of removal from designation shall immediately be made upon the  
15 assessment and tax rolls. The assessor shall revalue the land to be  
16 removed with reference to its true and fair value as of January 1st of  
17 the year of removal from designation. Both the assessed value before  
18 and after the removal of designation shall be listed. Taxes based on  
19 the value of the land as forest land shall be assessed and payable up  
20 until the date of removal and taxes based on the true and fair value of  
21 the land shall be assessed and payable from the date of removal from  
22 designation.

23 (11) Except as provided in subsection (5)(c), (13), or (14) of this  
24 section, a compensating tax shall be imposed on land removed from  
25 designation as forest land. The compensating tax shall be due and  
26 payable to the treasurer thirty days after the owner is notified of the  
27 amount of this tax. As soon as possible after the land is removed from  
28 designation, the assessor shall compute the amount of compensating tax  
29 and mail a notice to the owner of the amount of compensating tax owed  
30 and the date on which payment of this tax is due. The amount of  
31 compensating tax shall be equal to the difference between the amount of  
32 tax last levied on the land as designated forest land and an amount  
33 equal to the new assessed value of the land multiplied by the dollar  
34 rate of the last levy extended against the land, multiplied by a  
35 number, in no event greater than nine, equal to the number of years for  
36 which the land was designated as forest land, plus compensating taxes  
37 on the land at forest land values up until the date of removal and the

1 prorated taxes on the land at true and fair value from the date of  
2 removal to the end of the current tax year.

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

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

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

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

23 (c) A donation of fee title, development rights, or the right to  
24 harvest timber, to a government agency or organization qualified under  
25 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those  
26 sections, or the sale or transfer of fee title to a governmental entity  
27 or a nonprofit nature conservancy corporation, as defined in RCW  
28 64.04.130, exclusively for the protection and conservation of lands  
29 recommended for state natural area preserve purposes by the natural  
30 heritage council and natural heritage plan as defined in chapter 79.70  
31 RCW. At such time as the land is not used for the purposes enumerated,  
32 the compensating tax specified in subsection (11) of this section shall  
33 be imposed upon the current owner;

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

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

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

3 (g) 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 (h) The sale or transfer of land within two years after the death  
7 of the owner of at least a fifty percent interest in the land if the  
8 land has been assessed and valued as classified forest land, designated  
9 as forest land under this chapter, or classified under chapter 84.34  
10 RCW continuously since 1993. The date of death shown on a death  
11 certificate is the date used for the purposes of this subsection  
12 (~~((13)(h); or~~

13 ~~(i) The sale or transfer of land after the death of the owner of at  
14 least a fifty percent interest in the land if the land has been  
15 assessed and valued as classified forest land, designated as forest  
16 land under this chapter, or classified under chapter 84.34 RCW  
17 continuously since 1993 and the sale or transfer takes place after July  
18 22, 2001, and on or before July 22, 2003, and the death of the owner  
19 occurred after January 1, 1991. The date of death shown on a death  
20 certificate is the date used for the purposes of this subsection  
21 ~~(13)(i))~~).~~

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

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

27 (b) A transfer of a property interest to a government entity, or to  
28 a nonprofit historic preservation corporation or nonprofit nature  
29 conservancy corporation, as defined in RCW 64.04.130, to protect or  
30 enhance public resources, or to preserve, maintain, improve, restore,  
31 limit the future use of, or otherwise to conserve for public use or  
32 enjoyment, the property interest being transferred. At such time as  
33 the property interest is not used for the purposes enumerated, the  
34 compensating tax shall be imposed upon the current owner.

35 **Sec. 4.** RCW 84.33.140 and 2005 c 303 s 13 are each amended to read  
36 as follows:

37 (1) When land has been designated as forest land under RCW



1 84.33.130, a notation of the designation shall be made each year upon  
 2 the assessment and tax rolls. A copy of the notice of approval  
 3 together with the legal description or assessor's parcel numbers for  
 4 the land shall, at the expense of the applicant, be filed by the  
 5 assessor in the same manner as deeds are recorded.

6 (2) In preparing the assessment roll as of January 1, 2002, for  
 7 taxes payable in 2003 and each January 1st thereafter, the assessor  
 8 shall list each parcel of designated forest land at a value with  
 9 respect to the grade and class provided in this subsection and adjusted  
 10 as provided in subsection (3) of this section. The assessor shall  
 11 compute the assessed value of the land using the same assessment ratio  
 12 applied generally in computing the assessed value of other property in  
 13 the county. Values for the several grades of bare forest land shall be  
 14 as follows:

15	LAND	OPERABILITY	VALUES
16	GRADE	CLASS	PER ACRE
17		1	\$234
18	1	2	229
19		3	217
20		4	157
21		1	198
22	2	2	190
23		3	183
24		4	132
25		1	154
26	3	2	149
27		3	148
28		4	113
29		1	117
30	4	2	114
31		3	113
32		4	86
33		1	85
34	5	2	78
35		3	77
36		4	52

1		1	43
2	6	2	39
3		3	39
4		4	37
5		1	21
6	7	2	21
7		3	20
8		4	20
9	8		1

10 (3) On or before December 31, 2001, the department shall adjust by  
11 rule under chapter 34.05 RCW, the forest land values contained in  
12 subsection (2) of this section in accordance with this subsection, and  
13 shall certify the adjusted values to the assessor who will use these  
14 values in preparing the assessment roll as of January 1, 2002. For the  
15 adjustment to be made on or before December 31, 2001, for use in the  
16 2002 assessment year, the department shall:

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

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

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

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

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

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

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

4 (c) Sale or transfer of all or a portion of the land to a new  
5 owner, unless the new owner has signed a notice of forest land  
6 designation continuance, except transfer to an owner who is an heir or  
7 devisee of a deceased owner, shall not, by itself, result in removal of  
8 designation. The signed notice of continuance shall be attached to the  
9 real estate excise tax affidavit provided for in RCW 82.45.150. The  
10 notice of continuance shall be on a form prepared by the department.  
11 If the notice of continuance is not signed by the new owner and  
12 attached to the real estate excise tax affidavit, all compensating  
13 taxes calculated under subsection (11) of this section shall become due  
14 and payable by the seller or transferor at time of sale. The auditor  
15 shall not accept an instrument of conveyance regarding designated  
16 forest land for filing or recording unless the new owner has signed the  
17 notice of continuance or the compensating tax has been paid, as  
18 evidenced by the real estate excise tax stamp affixed thereto by the  
19 treasurer. The seller, transferor, or new owner may appeal the new  
20 assessed valuation calculated under subsection (11) of this section to  
21 the county board of equalization in accordance with the provisions of  
22 RCW 84.40.038. Jurisdiction is hereby conferred on the county board of  
23 equalization to hear these appeals;

