

# SENATE BILL REPORT

## SB 6251

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As Passed Senate, February 15, 2008

**Title:** An act relating to conserving forest lands.

**Brief Description:** Concerning the conservation of forest lands.

**Sponsors:** Senators Regala, Carrell and Kastama.

**Brief History:**

**Committee Activity:** Natural Resources, Ocean & Recreation: 1/23/08, 2/4/08 [DP].

Passed Senate: 2/15/08, 47-0.

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### SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

**Majority Report:** Do pass.

Signed by Senators Jacobsen, Chair; Hatfield, Vice Chair; Morton, Ranking Minority Member; Fraser, Hargrove, Rockefeller, Spanel, Stevens and Swecker.

**Staff:** Sherry McNamara (786-7402)

**Background:** All property in this state is subject to property tax each year based on the property's value unless a specific exemption is provided by law. The State Constitution (Article 7, Section 11) authorizes agricultural, timber, and open space lands to be valued on the basis of their current use rather than fair market value. Two programs currently implement this constitutional exception to fair market value: the "designated forest land" and the "open space land" program.

To qualify for current use valuation under the designated forest program, the land must be 20 acres or more (not including one acre for a home site) and be used primarily for growing and harvesting timber. The county assessor may require the applicant to include a forest management plan with the application. The applicant must also be in compliance with the state's forest practice laws and regulations.

The valuation of designated forest land is set by statute and is based on the value of the bare land for growing and harvesting the timber. The forest land values vary based on the grade and operability of the land and are adjusted annually by the Department of Revenue (DOR).

Land is removed from designation at the request of the owner or by sale or transfer to an ownership making the land exempt from tax. The county assessor may remove land from designation by a determination that the land is no longer primarily used for growing and harvesting timber.

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Upon removal, designated forest land may be subject to a compensating tax equal to the tax benefit received in the most recent year multiplied by the number of years the land was designated, not to exceed nine.

In 1997, the Legislature exempted a county with a population of more than 1,000,000 inhabitants (King County) from the compensating tax if the removal of the forest land designation was a sale or transfer to a governmental entity or nonprofit historic preservation or nonprofit nature conservancy corporation for the purpose of conserving open space land.

**Summary of Bill:** The compensating tax is not imposed in a county of 500,000 inhabitants, if the sale or transfer of land in the forest land program is to a governmental entity or nonprofit historic preservation or nonprofit nature conservancy corporation.

**Appropriation:** None.

**Fiscal Note:** Requested on January 16, 2008.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Pierce County has a very active conservation futures program. This program is attempting to keep and preserve land in its current use as forest land. Recently, Pierce County discovered during a land transaction that a compensating tax would apply for transferring this land. An exception currently exists in statute for King County, which has a population of over one million inhabitants. Pierce and Snohomish County would like to have the statute changed to allow this exception for counties with populations over 500,000 inhabitants. This bill would accomplish that as well as create the incentive for these counties to conserve and protect their forest lands.

**Persons Testifying:** PRO: George Walk, Pierce County; John Ehrenreich, Washington Forest Protection Association.