
SENATE BILL 5701

State of Washington

68th Legislature

2023 Regular Session

By Senator King

1 AN ACT Relating to expanding the definition of designated
2 forestland; and amending RCW 84.33.035, 84.33.130, and 84.33.140.

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

4 **Sec. 1.** RCW 84.33.035 and 2014 c 137 s 1 are each amended to
5 read as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

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

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

19 (3) "Composite property tax rate" for a county means the total
20 amount of property taxes levied upon forestlands by all taxing

1 districts in the county other than the state, divided by the total
2 assessed value of all forestland in the county.

3 (4) "Contiguous" means land adjoining and touching other property
4 held by the same ownership. Land divided by a public road, but
5 otherwise an integral part of a timber growing and harvesting
6 operation or devoted primarily to preserving forest health, or
7 providing wildfire resiliency, is considered contiguous. Solely for
8 the purposes of this subsection (4), "same ownership" has the same
9 meaning as in RCW 84.34.020(6).

10 (5) "Forestland" is synonymous with "designated forestland" and
11 means any parcel of land that is five or more acres or multiple
12 parcels of land that are contiguous and total five or more acres that
13 is or are devoted primarily to growing and harvesting timber,
14 preserving forest health, or providing wildfire resiliency.
15 Designated forestland means the land only and does not include a
16 residential homesite. The term includes land used for incidental uses
17 that are compatible with the growing and harvesting of timber,
18 preserving forest health, or providing wildfire resiliency, but no
19 more than ((ten)) 10 percent of the land may be used for such
20 incidental uses. It also includes the land on which appurtenances
21 necessary for the production, preparation, or sale of the timber
22 products exist in conjunction with land producing these products.

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

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

1 title to or a possessory interest in the timber. The term "harvester"
2 does not include persons performing under contract the necessary
3 labor or mechanical services for a harvester.

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

11 (9) "Incidental use" means a use of designated forestland that is
12 compatible with its purpose for growing and harvesting timber,
13 preserving forest health, or providing wildfire resiliency. An
14 incidental use may include a gravel pit, a shed or land used to store
15 machinery or equipment used in conjunction with the timber
16 enterprise, and any other use that does not interfere with or
17 indicate that the forestland is no longer primarily being used to
18 grow and harvest timber.

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

26 (11) "Local improvement district" means any local improvement
27 district, utility local improvement district, local utility district,
28 road improvement district, or any similar unit created by a local
29 government for the purpose of levying special benefit assessments
30 against property specially benefited by improvements relating to the
31 districts.

32 (12) "Owner" means the party or parties having the fee interest
33 in land, except where land is subject to a real estate contract
34 "owner" means the contract vendee.

35 (13) "Primarily" or "primary use" means the existing use of the
36 land is so prevalent that when the characteristic use of the land is
37 evaluated any other use appears to be conflicting or nonrelated.

38 (14) "Short-rotation hardwoods" means hardwood trees, such as but
39 not limited to hybrid cottonwoods, cultivated by agricultural methods
40 in growing cycles shorter than (~~fifteen~~) 15 years.

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

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

25 (17) "Stumpage value of timber" means the appropriate stumpage
26 value shown on tables prepared by the department under RCW 84.33.091.
27 However, for timber harvested from public land and sold under a
28 competitive bidding process, stumpage value means the actual amount
29 paid to the seller in cash or other consideration. The stumpage value
30 of timber from public land does not include harvesting and marketing
31 costs if the timber from public land is harvested by, or under
32 contract for, the United States or any instrumentality of the United
33 States, the state, including its departments and institutions and
34 political subdivisions, or any municipal corporation therein.
35 Whenever payment for the stumpage includes considerations other than
36 cash, the value is the fair market value of the other consideration.
37 If the other consideration is permanent roads, the value of the roads
38 must be the appraised value as appraised by the seller.

1 (18) "Timber" means forest trees, standing or down, on privately
2 or publicly owned land, and except as provided in RCW 84.33.170
3 includes Christmas trees and short-rotation hardwoods.