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

26 (i) The land is no longer primarily devoted to and used for growing  
27 and harvesting timber. However, land shall not be removed from  
28 designation if a governmental agency, organization, or other recipient  
29 identified in subsection (13) or (14) of this section as exempt from  
30 the payment of compensating tax has manifested its intent in writing or  
31 by other official action to acquire a property interest in the  
32 designated forest land by means of a transaction that qualifies for an  
33 exemption under subsection (13) or (14) of this section. The  
34 governmental agency, organization, or recipient shall annually provide  
35 the assessor of the county in which the land is located reasonable  
36 evidence in writing of the intent to acquire the designated land as  
37 long as the intent continues or within sixty days of a request by the

1 assessor. The assessor may not request this evidence more than once in  
2 a calendar year;

3 (ii) The owner has failed to comply with a final administrative or  
4 judicial order with respect to a violation of the restocking, forest  
5 management, fire protection, insect and disease control, and forest  
6 debris provisions of Title 76 RCW or any applicable rules under Title  
7 76 RCW; or

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

10 (6) Land shall not be removed from designation if there is a  
11 governmental restriction that prohibits, in whole or in part, the owner  
12 from harvesting timber from the owner's designated forest land. If  
13 only a portion of the parcel is impacted by governmental restrictions  
14 of this nature, the restrictions cannot be used as a basis to remove  
15 the remainder of the forest land from designation under this chapter.  
16 For the purposes of this section, "governmental restrictions" includes:  
17 (a) Any law, regulation, rule, ordinance, program, or other action  
18 adopted or taken by a federal, state, county, city, or other  
19 governmental entity; or (b) the land's zoning or its presence within an  
20 urban growth area designated under RCW 36.70A.110.

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

24 (a) An application for designation as forest land is submitted;  
25 (~~(e)~~)

26 (b) Designated forest land is sold or transferred and a notice of  
27 continuance, described in subsection (5)(c) of this section, is signed;  
28 or

29 (c) The assessor has reason to believe that the land is no longer  
30 being used as designated forest land. In this case, the assessor can  
31 require such a plan to determine whether the land can continue as  
32 designated forest land.

33 (8) If land is removed from designation because of any of the  
34 circumstances listed in subsection (5)(a) through (c) of this section,  
35 the removal shall apply only to the land affected. If land is removed  
36 from designation because of subsection (5)(d) of this section, the  
37 removal shall apply only to the actual area of land that is no longer  
38 primarily devoted to the growing and harvesting of timber, without

1 regard to any other land that may have been included in the application  
2 and approved for designation, as long as the remaining designated  
3 forest land meets the definition of forest land contained in RCW  
4 84.33.035.

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

10 (10) Unless the removal is reversed on appeal a copy of the notice  
11 of removal with a notation of the action, if any, upon appeal, together  
12 with the legal description or assessor's parcel numbers for the land  
13 removed from designation shall, at the expense of the applicant, be  
14 filed by the assessor in the same manner as deeds are recorded and a  
15 notation of removal from designation shall immediately be made upon the  
16 assessment and tax rolls. The assessor shall revalue the land to be  
17 removed with reference to its true and fair value as of January 1st of  
18 the year of removal from designation. Both the assessed value before  
19 and after the removal of designation shall be listed. Taxes based on  
20 the value of the land as forest land shall be assessed and payable up  
21 until the date of removal and taxes based on the true and fair value of  
22 the land shall be assessed and payable from the date of removal from  
23 designation.

24 (11) Except as provided in subsection (5)(c), (13), or (14) of this  
25 section, a compensating tax shall be imposed on land removed from  
26 designation as forest land. The compensating tax shall be due and  
27 payable to the treasurer thirty days after the owner is notified of the  
28 amount of this tax. As soon as possible after the land is removed from  
29 designation, the assessor shall compute the amount of compensating tax  
30 and mail a notice to the owner of the amount of compensating tax owed  
31 and the date on which payment of this tax is due. The amount of  
32 compensating tax shall be equal to the difference between the amount of  
33 tax last levied on the land as designated forest land and an amount  
34 equal to the new assessed value of the land multiplied by the dollar  
35 rate of the last levy extended against the land, multiplied by a  
36 number, in no event greater than nine, equal to the number of years for  
37 which the land was designated as forest land, plus compensating taxes

1 on the land at forest land values up until the date of removal and the  
2 prorated taxes on the land at true and fair value from the date of  
3 removal to the end of the current tax year.

4 (12) Compensating tax, together with applicable interest thereon,  
5 shall become a lien on the land which shall attach at the time the land  
6 is removed from designation as forest land and shall have priority to  
7 and shall be fully paid and satisfied before any recognizance,  
8 mortgage, judgment, debt, obligation, or responsibility to or with  
9 which the land may become charged or liable. The 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 (13) The compensating tax specified in subsection (11) of this  
17 section shall not be imposed if the removal of designation under  
18 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 or approved for state natural resources conservation area purposes  
33 as defined in chapter 79.71 RCW. At such time as the land is not used  
34 for the purposes enumerated, the compensating tax specified in  
35 subsection (11) of this section shall be imposed upon the current  
36 owner;

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

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

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

6 (g) The creation, sale, or transfer of a fee interest or a  
7 conservation easement for the riparian open space program under RCW  
8 76.09.040; or

9 (h) The sale or transfer of land within two years after the death  
10 of the owner of at least a fifty percent interest in the land if the  
11 land has been assessed and valued as classified forest land, designated  
12 as forest land under this chapter, or classified under chapter 84.34  
13 RCW continuously since 1993. The date of death shown on a death  
14 certificate is the date used for the purposes of this subsection  
15 (13)(h)(~~;~~ ~~or~~

16 ~~(i) The sale or transfer of land after the death of the owner of at~~  
17 ~~least a fifty percent interest in the land if the land has been~~  
18 ~~assessed and valued as classified forest land, designated as forest~~  
19 ~~land under this chapter, or classified under chapter 84.34 RCW~~  
20 ~~continuously since 1993 and the sale or transfer takes place after July~~  
21 ~~22, 2001, and on or before July 22, 2003, and the death of the owner~~  
22 ~~occurred after January 1, 1991. The date of death shown on a death~~  
23 ~~certificate is the date used for the purposes of this subsection~~  
24 ~~(13)(i)).~~

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

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

30 (b) A transfer of a property interest to a government entity, or to  
31 a nonprofit historic preservation corporation or nonprofit nature  
32 conservancy corporation, as defined in RCW 64.04.130, to protect or  
33 enhance public resources, or to preserve, maintain, improve, restore,  
34 limit the future use of, or otherwise to conserve for public use or  
35 enjoyment, the property interest being transferred. At such time as  
36 the property interest is not used for the purposes enumerated, the  
37 compensating tax shall be imposed upon the current owner.

