_____

SUBSTITUTE HOUSE BILL 1067
_____

State of Washington   **54th Legislature**   **1995 Regular Session**

By House Committee on Finance (originally sponsored by Representatives Schoesler, Grant, Hankins, Delvin, Mastin and Sheldon)

Read first time 02/20/95.

1   AN ACT Relating to property tax reform; amending RCW 84.33.035 and
2 84.33.170; and creating a new section.

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

4   **Sec. 1.** RCW 84.33.035 and 1986 c 315 s 1 are each amended to read
5 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 are
9 grown on land prepared by intensive cultivation and tilling, such as
10 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) "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   (((2))) (3) "Forest land" means forest land which is classified or
19 designated forest land under this chapter.

1   (((3))) (4) "Harvested" means the time when in the ordinary course
2 of business the quantity of timber by species is first definitely
3 determined. The amount harvested shall be determined by the Scribner
4 Decimal C Scale or other prevalent measuring practice adjusted to
5 arrive at substantially equivalent measurements, as approved by the
6 department of revenue.

7   (((4))) (5) "Harvester" means every person who from the person's
8 own land or from the land of another under a right or license granted
9 by lease or contract, either directly or by contracting with others for
10 the necessary labor or mechanical services, fells, cuts, or takes
11 timber for sale or for commercial or industrial use: PROVIDED, That
12 whenever the United States or any instrumentality thereof, the state,
13 including its departments and institutions and political subdivisions,
14 or any municipal corporation therein so fells, cuts, or takes timber
15 for sale or for commercial or industrial use, the harvester is the
16 first person other than the United States or any instrumentality
17 thereof, the state, including its departments and institutions and
18 political subdivisions, or any municipal corporation therein, who
19 acquires title to or a possessory interest in such timber. The term
20 "harvester" does not include persons performing under contract the
21 necessary labor or mechanical services for a harvester.

22   (((5))) (6) "Short-rotation hardwoods" means hardwood trees, such
23 as but not limited to hybrid cottonwoods, cultivated by agricultural
24 methods in growing cycles shorter than ten years.

25   (7) "Stumpage value of timber" means the appropriate stumpage value
26 shown on tables prepared by the department of revenue under RCW
27 84.33.091, provided that for timber harvested from public land and sold
28 under a competitive bidding process, stumpage value shall mean that
29 actual amount paid to the seller in cash or other consideration.
30 Whenever payment for the stumpage includes considerations other than
31 cash, the value shall be the fair market value of the other
32 consideration, provided that if the other consideration is permanent
33 roads, the value of the roads shall be the appraised value as appraised
34 by the seller.

35   (((6))) (8) "Timber" means forest trees, standing or down, on
36 privately or publicly owned land, and except as provided in RCW
37 84.33.170 includes Christmas trees and short-rotation hardwoods.

38   (((7))) (9) "Timber assessed value" for a county means a value,
39 calculated by the department of revenue before October 1 of each year,

1 equal to the total stumpage value of timber harvested from privately
2 owned land in the county during the most recent four calendar quarters
3 for which the information is available multiplied by a ratio. The
4 numerator of the ratio is the rate of tax imposed by the county under
5 RCW 84.33.051 for the year of the calculation. The denominator of the
6 ratio is the composite property tax rate for the county for taxes due
7 in the year of the calculation, expressed as a percentage of assessed
8 value.

9   (((8))) (10) "Timber assessed value" for a taxing district means
10 the timber assessed value for the county multiplied by a ratio. The
11 numerator of the ratio is the total assessed value of forest land in
12 the taxing district. The denominator is the total assessed value of
13 forest land in the county. As used in this section, "assessed value of
14 forest land" means the assessed value of forest land for taxes due in
15 the year the timber assessed value for the county is calculated.

16   **Sec. 2.** RCW 84.33.170 and 1984 c 204 s 24 are each amended to read
17 as follows:
18   Notwithstanding any provision of this chapter to the contrary, this
19 chapter shall not exempt from the ad valorem tax nor subject to the
20 excise tax imposed by this chapter, Christmas trees ((which are grown
21 on land which has been prepared by intensive cultivation and tilling,
22 such as by plowing or turning over the soil, and on which all unwanted
23 plant growth is controlled continuously for the exclusive purpose of
24 raising such Christmas trees)) and short-rotation hardwoods, which are
25 cultivated by agricultural methods, and such land on which such
26 Christmas trees and short-rotation hardwoods stand shall not be taxed
27 as provided in RCW 84.33.100 through 84.33.140. However, short-
28 rotation hardwoods, which are cultivated by agricultural methods, on
29 land classified as timber land under chapter 84.34 RCW, shall be
30 subject to the excise tax imposed under this chapter.

31   NEW SECTION. **Sec. 3.** This act applies to taxes levied in 1995 for
32 collection in 1996 and thereafter.

--- END ---