4 (19) "Timber assessed value" for a county means the sum of: (a)
5 The total stumpage value of timber harvested from publicly owned land
6 in the county multiplied by the public timber ratio, plus; (b) the
7 total stumpage value of timber harvested from privately owned land in
8 the county multiplied by the private timber ratio. The numerator of
9 the public timber ratio is the rate of tax imposed by the county
10 under RCW 84.33.051 on public timber harvests for the year of the
11 calculation. The numerator of the private timber ratio is the rate of
12 tax imposed by the county under RCW 84.33.051 on private timber
13 harvests for the year of the calculation. The denominator of the
14 private timber ratio and the public timber ratio is the composite
15 property tax rate for the county for taxes due in the year of the
16 calculation, expressed as a percentage of assessed value. The
17 department must use the stumpage value of timber harvested during the
18 most recent four calendar quarters for which the information is
19 available. The department must calculate the timber assessed value
20 for each county before October 1st of each year.

21 (20) "Timber assessed value" for a taxing district means the
22 timber assessed value for the county multiplied by a ratio. The
23 numerator of the ratio is the total assessed value of forestland in
24 the taxing district. The denominator is the total assessed value of
25 forestland in the county. As used in this section, "assessed value of
26 forestland" means the assessed value of forestland for taxes due in
27 the year the timber assessed value for the county is calculated plus
28 an additional value for public forestland. The additional value for
29 public forestland is the product of the number of acres of public
30 forestland that are available for timber harvesting determined under
31 RCW 84.33.089 and the average assessed value per acre of private
32 forestland in the county.

33 (21) "Timber management plan" means a plan prepared by a trained
34 forester, or any other person with adequate knowledge of timber
35 management practices, concerning the use of the land to grow and
36 harvest timber. Such a plan may include:

37 (a) A legal description of the forestland;

38 (b) A statement that the forestland is held in contiguous
39 ownership of five or more acres and is primarily devoted to and used
40 to grow and harvest timber;

1 (c) A brief description of the timber on the forestland or, if
2 the timber on the land has been harvested, the owner's plan to
3 restock the land with timber;

4 (d) A statement about whether the forestland is also used to
5 graze livestock;

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

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

13 **Sec. 2.** RCW 84.33.130 and 2014 c 137 s 2 are each amended to
14 read as follows:

15 (1)(a)(i) Notwithstanding any other provision of law, lands that
16 were assessed as classified forestland before July 22, 2001, or as
17 timberland under chapter 84.34 RCW before the merger date adopted by
18 the county under RCW 84.34.400, are designated forestland for the
19 purposes of this chapter.

20 (ii) The owners of land subject to the requirements of (a)(i) of
21 this subsection are not required to apply for designation under this
22 chapter. The land and timber on such land must be assessed and taxed
23 in accordance with the provisions of this chapter as of the date the
24 land is designated forestland under (a)(i) of this subsection.

25 (b) If a county legislative authority opts under RCW 84.34.400 to
26 merge its timberland classification with the designated forestland
27 program of the county, the following provisions apply beginning on
28 the adopted merger date:

29 (i) The date the property was classified as timberland is
30 considered to be the date the property was designated as forestland
31 under this chapter;

32 (ii) The county assessor must notify each owner of timberland of
33 the merger by certified mail; and

34 (iii) For any forestland subject to the provisions of (b)(i) of
35 this subsection that is then removed from designation, only
36 compensating tax will be collected as a result of the removal in
37 accordance with RCW 84.33.140(12), unless otherwise provided by law.

38 (2) An owner of land desiring that it be designated as forestland
39 and valued under RCW 84.33.140 as of January 1st of any year must

1 submit an application to the assessor of the county in which the land
2 is located before January 1st of that year. The application must be
3 accompanied by a reasonable processing fee when the county
4 legislative authority has established the requirement for such a fee.

5 (3) No application of designation is required when publicly owned
6 forestland is exchanged for privately owned forestland designated
7 under this chapter. The land exchanged and received by an owner
8 subject to ad valorem taxation is automatically granted designation
9 under this chapter if the following conditions are met:

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

11 (b) The owner of the land submits a document to the assessor's
12 office that explains the details of the forestland exchange within
13 ((sixty)) 60 days of the closing date of the exchange. However, if
14 the owner fails to submit information regarding the exchange by the
15 end of this ((sixty)) 60-day period, the owner must file an
16 application for designation as forestland under this chapter and the
17 regular application process will be followed.