1       **Sec. 5.** RCW 84.33.145 and 2001 c 249 s 4 are each amended to read  
2 as follows:

3       (1) If no later than thirty days after removal of designation under  
4 chapter 84.33 RCW the owner applies for classification under RCW  
5 84.34.020 (1)~~((7))~~ or (2), ~~((or (3))7)) then the designated forest land  
6 shall not be considered removed from designation for purposes of the  
7 compensating tax under RCW 84.33.140 until the application for current  
8 use classification under chapter 84.34 RCW is denied or the property is  
9 removed from classification under RCW 84.34.108. When designated  
10 forest land, which was reclassified as open space land or farm and  
11 agricultural land under chapter 84.34 RCW, is removed from  
12 classification, a combination of additional tax and compensating tax  
13 will be due, unless the removal is otherwise exempt. Upon removal of  
14 classification under RCW 84.34.108, the amount of compensating tax due  
15 under this chapter shall be equal to:~~

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

21       (b) A number equal to:

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

25       (ii) Ten minus the number of years the land was classified under  
26 chapter 84.34 RCW, if the total number of years the land was designated  
27 under this chapter and classified under chapter 84.34 RCW is at least  
28 ten. Under no circumstances shall more than ten years of back taxes,  
29 both compensating and additional taxes, be imposed or collected as a  
30 result of removal.

31       (2) Nothing in this section authorizes the continued designation  
32 under this chapter or defers or reduces the compensating tax imposed  
33 upon forest land not transferred to classification under subsection (1)  
34 of this section ~~((which))~~ that does not meet the definition of forest  
35 land under RCW 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



1 inhabitants, no amount of compensating tax is due under this section if  
2 the removal from classification under RCW 84.34.108 results from a  
3 transfer of property described in RCW 84.34.108(6).

4 **Sec. 6.** RCW 84.33.170 and 2001 c 249 s 5 are each amended to read  
5 as follows:

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

15 **Sec. 7.** RCW 84.34.020 and 2005 c 57 s 1 are each amended to read  
16 as follows:

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

19 (1) "Open space land" means (a) any land area so designated by an  
20 official comprehensive land use plan adopted by any city or county and  
21 zoned accordingly, or (b) any land area, the preservation of which in  
22 its present use would (i) conserve and enhance natural or scenic  
23 resources, or (ii) protect streams or water supply, or (iii) promote  
24 conservation of soils, wetlands, beaches or tidal marshes, or (iv)  
25 enhance the value to the public of abutting or neighboring parks,  
26 forests, wildlife preserves, nature reservations or sanctuaries or  
27 other open space, or (v) enhance recreation opportunities, or (vi)  
28 preserve historic sites, or (vii) preserve visual quality along  
29 highway, road, and street corridors or scenic vistas, or (viii) retain  
30 in its natural state tracts of land not less than one acre situated in  
31 an urban area and open to public use on such conditions as may be  
32 reasonably required by the legislative body granting the open space  
33 classification, or (c) any land meeting the definition of farm and  
34 agricultural conservation land under subsection (8) of this section.  
35 As a condition of granting open space classification, the legislative

1 body may not require public access on land classified under (b)(iii) of  
2 this subsection for the purpose of promoting conservation of wetlands.

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

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

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

8 (ii) Enrolled in the federal conservation reserve program or its  
9 successor administered by the United States department of agriculture;  
10 or

11 (iii) Other similar commercial activities as may be established by  
12 rule;

13 (b)(i) Any parcel of land that is five acres or more but less than  
14 twenty acres devoted primarily to agricultural uses, which has produced  
15 a gross income from agricultural uses equivalent to, as of January 1,  
16 1993:

17 (A) One hundred dollars or more per acre per year for three of the  
18 five calendar years preceding the date of application for  
19 classification under this chapter for all parcels of land that are  
20 classified under this subsection or all parcels of land for which an  
21 application for classification under this subsection is made with the  
22 granting authority prior to January 1, 1993; and

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

26 (ii) For the purposes of (b)(i) of this subsection, "gross income  
27 from agricultural uses" includes, but is not limited to, the wholesale  
28 value of agricultural products donated to nonprofit food banks or  
29 feeding programs;

30 (c) Any parcel of land of less than five acres devoted primarily to  
31 agricultural uses which has produced a gross income as of January 1,  
32 1993, of:

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

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

4 Parcels of land described in (b)(i)(A) and (c)(i) of this subsection  
5 shall, upon any transfer of the property excluding a transfer to a  
6 surviving spouse, be subject to the limits of (b)(i)(B) and (c)(ii) of  
7 this subsection;

8 (d) Any lands including incidental uses as are compatible with  
9 agricultural purposes, including wetlands preservation, provided such  
10 incidental use does not exceed twenty percent of the classified land  
11 and the land on which appurtenances necessary to the production,  
12 preparation, or sale of the agricultural products exist in conjunction  
13 with the lands producing such products. Agricultural lands shall also  
14 include any parcel of land of one to five acres, which is not  
15 contiguous, but which otherwise constitutes an integral part of farming  
16 operations being conducted on land qualifying under this section as  
17 "farm and agricultural lands"; or

18 (e) The land on which housing for employees and the principal place  
19 of residence of the farm operator or owner of land classified pursuant  
20 to (a) of this subsection is sited if: The housing or residence is on  
21 or contiguous to the classified parcel; and the use of the housing or  
22 the residence is integral to the use of the classified land for  
23 agricultural purposes.

24 ~~(3) ("Timber land" means any parcel of land that is five or more~~  
25 ~~acres or multiple parcels of land that are contiguous and total five or~~  
26 ~~more acres which is or are devoted primarily to the growth and harvest~~  
27 ~~of timber for commercial purposes. Timber land means the land only and~~  
28 ~~does not include a residential homesite. The term includes land used~~  
29 ~~for incidental uses that are compatible with the growing and harvesting~~  
30 ~~of timber but no more than ten percent of the land may be used for such~~  
31 ~~incidental uses. It also includes the land on which appurtenances~~  
32 ~~necessary for the production, preparation, or sale of the timber~~  
33 ~~products exist in conjunction with land producing these products.~~

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

36 ~~((5))~~ (4) "Owner" means the party or parties having the fee  
37 interest in land, except that where land is subject to real estate  
38 contract "owner" shall mean the contract vendee.

1       (~~(+6)~~) (5) "Contiguous" means land adjoining and touching other  
2 property held by the same ownership. Land divided by a public road,  
3 but otherwise an integral part of a farming operation, shall be  
4 considered contiguous.

5       (~~(+7)~~) (6) "Granting authority" means the appropriate agency or  
6 official who acts on an application for classification of land pursuant  
7 to this chapter.

