
SUBSTITUTE HOUSE BILL 1700

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Finance (originally sponsored by Representatives Sehlin, Chopp, Quall and B. Thomas)

Read first time 03/06/95.

1 AN ACT Relating to current use taxation provisions; amending RCW
2 84.33.120, 84.33.140, 84.34.037, 84.34.070, and 84.34.108; and
3 declaring an emergency.

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

5 **Sec. 1.** RCW 84.33.120 and 1992 c 69 s 1 are each amended to read
6 as follows:

7 (1) In preparing the assessment rolls as of January 1, 1982, for
8 taxes payable in 1983 and each January 1st thereafter, the assessor
9 shall list each parcel of forest land at a value with respect to the
10 grade and class provided in this subsection and adjusted as provided in
11 subsection (2) of this section and shall compute the assessed value of
12 the land by using the same assessment ratio he or she applies generally
13 in computing the assessed value of other property in his or her county.
14 Values for the several grades of bare forest land shall be as follows.

1	LAND	OPERABILITY	VALUES
2	GRADE	CLASS	PER ACRE
3			
4		1	\$141
5	1	2	136
6		3	131
7		4	95
8			
9		1	118
10	2	2	114
11		3	110
12		4	80
13			
14		1	93
15	3	2	90
16		3	87
17		4	66
18			
19		1	70
20	4	2	68
21		3	66
22		4	52
23			
24		1	51
25	5	2	48
26		3	46
27		4	31
28			
29		1	26
30	6	2	25
31		3	25
32		4	23
33			
34		1	12
35	7	2	12
36		3	11
37		4	11

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(2) On or before December 31, 1981, the department shall adjust, by rule under chapter 34.05 RCW, the forest land values contained in subsection (1) of this section in accordance with this subsection, and shall certify these adjusted values to the county assessor for his or her use in preparing the assessment rolls as of January 1, 1982. For the adjustment to be made on or before December 31, 1981, for use in the 1982 assessment year, the department shall:

(a) Divide the aggregate value of all timber harvested within the state between July 1, 1976, and June 30, 1981, by the aggregate harvest volume for the same period, as determined from the harvester excise tax returns filed with the department under RCW 82.04.291 and 84.33.071; and

(b) Divide the aggregate value of all timber harvested within the state between July 1, 1975, and June 30, 1980, by the aggregate harvest volume for the same period, as determined from the harvester excise tax returns filed with the department under RCW 82.04.291 and 84.33.071; and

(c) Adjust the forest land values contained in subsection (1) of this section by a percentage equal to one-half of the percentage change in the average values of harvested timber reflected by comparing the resultant values calculated under (a) and (b) of this subsection.

For the adjustments to be made on or before December 31, 1982, and each succeeding year thereafter, the same procedure shall be followed as described in this subsection utilizing harvester excise tax returns filed under RCW 82.04.291 and this chapter except that this adjustment shall be made to the prior year's adjusted value, and the five-year periods for calculating average harvested timber values shall be successively one year more recent.

(3) In preparing the assessment roll for 1972 and each year thereafter, the assessor shall enter as the true and fair value of each parcel of forest land the appropriate grade value certified to him or her by the department of revenue, and he or she shall compute the assessed value of such land by using the same assessment ratio he or she applies generally in computing the assessed value of other property in his or her county. In preparing the assessment roll for 1975 and

1 each year thereafter, the assessor shall assess and value as classified
2 forest land all forest land that is not then designated pursuant to RCW
3 84.33.120(4) or 84.33.130 and shall make a notation of such
4 classification upon the assessment and tax rolls. On or before January
5 15 of the first year in which such notation is made, the assessor shall
6 mail notice by certified mail to the owner that such land has been
7 classified as forest land and is subject to the compensating tax
8 imposed by this section. If the owner desires not to have such land
9 assessed and valued as classified forest land, he or she shall give the
10 assessor written notice thereof on or before March 31 of such year and
11 the assessor shall remove from the assessment and tax rolls the
12 classification notation entered pursuant to this subsection, and shall
13 thereafter assess and value such land in the manner provided by law
14 other than this chapter 84.33 RCW.

15 (4) In any year commencing with 1972, an owner of land which is
16 assessed and valued by the assessor other than pursuant to the
17 procedures set forth in RCW 84.33.110 and this section, and which has,
18 in the immediately preceding year, been assessed and valued by the
19 assessor as forest land, may appeal to the county board of equalization
20 by filing an application with the board in the manner prescribed in
21 subsection (2) of RCW 84.33.130. The county board shall afford the
22 applicant an opportunity to be heard if the application so requests and
23 shall act upon the application in the manner prescribed in subsection
24 (3) of RCW 84.33.130.