18 (4) The application must be made upon forms prepared by the
19 department and supplied by the assessor, and must include the
20 following:

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

23 (b) The date or dates of acquisition of the land;

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

26 (d) A copy of the timber management plan, if one exists, for the
27 land prepared by a trained forester or any other person with adequate
28 knowledge of timber management practices;

29 (e) If a timber management plan exists, an explanation of the
30 nature and extent to which the management plan has been implemented;

31 (f) Whether the land is used for grazing;

32 (g) Whether the land has been subdivided or a plat has been filed
33 with respect to the land;

34 (h) Whether the land and the applicant are in compliance with the
35 restocking, forest management, fire protection, insect and disease
36 control, and forest debris provisions of Title 76 RCW or any
37 applicable rules under Title 76 RCW;

38 (i) Whether the land is subject to forest fire protection
39 assessments under RCW 76.04.610;

1 (j) Whether the land is subject to a lease, option, or other
2 right that permits it to be used for any purpose other than growing
3 and harvesting timber, preserving forest health, or providing
4 wildfire resiliency;

5 (k) A summary of the past experience and activity of the
6 applicant in growing and harvesting timber, preserving forest health,
7 or providing wildfire resiliency;

8 (l) A summary of current and continuing activity of the applicant
9 in growing and harvesting timber, preserving forest health, or
10 providing wildfire resiliency;

11 (m) A statement that the applicant is aware of the potential tax
12 liability involved when the land ceases to be designated as
13 forestland;

14 (n) An affirmation that the statements contained in the
15 application are true and that the land described in the application
16 meets the definition of forestland in RCW 84.33.035; and

17 (o) A description and/or drawing showing what areas of land for
18 which designation is sought are used for incidental uses compatible
19 with the definition of forestland in RCW 84.33.035.

20 (5) The assessor must afford the applicant an opportunity to be
21 heard if the applicant so requests.

22 (6) The assessor must act upon the application with due regard to
23 all relevant evidence and without any one or more items of evidence
24 necessarily being determinative, except that the application may be
25 denied for one of the following reasons, without regard to other
26 items:

27 (a) The land does not contain a "merchantable stand of timber" as
28 defined in chapter 76.09 RCW and applicable rules. This reason alone
29 is not sufficient to deny the application (i) if the land has been
30 recently harvested or supports a growth of brush or noncommercial
31 type timber, and the application includes a plan for restocking
32 within three years or a longer period necessitated by unavailability
33 of seed or seedlings, or (ii) if only isolated areas within the land
34 do not meet the minimum standards due to rock outcroppings, swamps,
35 unproductive soil or other natural conditions;

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

1 (c) The land abuts a body of salt water and lies between the line
2 of ordinary high tide and a line paralleling the ordinary high tide
3 line and two hundred feet horizontally landward from the high tide
4 line. However, if the assessor determines that a higher and better
5 use exists for the land but this use would not be permitted or
6 economically feasible by virtue of any federal, state, or local law
7 or regulation, the land must be assessed and valued under RCW
8 84.33.140 without being designated as forestland.

9 (7) The application is deemed to have been approved unless, prior
10 to July 1st of the year after the application was mailed or delivered
11 to the assessor, the assessor notifies the applicant in writing of
12 the extent to which the application is denied.

13 (8) An owner who receives notice that his or her application has
14 been denied, in whole or in part, may appeal the denial to the county
15 board of equalization in accordance with the provisions of RCW
16 84.40.038.

17 **Sec. 3.** RCW 84.33.140 and 2017 3rd sp.s. c 37 s 1002 are each
18 amended to read as follows:

19 (1) When land has been designated as forestland under RCW
20 84.33.130, a notation of the designation must be made each year upon
21 the assessment and tax rolls. A copy of the notice of approval
22 together with the legal description or assessor's parcel numbers for
23 the land must, at the expense of the applicant, be filed by the
24 assessor in the same manner as deeds are recorded.

25 (2) In preparing the assessment roll as of January 1, 2002, for
26 taxes payable in 2003 and each January 1st thereafter, the assessor
27 must list each parcel of designated forestland at a value with
28 respect to the grade and class provided in this subsection and
29 adjusted as provided in subsection (3) of this section. The assessor
30 must compute the assessed value of the land using the same assessment
31 ratio applied generally in computing the assessed value of other
32 property in the county. Values for the several grades of bare
33 forestland are as follows:

LAND	OPERABILITY	VALUES
GRADE	CLASS	PER ACRE
	1	\$234
1	2	229

1		3	217
2		4	157
3		1	198
4	2	2	190
5		3	183
6		4	132
7		1	154
8	3	2	149
9		3	148
10		4	113
11		1	117
12	4	2	114
13		3	113
14		4	86
15		1	85
16	5	2	78
17		3	77
18		4	52
19		1	43
20	6	2	39
21		3	39
22		4	37
23		1	21
24	7	2	21
25		3	20
26		4	20
27	8		1

28 (3) On or before December 31, 2001, the department must adjust by
29 rule under chapter 34.05 RCW, the forestland values contained in
30 subsection (2) of this section in accordance with this subsection,
31 and must certify the adjusted values to the assessor who will use
32 these values in preparing the assessment roll as of January 1, 2002.