8       (~~(+8)~~) (7) "Farm and agricultural conservation land" means either:

9       (a) Land that was previously classified under subsection (2) of  
10 this section, that no longer meets the criteria of subsection (2) of  
11 this section, and that is reclassified under subsection (1) of this  
12 section; or

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

17       **Sec. 8.** RCW 84.34.030 and 1989 c 378 s 10 are each amended to read  
18 as follows:

19       An owner of agricultural land desiring current use classification  
20 under (~~subsection (2) of~~) RCW 84.34.020(2) shall make application to  
21 the county assessor upon forms prepared by the state department of  
22 revenue and supplied by the county assessor. An owner of open space  
23 (~~or timber~~) land desiring current use classification under  
24 (~~subsections (1) and (3) of~~) RCW 84.34.020(1) shall make application  
25 to the county legislative authority upon forms prepared by the state  
26 department of revenue and supplied by the county assessor. The  
27 application shall be accompanied by a reasonable processing fee if  
28 (~~such~~) a processing fee is established by the city or county  
29 legislative authority. Said application shall require only such  
30 information reasonably necessary to properly classify an area of land  
31 under this chapter with a notarized verification of the truth thereof  
32 and shall include a statement that the applicant is aware of the  
33 potential tax liability involved when (~~such~~) the land ceases to be  
34 designated as open space(~~(7)~~) or farm and agricultural (~~or timber~~)  
35 land. Applications must be made during the calendar year preceding  
36 that in which (~~such~~) classification is to begin. The assessor shall

1 make necessary information, including copies of this chapter and  
2 applicable regulations, readily available to interested parties, and  
3 shall render reasonable assistance to such parties upon request.

4 **Sec. 9.** RCW 84.34.060 and 1997 c 429 s 32 are each amended to read  
5 as follows:

6 In determining the true and fair value of open space land (~~and~~  
7 ~~timber land~~), which has been classified as such under the provisions  
8 of this chapter, the assessor shall consider only the use to which such  
9 property and improvements is currently applied and shall not consider  
10 potential uses of such property. The assessed valuation of open space  
11 land shall not be less than the minimum value per acre of classified  
12 farm and agricultural land except that the assessed valuation of open  
13 space land may be valued based on the public benefit rating system  
14 adopted under RCW 84.34.055(~~(: PROVIDED FURTHER, That timber land~~  
15 ~~shall be valued according to chapter 84.33 RCW)~~). In valuing any tract  
16 or parcel of real property designated and zoned under a comprehensive  
17 plan adopted under chapter 36.70A RCW as agricultural(~~(, forest,)~~) or  
18 open space land, the appraisal shall not be based on similar sales of  
19 parcels that have been converted to nonagricultural(~~(, nonforest,)~~) or  
20 nonopen-space uses within five years after the sale.

21 **Sec. 10.** RCW 84.34.070 and 1992 c 69 s 10 are each amended to read  
22 as follows:

23 (1) When land has once been classified under this chapter, it shall  
24 remain under such classification and shall not be applied to other use  
25 except as provided by subsection (2) of this section for at least ten  
26 years from the date of classification (~~and~~). It shall continue under  
27 such classification until and unless withdrawn from classification  
28 after notice of request for withdrawal shall be made by the owner.  
29 During any year after eight years of the initial ten-year  
30 classification period have elapsed, notice of request for withdrawal of  
31 all or a portion of the land may be given by the owner to the assessor  
32 or assessors of the county or counties in which (~~such~~) the land is  
33 situated. In the event that a portion of a parcel is removed from  
34 classification, the remaining portion must meet the same requirements  
35 as did the entire parcel when (~~such~~) the land was originally granted  
36 classification (~~pursuant to~~) under this chapter unless the remaining

1 parcel has different income criteria. Within seven days the assessor  
2 shall transmit one copy of (~~such~~) the notice to the legislative body  
3 (~~which~~) that originally approved the application. The assessor or  
4 assessors, as the case may be, shall, when two assessment years have  
5 elapsed following the date of receipt of (~~such~~) the notice, withdraw  
6 (~~such~~) the land from (~~such~~) the classification and the land shall  
7 be subject to the additional tax and applicable interest due under RCW  
8 84.34.108. The open space taxation agreement to tax according to use  
9 shall not be considered to be a contract and can be abrogated at any  
10 time by the legislature in which event no additional tax or penalty  
11 shall be imposed.

12 (2) The following reclassifications are not considered withdrawals  
13 or removals and are not subject to additional tax under RCW 84.34.108:

14 (a) (~~Reclassification between lands under RCW 84.34.020 (2) and~~  
15 ~~(3)~~);

16 (~~b~~) Reclassification of land classified under RCW 84.34.020(2)  
17 (~~or (3)~~) or chapter 84.33 RCW to open space land under RCW  
18 84.34.020(1);

19 (~~c~~) (b) Reclassification of land classified under RCW  
20 84.34.020(2) (~~or (3)~~) to forest land (~~classified~~) designated under  
21 chapter 84.33 RCW; and

22 (~~d~~) (c) Reclassification of land classified as open space land  
23 under RCW 84.34.020(1)(c) and reclassified to farm and agricultural  
24 land under RCW 84.34.020(2) if the land had been previously classified  
25 as farm and agricultural land under RCW 84.34.020(2).

26 (3) Applications for reclassification shall be subject to  
27 applicable provisions of RCW 84.34.037, 84.34.035, (~~84.34.041~~) and  
28 chapter 84.33 RCW.

29 (4) The income criteria for land classified under RCW 84.34.020(2)  
30 (b) and (c) may be deferred for land being reclassified from land  
31 classified under RCW 84.34.020(1)(c) (~~or (3)~~), or chapter 84.33 RCW  
32 into RCW 84.34.020(2) (b) or (c) for a period of up to five years from  
33 the date of reclassification.

34 **Sec. 11.** RCW 84.34.080 and 1999 sp.s. c 4 s 705 are each amended  
35 to read as follows:

36 When land which has been classified under this chapter as open  
37 space land(~~)~~ or farm and agricultural land(~~, or timber land~~) is

1 applied to some other use, except through compliance with RCW  
2 84.34.070, or except as a result solely from any one of the conditions  
3 listed in RCW 84.34.108(6), the owner shall within sixty days notify  
4 the county assessor of (~~such~~) the change in use and additional real  
5 property tax shall be imposed upon (~~such~~) the land in an amount equal  
6 to the sum of the following:

- 7 (1) The total amount of the additional tax and applicable interest  
8 due under RCW 84.34.108; plus  
9 (2) A penalty amounting to twenty percent of the amount determined  
10 in subsection (1) of this section.

11 **Sec. 12.** RCW 84.34.108 and 2003 c 170 s 6 are each amended to read  
12 as follows:

13 (1) When land has once been classified under this chapter, a  
14 notation of the classification shall be made each year upon the  
15 assessment and tax rolls and the land shall be valued pursuant to RCW  
16 84.34.060 or 84.34.065 until removal of all or a portion of the  
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 the 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 the land exempt from ad valorem taxation;

25 (c) Sale or transfer of all or a portion of the 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 notice of continuance shall be on a form prepared  
30 by the department. If the notice of continuance is not signed by the  
31 new owner and attached to the real estate excise tax affidavit, all  
32 additional taxes calculated pursuant to subsection (4) of this section  
33 shall become due and payable by the seller or transferor at time of  
34 sale. The auditor shall not accept an instrument of conveyance  
35 regarding classified land for filing or recording unless the new owner  
36 has signed the notice of continuance or the additional tax has been  
37 paid, as evidenced by the real estate excise tax stamp affixed thereto

1 by the treasurer. The seller, transferor, or new owner may appeal the  
2 new assessed valuation calculated under subsection (4) of this section  
3 to the county board of equalization in accordance with the provisions  
4 of RCW 84.40.038. Jurisdiction is hereby conferred on the county board  
5 of equalization to hear these appeals;

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

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

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

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

19 (b) The creation, sale, or transfer of a fee interest or a  
20 conservation easement for the riparian open space program under RCW  
21 76.09.040.