25 (5) Land that has been assessed and valued as classified forest
26 land as of any year commencing with 1975 assessment year or earlier
27 shall continue to be so assessed and valued until removal of
28 classification by the assessor only upon the occurrence of one of the
29 following events:

30 (a) Receipt of notice from the owner to remove such land from
31 classification as forest land;

32 (b) Sale or transfer to an ownership making such land exempt from
33 ad valorem taxation, except for transactions qualifying for the
34 exemptions specified under subsection (9) of this section;

35 (c) Determination by the assessor, after giving the owner written
36 notice and an opportunity to be heard, that, because of actions taken
37 by the owner, such land is no longer primarily devoted to and used for
38 growing and harvesting timber. However, land shall not be removed from
39 classification if a governmental agency, organization, or recipient

1 identified in subsection (9) of this section as exempt from the payment
2 of compensating tax has manifested its intent in writing or by other
3 official action to acquire a property interest in classified forest
4 land by means of a transaction that qualifies for an exemption under
5 subsection (9) of this section. The governmental agency, organization,
6 or recipient shall annually provide the assessor of the county in which
7 the land is located reasonable evidence in writing of the intent to
8 acquire the classified land as long as the intent continues or within
9 sixty days of a request by the assessor. The assessor may not request
10 this evidence more than once in a calendar year;

11 (d) Determination that a higher and better use exists for such land
12 than growing and harvesting timber after giving the owner written
13 notice and an opportunity to be heard;

14 (e) Sale or transfer of all or a portion of such land to a new
15 owner, unless the new owner has signed a notice of forest land
16 classification continuance(~~([+])~~), except transfer to an owner who is
17 an heir or devisee of a deceased owner, shall not, by itself, result in
18 removal of classification. The signed notice of continuance shall be
19 attached to the real estate excise tax affidavit provided for in RCW
20 (~~(82.45.120, as now or hereafter amended)~~) 82.45.150. The notice of
21 continuance shall be on a form prepared by the department of revenue.
22 If the notice of continuance is not signed by the new owner and
23 attached to the real estate excise tax affidavit, all compensating
24 taxes calculated pursuant to subsection (7) of this section shall
25 become due and payable by the seller or transferor at time of sale.
26 The county auditor shall not accept an instrument of conveyance of
27 classified forest land for filing or recording unless the new owner has
28 signed the notice of continuance or the compensating tax has been paid.
29 The seller, transferor, or new owner may appeal the new assessed
30 valuation calculated under subsection (7) of this section to the county
31 board of equalization. Jurisdiction is hereby conferred on the county
32 board of equalization to hear these appeals.

33 The assessor shall remove classification pursuant to
34 (~~(subsections)~~) (c) or (d) (~~(above)~~) of this subsection prior to
35 September 30 of the year prior to the assessment year for which
36 termination of classification is to be effective. Removal of
37 classification as forest land upon occurrence of (~~(subsection)~~) (a),
38 (b), (d), or (e) (~~(above)~~) of this subsection shall apply only to the
39 land affected, and upon occurrence of (~~(subsection)~~) (c) of this

1 subsection shall apply only to the actual area of land no longer
2 primarily devoted to and used for growing and harvesting timber:
3 PROVIDED, That any remaining classified forest land meets necessary
4 definitions of forest land pursuant to RCW 84.33.100 (~~as now or~~
5 ~~hereafter amended~~)).

6 (6) Within thirty days after such removal of classification as
7 forest land, the assessor shall notify the owner in writing setting
8 forth the reasons for such removal. The owner of such land shall
9 thereupon have the right to apply for designation of such land as
10 forest land pursuant to subsection (4) of this section or RCW
11 84.33.130. The seller, transferor, or owner may appeal such removal to
12 the county board of equalization.

13 (7) Unless the owner successfully applies for designation of such
14 land or unless the removal is reversed on appeal, notation of removal
15 from classification shall immediately be made upon the assessment and
16 tax rolls, and commencing on January 1 of the year following the year
17 in which the assessor made such notation, such land shall be assessed
18 on the same basis as real property is assessed generally in that
19 county. Except as provided in subsections (5)(e) and (9) of this
20 section and unless the assessor shall not have mailed notice of
21 classification pursuant to subsection (3) of this section, a
22 compensating tax shall be imposed which shall be due and payable to the
23 county treasurer thirty days after the owner is notified of the amount
24 of the compensating tax. As soon as possible, the assessor shall
25 compute the amount of such compensating tax and mail notice to the
26 owner of the amount thereof and the date on which payment is due. The
27 amount of such compensating tax shall be equal to(~~(a)~~) the
28 difference, if any, between the amount of tax last levied on such land
29 as forest land and an amount equal to the new assessed valuation of
30 such land multiplied by the dollar rate of the last levy extended
31 against such land, multiplied by (~~(b)~~) a number, in no event greater
32 than ten, equal to the number of years, commencing with assessment year
33 1975, for which such land was assessed and valued as forest land.