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

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

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

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

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

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

26 (a) Receipt of notice of request to withdraw land classified
27 under RCW 84.34.020(3) within two years before the date of the merger
28 under RCW 84.34.400. Land previously classified under chapter 84.34
29 RCW will be removed under the provisions of this chapter when two
30 assessment years have passed following receipt of the notice as
31 described in RCW 84.34.070(1);

32 (b) Receipt of notice from the owner to remove the designation;

33 (c) Sale or transfer to an ownership making the land exempt from
34 ad valorem taxation;

35 (d) Sale or transfer of all or a portion of the land to a new
36 owner, unless the new owner has signed a notice of forestland
37 designation continuance, except transfer to an owner who is an heir
38 or devisee of a deceased owner or transfer by a transfer on death
39 deed, does not, by itself, result in removal of designation. The
40 signed notice of continuance must be attached to the real estate

1 excise tax affidavit provided for in RCW 82.45.150. The notice of
2 continuance must be on a form prepared by the department. If the
3 notice of continuance is not signed by the new owner and attached to
4 the real estate excise tax affidavit, all compensating taxes
5 calculated under subsection (11) of this section are due and payable
6 by the seller or transferor at time of sale. The auditor may not
7 accept an instrument of conveyance regarding designated forestland
8 for filing or recording unless the new owner has signed the notice of
9 continuance or the compensating tax has been paid, as evidenced by
10 the real estate excise tax stamp affixed thereto by the treasurer.
11 The seller, transferor, or new owner may appeal the new assessed
12 valuation calculated under subsection (11) of this section to the
13 county board of equalization in accordance with the provisions of RCW
14 84.40.038. Jurisdiction is hereby conferred on the county board of
15 equalization to hear these appeals;

16 (e) Determination by the assessor, after giving the owner written
17 notice and an opportunity to be heard, that:

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

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

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

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

13 (7) The assessor has the option of requiring an owner of
14 forestland to file a timber management plan with the assessor upon
15 the occurrence of one of the following:

16 (a) An application for designation as forestland is submitted;

17 (b) Designated forestland is sold or transferred and a notice of
18 continuance, described in subsection (5)(d) of this section, is
19 signed; or

20 (c) The assessor has reason to believe that forestland sized less
21 than (~~twenty~~) 20 acres is no longer primarily devoted to and used
22 for growing and harvesting timber, preserving forest health, or
23 providing wildfire resiliency. The assessor may require a timber
24 management plan to assist with determining continuing eligibility as
25 designated forestland.

26 (8) If land is removed from designation because of any of the
27 circumstances listed in subsection (5)(a) through (d) of this
28 section, the removal applies only to the land affected. If land is
29 removed from designation because of subsection (5)(e) of this
30 section, the removal applies only to the actual area of land that is
31 no longer primarily devoted to the growing and harvesting of timber,
32 preserving forest health, or providing wildfire resiliency, without
33 regard to any other land that may have been included in the
34 application and approved for designation, as long as the remaining
35 designated forestland meets the definition of forestland contained in
36 RCW 84.33.035.

37 (9) Within (~~thirty~~) 30 days after the removal of designation as
38 forestland, the assessor must notify the owner in writing, setting
39 forth the reasons for the removal. The seller, transferor, or owner

1 may appeal the removal to the county board of equalization in
2 accordance with the provisions of RCW 84.40.038.

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

17 (11) Except as provided otherwise in this section, a compensating
18 tax is imposed on land removed from designation as forestland. The
19 compensating tax is due and payable to the treasurer thirty days
20 after the owner is notified of the amount of this tax. As soon as
21 possible after the land is removed from designation, the assessor
22 must compute the amount of compensating tax, and the treasurer must
23 mail a notice to the owner of the amount of compensating tax owed and
24 the date on which payment of this tax is due. The amount of
25 compensating tax is equal to the difference between the amount of tax
26 last levied on the land as designated forestland and an amount equal
27 to the new assessed value of the land multiplied by the dollar rate
28 of the last levy extended against the land, multiplied by a number,
29 in no event greater than nine, equal to the number of years for which
30 the land was designated as forestland, plus compensating taxes on the
31 land at forestland values up until the date of removal and the
32 prorated taxes on the land at true and fair value from the date of
33 removal to the end of the current tax year.