22 (3) Within thirty days after (~~such~~) the removal of all or a  
23 portion of the land from current use classification, the assessor shall  
24 notify the owner in writing, setting forth the reasons for the removal.  
25 The seller, transferor, or owner may appeal the removal to the county  
26 board of equalization in accordance with the provisions of RCW  
27 84.40.038.

28 (4) Unless the removal is reversed on appeal, the assessor shall  
29 revalue the affected land with reference to its true and fair value on  
30 January 1st of the year of removal from classification. Both the  
31 assessed valuation before and after the removal of classification shall  
32 be listed and taxes shall be allocated according to that part of the  
33 year to which each assessed valuation applies. Except as provided in  
34 subsection (6) of this section, an additional tax, applicable interest,  
35 and penalty shall be imposed which shall be due and payable to the  
36 treasurer thirty days after the owner is notified of the amount of the  
37 additional tax. As soon as possible, the assessor shall compute the  
38 amount of additional tax, applicable interest, and penalty and the



1 treasurer shall mail notice to the owner of the amount thereof and the  
2 date on which payment is due. The amount of the additional tax,  
3 applicable interest, and penalty shall be determined as follows:

4 (a) The amount of additional tax shall be equal to the difference  
5 between the property tax paid as "open space land"(~~(7)~~) or "farm and  
6 agricultural land"(~~(7 or "timber land")~~) and the amount of property tax  
7 otherwise due and payable for the seven years last past had the land  
8 not been so classified;

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

14 (c) The amount of the penalty shall be as provided in RCW  
15 84.34.080. The penalty shall not be imposed if the removal satisfies  
16 the conditions of RCW 84.34.070.

17 (5) Additional tax, applicable interest, and penalty, shall become  
18 a lien on the land (~~which~~) that shall attach at the time the land is  
19 removed from classification under this chapter 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 the land may become charged or liable. This 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 now or as hereafter  
26 amended. Any additional tax unpaid on its due date shall thereupon  
27 become delinquent. From the date of delinquency until paid, interest  
28 shall be charged at the same rate applied by law to delinquent ad  
29 valorem property taxes.

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

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

36 (b)(i) A taking through the exercise of the power of eminent  
37 domain, or (ii) sale or transfer to an entity having the power of

1 eminent domain in anticipation of the exercise of such power, said  
2 entity having manifested its intent in writing or by other official  
3 action;

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

7 (d) Official action by an agency of the state of Washington or by  
8 the county or city within which the land is located which disallows the  
9 present use of the land;

10 (e) Transfer of land to a church when the land would qualify for  
11 exemption (~~(pursuant to)~~) under RCW 84.36.020;

12 (f) Acquisition of property interests by state agencies or agencies  
13 or organizations qualified under RCW 84.34.210 and 64.04.130 for the  
14 purposes enumerated in those sections. At such time as these property  
15 interests are not used for the purposes enumerated in RCW 84.34.210 and  
16 64.04.130 the additional tax specified in subsection (4) of this  
17 section shall be imposed;

18 (g) Removal of land classified as farm and agricultural land under  
19 RCW 84.34.020(2)(e);

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

23 (i) The creation, sale, or transfer of forestry riparian easements  
24 under RCW 76.13.120;

25 (j) The creation, sale, or transfer of a fee interest or a  
26 conservation easement for the riparian open space program under RCW  
27 76.09.040;

28 (k) The sale or transfer of land within two years after the death  
29 of the owner of at least a fifty percent interest in the land if the  
30 land has been assessed and valued as classified forest land, designated  
31 as forest land under chapter 84.33 RCW, or classified under this  
32 chapter continuously since 1993. The date of death shown on a death  
33 certificate is the date used for the purposes of this subsection  
34 (~~((6)(k); or~~

35 ~~(l) The sale or transfer of land after the death of the owner of at~~  
36 ~~least a fifty percent interest in the land if the land has been~~  
37 ~~assessed and valued as classified forest land, designated as forest~~  
38 ~~land under chapter 84.33 RCW, or classified under this chapter~~

1 continuously since 1993 and the sale or transfer takes place after July  
2 22, 2001, and on or before July 22, 2003, and the death of the owner  
3 occurred after January 1, 1991. The date of death shown on a death  
4 certificate is the date used for the purpose of this subsection  
5 ~~(6)(1))~~.

6 **Sec. 13.** RCW 84.34.145 and 1998 c 311 s 17 are each amended to  
7 read as follows:

8 The county legislative authority shall appoint a five member  
9 committee representing the active farming community within the county  
10 to serve in an advisory capacity to the assessor in implementing  
11 assessment guidelines as established by the department of revenue for  
12 the assessment of open space(~~(7)~~) and farm(~~(8)~~) and agricultural  
13 land(~~(9, and timber lands)~~) classified under (~~(this)~~) chapter 84.34  
14 RCW.

15 **Sec. 14.** RCW 84.34.155 and 1992 c 69 s 15 are each amended to read  
16 as follows:

17 Land classified under the provisions of RCW 84.34.020(2) (~~or (3)~~  
18 ~~which~~) that meets the definition of forest land under the provisions  
19 of chapter 84.33 RCW, upon request for (~~such change~~) reclassification  
20 made by the owner to the granting authority, shall be reclassified by  
21 the assessor under the provisions of chapter 84.33 RCW. This change in  
22 classification shall be made without additional tax, applicable  
23 interest, penalty, or other requirements set forth in chapter 84.34  
24 RCW(~~(: PROVIDED, That subsequent to such)~~). After reclassification,  
25 the land shall be fully subject to the provisions of chapter 84.33  
26 RCW(~~(, as now or hereafter amended)~~).

