

# SENATE BILL REPORT

## SB 5602

---

---

As of February 11, 2009

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

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

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

**Brief History:**

**Committee Activity:** Natural Resources, Ocean & Recreation: 2/11/09.

---

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

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

**Background:** All property in this state is subject to property tax each year based on the property's market value unless a specific exemption is provided by law. Property meeting certain conditions may have property taxes determined on current use values rather than market values.

There are four categories of lands that are classified and assessed on current use. Three categories are covered in the open space law: open space lands; farm and agricultural lands; and timber lands. The fourth category is designated forest land in the forest land program.

The land remains in the current use classification as long as it continues to be used for the purpose for which it was placed in the current use program. Land is removed from the program at the request of the owner; by sale or transfer to an ownership making the land exempt from property tax; or by sale or transfer of the land to a new owner, unless the new owner signs a notice of classification continuance. The county assessor may also remove land from the program if the land no longer meets the criteria for classification.

When property is removed from current use classification, compensating tax (back taxes), plus interest, must be paid. For open space categories, back taxes represent the tax benefit received over the most recent seven years. For designated forest land, back taxes are equal to the tax benefit in the most recent year multiplied by the number of years in the program (but not more than nine years). There are some exceptions to the requirement for payment of back taxes.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The back tax exceptions are slightly different for the open space program and the forest land program. In the open space program, an exception to paying back taxes is allowed for a sale or transfer to a governmental entity, a nonprofit historic preservation, or a nonprofit nature conservancy corporation for the purpose of conserving open space land.

For designated forest land the exception is restricted to a sale or transfer to a government entity or nonprofit nature conservancy corporation for conservation purpose of land which has been recommended for state natural area preserve purposes by the Natural Heritage Council, or approved by the Department of Natural Resources for state natural resources conservation area purposes.

However, there is an exception to the general rule for designated forest land. In counties with a population greater than one million an exception to the payment of back taxes is allowed for a sale or transfer to a governmental entity, nonprofit historic preservation, or nonprofit nature conservancy corporation for the purpose of conserving forest land.

**Summary of Bill:** An exception for payment of back taxes for designated forest land is created for forest land located in counties with a population greater than 600,000, if the sale or transfer of land is to a governmental entity, nonprofit historic preservation, or nonprofit nature conservancy corporation for the purpose of conserving open space land.

**Appropriation:** None.

**Fiscal Note:** Available.

**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: Forest land plays a pivotal role in our counties providing beautiful landscapes and habitat. It is important to keep and preserve land in its current use as forest land. During a land transaction the compensating tax is an extra burden and may even lead to not completing the deal which means that the land may end up being converted out of its current use as timber land. Pierce and Snohomish County would like to have the the law changed to allow this exception for counties with a population threshold of 600,000 instead of the current one million. This bill will create incentives for these counties to conserve and protect their forest lands.

**Persons Testifying:** PRO: Ryan Milo, Cascade Land Conservancy; Debora Munguia, Washington Forest Protection Association; Michael Shaw, Pierce County.