34 (12) Compensating tax, together with applicable interest thereon,
35 becomes a lien on the land, which attaches at the time the land is
36 removed from designation as forestland and has priority and must be
37 fully paid and satisfied before any recognizance, mortgage, judgment,
38 debt, obligation, or responsibility to or with which the land may
39 become charged or liable. The lien may be foreclosed upon expiration
40 of the same period after delinquency and in the same manner provided

1 by law for foreclosure of liens for delinquent real property taxes as
2 provided in RCW 84.64.050. Any compensating tax unpaid on its due
3 date will thereupon become delinquent. From the date of delinquency
4 until paid, interest is charged at the same rate applied by law to
5 delinquent ad valorem property taxes.

6 (13) The compensating tax specified in subsection (11) of this
7 section may not be imposed if the removal of designation under
8 subsection (5) of this section resulted solely from:

9 (a) Transfer to a government entity in exchange for other
10 forestland located within the state of Washington;

11 (b) (i) A taking through the exercise of the power of eminent
12 domain, or (ii) a sale or transfer to an entity having the power of
13 eminent domain in anticipation of the exercise of such power based on
14 official action taken by the entity and confirmed in writing;

15 (c) A donation of fee title, development rights, or the right to
16 harvest timber, to a government agency or organization qualified
17 under RCW 84.34.210 and 64.04.130 for the purposes enumerated in
18 those sections, or the sale or transfer of fee title to a
19 governmental entity or a nonprofit nature conservancy corporation, as
20 defined in RCW 64.04.130, exclusively for the protection and
21 conservation of lands recommended for state natural area preserve
22 purposes by the natural heritage council and natural heritage plan as
23 defined in chapter 79.70 RCW or approved for state natural resources
24 conservation area purposes as defined in chapter 79.71 RCW, or for
25 acquisition and management as a community forest trust as defined in
26 chapter 79.155 RCW. At such time as the land is not used for the
27 purposes enumerated, the compensating tax specified in subsection
28 (11) of this section is imposed upon the current owner;

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

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

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

36 (g) The creation, sale, or transfer of a conservation easement of
37 private forestlands within unconfined channel migration zones or
38 containing critical habitat for threatened or endangered species
39 under RCW 76.09.040;

1 (h) The sale or transfer of land within two years after the death
2 of the owner of at least a (~~(fifty)~~) 50 percent interest in the land
3 if the land has been assessed and valued as classified forestland,
4 designated as forestland under this chapter, or classified under
5 chapter 84.34 RCW continuously since 1993. The date of death shown on
6 a death certificate is the date used for the purposes of this
7 subsection (13) (h); or

8 (i) (i) The discovery that the land was designated under this
9 chapter in error through no fault of the owner. For purposes of this
10 subsection (13) (i), "fault" means a knowingly false or misleading
11 statement, or other act or omission not in good faith, that
12 contributed to the approval of designation under this chapter or the
13 failure of the assessor to remove the land from designation under
14 this chapter.

15 (ii) For purposes of this subsection (13), the discovery that
16 land was designated under this chapter in error through no fault of
17 the owner is not the sole reason for removal of designation under
18 subsection (5) of this section if an independent basis for removal
19 exists. An example of an independent basis for removal includes the
20 land no longer being devoted to and used for growing and harvesting
21 timber, preserving forest health, or providing wildfire resiliency.

22 (14) In a county with a population of more than (~~(six hundred~~
23 ~~thousand)~~) 600,000 inhabitants or in a county with a population of at
24 least (~~(two hundred forty five thousand)~~) 245,000 inhabitants that
25 borders Puget Sound as defined in RCW 90.71.010, the compensating tax
26 specified in subsection (11) of this section may not be imposed if
27 the removal of designation as forestland under subsection (5) of this
28 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
31 to 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 is imposed upon the current owner.

38 (15) Compensating tax authorized in this section may not be
39 imposed on land removed from designation as forestland solely as a
40 result of a natural disaster such as a flood, windstorm, earthquake,

1 wildfire, or other such calamity rather than by virtue of the act of
2 the landowner changing the use of the property.

--- **END** ---