27 **Sec. 15.** RCW 84.34.210 and 1993 c 248 s 1 are each amended to read  
28 as follows:

29 Any county, city, town, metropolitan park district, metropolitan  
30 municipal corporation, nonprofit historic preservation corporation as  
31 defined in RCW 64.04.130, or nonprofit nature conservancy corporation  
32 or association, as such are defined in RCW 84.34.250, may acquire by  
33 purchase, gift, grant, bequest, devise, lease, or otherwise, except by  
34 eminent domain, the fee simple or any lesser interest, development  
35 right, easement, covenant, or other contractual right necessary to

1 protect, preserve, maintain, improve, restore, limit the future use of,  
2 or otherwise conserve, selected open space land((~~τ~~)) and farm and  
3 agricultural land(~~(, and timber land as such)~~) as these are defined in  
4 chapter 84.34 RCW for public use or enjoyment. Among interests that  
5 may be so acquired are mineral rights. Any county, city, town,  
6 metropolitan park district, metropolitan municipal corporation,  
7 nonprofit historic preservation corporation as defined in RCW  
8 64.04.130, or nonprofit nature conservancy corporation or association,  
9 as (~~such are~~) defined in RCW 84.34.250, may acquire (~~such~~) the  
10 property for the purpose of conveying or leasing the property back to  
11 its original owner or other person under such covenants or other  
12 contractual arrangements as will limit the future use of the property  
13 in accordance with the purposes of chapter 243, Laws of 1971 ex. sess.;  
14 i.e., conservation futures.

15 **Sec. 16.** RCW 84.34.220 and 1993 c 248 s 2 are each amended to read  
16 as follows:

17 In accordance with the authority granted in RCW 84.34.210, a  
18 county, city, town, metropolitan park district, metropolitan municipal  
19 corporation, nonprofit historic preservation corporation as defined in  
20 RCW 64.04.130, or nonprofit nature conservancy corporation or  
21 association, as (~~such are~~) defined in RCW 84.34.250, may specifically  
22 purchase or otherwise acquire, except by eminent domain, rights in  
23 perpetuity to future development of any open space land((~~τ~~)) and farm  
24 and agricultural land(~~(, and timber land which are so designated under~~  
25 ~~the provisions of chapter 84.34 RCW)~~) that are classified and taxed at  
26 current use assessment (~~as provided by that chapter~~) under the  
27 provisions of chapter 84.34 RCW. For the purposes of chapter 243, Laws  
28 of 1971 ex. sess., (~~such~~) the developmental rights shall be termed  
29 "conservation futures". The private owner may retain the right to  
30 continue any existing open space use of the land, and to develop any  
31 other open space use, but, under the terms of purchase of conservation  
32 futures, the county, city, town, metropolitan park district,  
33 metropolitan municipal corporation, nonprofit historic preservation  
34 corporation as defined in RCW 64.04.130, or nonprofit nature  
35 conservancy corporation or association, as (~~such are~~) defined in RCW  
36 84.34.250, may forbid or restrict building thereon, or may require that  
37 improvements cannot be made without county, city, town, metropolitan

1 park district, metropolitan municipal corporation, nonprofit historic  
2 preservation corporation as defined in RCW 64.04.130, or nonprofit  
3 nature conservancy corporation or association, as (~~such are~~) defined  
4 in RCW 84.34.250, permission. The land may be alienated or sold and  
5 used as formerly by the new owner, subject to the terms of the  
6 agreement made by the county, city, town, metropolitan park district,  
7 metropolitan municipal corporation, nonprofit historic preservation  
8 corporation as defined in RCW 64.04.130, or nonprofit nature  
9 conservancy corporation or association, as (~~such are~~) defined in RCW  
10 84.34.250, with the original owner.

11 **Sec. 17.** RCW 84.34.300 and 1992 c 52 s 14 are each amended to read  
12 as follows:

13 The legislature finds that farming(~~(, timber production,)~~) and the  
14 related agricultural (~~(and forest)~~) industries have historically been  
15 and currently are central factors in the economic and social lifeblood  
16 of the state; that it is a fundamental policy of the state to protect  
17 agricultural (~~(and timber)~~) lands as a major natural resource in order  
18 to maintain a source to supply a wide range of agricultural (~~(and~~  
19 ~~forest)~~) products; and that the public interest in the protection and  
20 stimulation of farming(~~(, timber production,)~~) and the agricultural  
21 (~~(and forest)~~) industries is a basic element of enhancing the economic  
22 viability of this state. The legislature further finds that farm land  
23 (~~(and timber land)~~) in urbanizing areas (~~(are)~~) is often subjected to  
24 high levels of property taxation and benefit assessment, and that  
25 (~~such~~) the levels of taxation and assessment encourage and even force  
26 the removal of such lands from agricultural (~~(and forest)~~) uses. The  
27 legislature further finds that because of this level of taxation and  
28 assessment, (~~such~~) the farm land (~~(and timber land)~~) in urbanizing  
29 areas (~~(are)~~) is either converted to nonagricultural (~~(and nonforest)~~)  
30 uses when significant amounts of nearby nonagricultural (~~(and~~  
31 ~~nonforest)~~) area could be suitably used for (~~such~~) nonagricultural  
32 (~~(and nonforest)~~) uses, or, much of this farm land (~~(and timber land)~~)  
33 is left in an unused state. The legislature further finds that with  
34 the approval by the voters of the Fifty-third Amendment to the state  
35 Constitution, and with the enactment of chapter 84.34 RCW, the owners  
36 of farm lands (~~(and timber lands)~~) were provided with an opportunity to  
37 have (~~such~~) the land valued on the basis of its current use and not

1 its "highest and best use" and that such current use valuation is one  
2 mechanism to protect agricultural ~~((and timber))~~ lands. The  
3 legislature further finds that despite this potential property tax  
4 reduction, farm lands ~~((and timber lands))~~ in urbanized areas are still  
5 subject to high levels of benefit assessments and continue to be  
6 removed from farm ~~((and forest))~~ uses.

7 It is therefore the purpose of the legislature to establish, with  
8 the enactment of RCW 84.34.300 through 84.34.380, another mechanism to  
9 protect agricultural ~~((and timber))~~ land ~~((which))~~ that creates an  
10 analogous system of relief from certain benefit assessments for farm  
11 and agricultural land ~~((and timber land))~~. It is the intent of the  
12 legislature that special benefit assessments not be imposed for the  
13 availability of sanitary and/or storm sewerage service, or domestic  
14 water service, or for road construction and/or improvement purposes on  
15 farm and agricultural lands ~~((and timber lands which))~~ that have been  
16 ~~((designated for))~~ granted current use classification as farm and  
17 agricultural lands ~~((or timber lands))~~ until ~~((such))~~ the lands are  
18 withdrawn or removed from ~~((such))~~ classification or unless ~~((such))~~  
19 the lands benefit from or cause the need for the local improvement  
20 district.

21 The legislature finds, and it is the intent of RCW 84.34.300  
22 through 84.34.380 and 84.34.922, that special benefit assessments for  
23 the improvement or construction of sanitary and/or storm sewerage  
24 service, or domestic water service, or certain road construction do not  
25 generally benefit land ~~((which))~~ that has been classified as open space  
26 farm and agricultural land ~~((or timber land))~~ under the open space act,  
27 chapter 84.34 RCW, until ~~((such))~~ the land is withdrawn or removed from  
28 ~~((such))~~ classification or ~~((such))~~ the land is used for a more intense  
29 and nonagricultural use ~~((, or the land is no longer used as timber  
30 land))~~. The purpose of RCW 84.34.300 through 84.34.380 and 84.34.922  
31 is to provide an exemption from certain special benefit assessments  
32 ~~((which))~~ that do not benefit ~~((timber land or))~~ open space farm and  
33 agricultural land, and to provide the means for local governmental  
34 entities to recover ~~((such))~~ the assessments in current dollar value in  
35 the event ~~((such))~~ the land is no longer devoted to farming ~~((or  
36 timber))~~ production under chapter 84.34 RCW. ~~((Where))~~ When the owner  
37 of such land chooses to make limited use of improvements related to

1 special benefit assessments, RCW 84.34.300 through 84.34.380 provides  
2 the means for the partial assessment on open space (~~(timber and)~~) farm  
3 land to the extent the land is directly benefited by the improvement.

4 **Sec. 18.** RCW 84.34.310 and 1999 c 153 s 71 are each amended to  
5 read as follows:

6 As used in RCW 84.34.300 through 84.34.380, unless a different  
7 meaning is required, the words defined in this section shall have the  
8 meanings indicated.

9 (1) "Farm and agricultural land" shall mean the same as defined in  
10 RCW 84.34.020(2).

11 ~~(2) ("Timber land" shall mean the same as defined in RCW~~  
12 ~~84.34.020(3)).~~

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

20 ~~((4))~~ (3) "Local improvement district" shall mean any local  
21 improvement district, utility local improvement district, local utility  
22 district, road improvement district, or any similar unit created by a  
23 local government for the purpose of levying special benefit assessments  
24 against property specially benefited by improvements relating to such  
25 districts.

26 ~~((5))~~ (4) "Owner" shall mean the same as defined in RCW  
27 84.34.020~~((5))~~ (4) or the applicable statutes relating to special  
28 benefit assessments.

29 ~~((6))~~ (5) The term "average rate of inflation" shall mean the  
30 annual rate of inflation as determined by the department of revenue  
31 averaged over the period of time as provided in RCW 84.34.330 (1) and  
32 (2). ~~((Such))~~ This determination shall be published in the form of a  
33 rule not later than January 1 of each year for use in that assessment  
34 year.

35 ~~((7))~~ (6) "Special benefit assessments" shall mean special  
36 assessments levied or capable of being levied in any local improvement  
37 district or otherwise levied or capable of being levied by a local

1 government to pay for all or part of the costs of a local improvement  
2 and which may be levied only for the special benefits to be realized by  
3 property by reason of that local improvement.

4 **Sec. 19.** RCW 84.34.320 and 1992 c 69 s 17 and 1992 c 52 s 16 are  
5 each reenacted and amended to read as follows:

6 Any land classified as farm and agricultural land (~~(or timber land~~  
7 ~~pursuant to~~)) under chapter 84.34 RCW at the earlier of the times the  
8 legislative authority of a local government adopts a resolution,  
9 ordinance, or legislative act (1) to create a local improvement  
10 district, in which such land is included or would have been included  
11 but for (~~such~~) its classification, or (2) to approve or confirm a  
12 final special benefit assessment roll relating to a sanitary and/or  
13 storm sewerage system, domestic water supply and/or distribution  
14 system, or road construction and/or improvement, which roll would have  
15 included (~~such~~) the land but for (~~such~~) its classification, shall  
16 be exempt from special benefit assessments or charges in lieu of  
17 assessment for such purposes as long as that land remains in (~~such~~)  
18 classification, except as otherwise provided in RCW 84.34.360.

19 Whenever a local government creates a local improvement district,  
20 the levying, collection and enforcement of assessments shall be in the  
21 manner and subject to the same procedures and limitations as are  
22 provided (~~pursuant to~~) under the law concerning the initiation and  
23 formation of local improvement districts for the particular local  
24 government. Notice of the creation of a local improvement district  
25 that includes farm and agricultural land (~~(or timber land)~~) shall be  
26 filed with the county assessor and the legislative authority of the  
27 county in which (~~such~~) the land is located. The assessor, upon  
28 receiving notice of the creation of (~~such~~) a local improvement  
29 district, shall send a notice to the owner of the farm and agricultural  
30 land (~~(or timber land)~~) listed on the tax rolls of the applicable  
31 county treasurer of: (1) The creation of the local improvement  
32 district; (2) the exemption of that land from special benefit  
33 assessments; (3) the fact that the farm and agricultural land (~~(or~~  
34 ~~timber land)~~) may become subject to the special benefit assessments if  
35 the owner waives the exemption by filing a notarized document with the  
36 governing body of the local government creating the local improvement  
37 district before the confirmation of the final special benefit



1 assessment roll; and (4) the potential liability, (~~pursuant to~~) under  
2 RCW 84.34.330, if the exemption is not waived and the land is  
3 subsequently withdrawn or removed from the farm and agricultural land  
4 (~~or timber land status~~) classification. When a local government  
5 approves and confirms a special benefit assessment roll, from which  
6 farm and agricultural land (~~or timber land~~) has been exempted  
7 (~~pursuant to~~) under this section, it shall file a notice of (~~such~~)  
8 this action with the assessor and the legislative authority of the  
9 county in which (~~such~~) the land is located and with the treasurer of  
10 that local government(~~, which~~). The notice shall describe the action  
11 taken, the type of improvement involved, the land exempted, and the  
12 amount of the special benefit assessment (~~which~~) that would have been  
13 levied against the land if it had not been exempted. The filing of  
14 (~~such~~) this notice with the assessor and the treasurer of that local  
15 government shall constitute constructive notice to a purchaser or  
16 encumbrancer of the affected land, and every person whose conveyance or  
17 encumbrance is subsequently executed or subsequently recorded, that  
18 (~~such~~) the exempt land is subject to the charges provided in RCW  
19 84.34.330 and 84.34.340 if (~~such~~) the land is withdrawn or removed  
20 from its current use classification as farm and agricultural land (~~or~~  
21 ~~timber land~~)).

22 The owner of the land exempted from special benefit assessments  
23 (~~pursuant to~~) under this section may waive that exemption by filing  
24 a notarized document to that effect with the legislative authority of  
25 the local government upon receiving notice from said local government  
26 concerning the assessment roll hearing and before the local government  
27 confirms the final special benefit assessment roll. A copy of that  
28 waiver shall be filed by the local government with the assessor, but  
29 the failure of such filing shall not affect the waiver.

30 Except to the extent provided in RCW 84.34.360, the local  
31 government shall have no duty to furnish service from the improvement  
32 financed by the special benefit assessment to (~~such~~) the exempted  
33 land.

34 **Sec. 20.** RCW 84.34.330 and 1992 c 52 s 17 are each amended to read  
35 as follows:

36 Whenever farm and agricultural land (~~or timber land~~) has once  
37 been exempted from special benefit assessments (~~pursuant to~~) under

1 RCW 84.34.320, any withdrawal or removal from classification or change  
2 in use from farm and agricultural land (~~((or timber land))~~) under chapter  
3 84.34 RCW shall result in the following:

4 (1) If the bonds used to fund the improvement in the local  
5 improvement district have not been completely retired, (~~((such))~~) the  
6 land shall immediately become liable for: (a) The amount of the  
7 special benefit assessment listed in the notice provided for in RCW  
8 84.34.320; plus (b) interest on the amount determined in (1)(a) of this  
9 section, compounded annually at a rate equal to the average rate of  
10 inflation from the time the initial notice is filed by the governmental  
11 entity (~~((which))~~) that created the local improvement district as  
12 provided in RCW 84.34.320 to the time the owner withdraws (~~((such))~~) or  
13 removes the land from the exemption category provided by this chapter;  
14 or

15 (2) If the bonds used to fund the improvement in the local  
16 improvement district have been completely retired, (~~((such))~~) the land  
17 shall immediately become liable for: (a) The amount of the special  
18 benefit assessment listed in the notice provided for in RCW 84.34.320;  
19 plus (b) interest on the amount determined in (2)(a) of this section  
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 (~~((which))~~) that created the local improvement district as provided in  
23 RCW 84.34.320, to the time the bonds used to fund the improvement have  
24 been retired; plus (c) interest on the total amount determined in  
25 (2)(a) and (b) of this section at a simple per annum rate equal to the  
26 average rate of inflation from the time the bonds used to fund the  
27 improvement have been retired to the time the owner withdraws (~~((such))~~)  
28 or removes the lands from the exemption category provided by this  
29 chapter.

30 (3) The amount payable (~~((pursuant to))~~) under this section shall  
31 become due on the date (~~((such))~~) the land is withdrawn or removed from  
32 its current use (~~((or timber land))~~) classification and shall be a lien  
33 on the land prior and superior to any other lien whatsoever except for  
34 the lien for general taxes, and shall be enforceable in the same manner  
35 as the collection of special benefit assessments are enforced by that  
36 local government.

1       **Sec. 21.** RCW 84.34.340 and 1992 c 52 s 18 are each amended to read  
2 as follows:

3       Whenever farm and agricultural land (~~((or timber land))~~) is withdrawn  
4 or removed from its current use classification as farm and agricultural  
5 land (~~((or timber land))~~), the county assessor of the county in which  
6 (~~((such))~~) the land is located shall forthwith give written notice of  
7 (~~((such))~~) the withdrawal or removal to the local government or its  
8 successor (~~((which had))~~) that filed with the assessor the notice  
9 required by RCW 84.34.320. Upon receipt of the notice from the  
10 assessor, the local government shall mail a written statement to the  
11 owner of (~~((such))~~) the land for the amounts payable as provided in RCW  
12 84.34.330. (~~((Such))~~) The amounts due shall be delinquent if not paid  
13 within one hundred and eighty days after the date of mailing of the  
14 statement, and shall be subject to the same interest, penalties, lien  
15 priority, and enforcement procedures that are applicable to delinquent  
16 assessments on the assessment roll from which that land had been  
17 exempted, except that the rate of interest charged shall not exceed the  
18 rate provided in RCW 84.34.330.

19       **Sec. 22.** RCW 84.34.360 and 1992 c 69 s 18 and 1992 c 52 s 19 are  
20 each reenacted and amended to read as follows:

21       The department of revenue shall adopt rules it shall deem necessary  
22 to implement RCW 84.34.300 through 84.34.380 (~~((which))~~) that shall  
23 include, but not be limited to, procedures to determine the extent to  
24 which a portion of the land otherwise exempt may be subject to a  
25 special benefit assessment for the actual connection to the domestic  
26 water system or sewerage facilities, and further to determine the  
27 extent to which all or a portion of (~~((such))~~) the land may be subject to  
28 a special benefit assessment for access to the road improvement in  
29 relation to its value as farm and agricultural land (~~((or timber land))~~)  
30 as distinguished from its value under more intensive uses. The  
31 provision for limited special benefit assessments shall not relieve  
32 (~~((such))~~) the land from liability for the amounts provided in RCW  
33 84.34.330 and 84.34.340 when (~~((such))~~) the land is withdrawn or removed  
34 from its current use classification as farm and agricultural land (~~((or~~  
35 ~~timber land))~~).

1       **Sec. 23.** RCW 84.34.370 and 1992 c 52 s 20 are each amended to read  
2 as follows:

3       Whenever a portion of a parcel of land (~~((which))~~) that was  
4 classified as farm and agricultural (~~((or timber land pursuant to))~~) land  
5 under this chapter is withdrawn or removed from classification or there  
6 is a change in use, and (~~((such))~~) the land has been exempted from any  
7 benefit assessments (~~((pursuant to))~~) under RCW 84.34.320, the previously  
8 exempt benefit assessments shall become due on only that portion of the  
9 land (~~((which))~~) that is withdrawn or changed.

10       **Sec. 24.** RCW 84.34.380 and 1992 c 52 s 21 are each amended to read  
11 as follows:

12       Farm and agricultural land (~~((or timber land))~~) on which the right to  
13 future development has been acquired by any local government, the state  
14 of Washington, or the United States government shall be exempt from  
15 special benefit assessments in lieu of assessment for (~~((such))~~) the  
16 purposes in the same manner, and under the same liabilities for payment  
17 and interest, as land classified under this chapter as farm and  
18 agricultural land (~~((or timber land))~~), for as long as (~~((such))~~) the  
19 classification applies.

20       Any interest, development right, easement, covenant, or other  
21 contractual right (~~((which))~~) that effectively protects, preserves,  
22 maintains, improves, restores, prevents the future nonagricultural (~~((or~~  
23 ~~nonforest))~~) use of, or otherwise conserves farm and agricultural land  
24 (~~((or timber land))~~) shall be exempt from special benefit assessments as  
25 long as (~~((such))~~) the development right or other such interest  
26 effectively serves to prevent nonagricultural (~~((or nonforest))~~)  
27 development of (~~((such))~~) the land.

28       NEW SECTION. **Sec. 25.** The following acts or parts of acts are  
29 each repealed:

- 30       (1) RCW 84.33.077 (Credit for property taxes paid on timber on  
31 public land) and 1984 c 204 s 21 & 1983 1st ex.s. c 62 s 8;  
32       (2) RCW 84.34.041 (Application for current use classification--  
33 Forms--Public hearing--Approval or denial) and 2002 c 315 s 2 & 1992 c  
34 69 s 20; and  
35       (3) RCW 84.34.131 (Valuation of timber not affected) and 1998 c 311  
36 s 15 & 1973 1st ex.s. c 212 s 16.

1        NEW SECTION.   **Sec. 26.**   Section 3 of this act expires July 1, 2007.

2        NEW SECTION.   **Sec. 27.**   Section 4 of this act takes effect July 1,  
3        2007.

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