34 (8) Compensating tax, together with applicable interest thereon,
35 shall become a lien on such land which shall attach at the time such
36 land is removed from classification as forest land and shall have
37 priority to and shall be fully paid and satisfied before any
38 recognizance, mortgage, judgment, debt, obligation or responsibility to
39 or with which such land may become charged or liable. Such lien may be

1 foreclosed upon expiration of the same period after delinquency and in
2 the same manner provided by law for foreclosure of liens for delinquent
3 real property taxes as provided in RCW 84.64.050. Any compensating tax
4 unpaid on its due date shall thereupon become delinquent. From the
5 date of delinquency until paid, interest shall be charged at the same
6 rate applied by law to delinquent ad valorem property taxes.

7 (9) The compensating tax specified in subsection (7) of this
8 section shall not be imposed if the removal of classification as forest
9 land pursuant to subsection (5) of this section resulted solely from:

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

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

15 (c) A donation of development rights, or the right to harvest
16 timber, or the sale or transfer of fee title or property interests, to
17 a federal, state, or local government ((agency)) entity for the
18 purposes enumerated in RCW 84.34.210 or for academic or scientific
19 research, or an organization qualified under RCW 84.34.210 and
20 64.04.130 for the purposes enumerated in those sections or ((the sale
21 or transfer of fee title to a governmental entity or a nonprofit nature
22 conservancy corporation, as defined in RCW 64.04.130, exclusively for
23 the protection and conservation of lands recommended for state natural
24 area preserve purposes by the natural heritage council and natural
25 heritage plan as defined in chapter 79.70 RCW)) for academic or

26 scientific research: PROVIDED, That at such time as the land that has
27 been transferred to a nongovernment entity is not used for the purposes
28 enumerated, the compensating tax specified in subsection (7) of this
29 section shall be imposed upon the current owner; or

30 (d) Official action by an agency of the state of Washington or by
31 the county or city within which the land is located which disallows the
32 present use of such land.

33 (10) With respect to any land that has been designated prior to May
34 6, 1974, pursuant to RCW 84.33.120(4) or 84.33.130, the assessor may,
35 prior to January 1, 1975, on his or her own motion or pursuant to
36 petition by the owner, change, without imposition of the compensating
37 tax provided under RCW 84.33.140, the status of such designated land to
38 classified forest land.

1 **Sec. 2.** RCW 84.33.140 and 1992 c 69 s 2 are each amended to read
2 as follows:

3 (1) When land has been designated as forest land pursuant to RCW
4 84.33.120(4) or 84.33.130, a notation of such designation shall be made
5 each year upon the assessment and tax rolls, a copy of the notice of
6 approval together with the legal description or assessor's tax lot
7 numbers for such land shall, at the expense of the applicant, be filed
8 by the assessor in the same manner as deeds are recorded, and such land
9 shall be graded and valued pursuant to RCW 84.33.110 and 84.33.120
10 until removal of such designation by the assessor upon occurrence of
11 any of the following:

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

13 (b) Sale or transfer to an ownership making such land exempt from
14 ad valorem taxation, except for transactions qualifying for the
15 exemptions specified under subsection (5) of this section;

16 (c) Sale or transfer of all or a portion of such land to a new
17 owner, unless the new owner has signed a notice of forest land
18 designation continuance(~~((+))~~), except transfer to an owner who is an
19 heir or devisee of a deceased owner, shall not, by itself, result in
20 removal of classification. The signed notice of continuance shall be
21 attached to the real estate excise tax affidavit provided for in RCW
22 ((82.45.120, as now or hereafter amended)) 82.45.150. The notice of
23 continuance shall be on a form prepared by the department of revenue.
24 If the notice of continuance is not signed by the new owner and
25 attached to the real estate excise tax affidavit, all compensating
26 taxes calculated pursuant to subsection (3) of this section shall
27 become due and payable by the seller or transferor at time of sale.
28 The county auditor shall not accept an instrument of conveyance of
29 designated forest land for filing or recording unless the new owner has
30 signed the notice of continuance or the compensating tax has been paid.
31 The seller, transferor, or new owner may appeal the new assessed
32 valuation calculated under subsection (3) of this section to the county
33 board of equalization. Jurisdiction is hereby conferred on the county
34 board of equalization to hear these appeals;

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

37 (i) Such land is no longer primarily devoted to and used for
38 growing and harvesting timber((+)). However, land shall not be removed
39 from designation if a governmental agency, organization, or recipient

1 identified in subsection (5) of this section as exempt from the payment
2 of compensating tax has manifested its intent in writing or by other
3 official action to acquire a property interest in designated forest
4 land by means of a transaction that qualifies for an exemption under
5 subsection (5) of this section. The governmental agency, organization,
6 or recipient shall annually provide the assessor of the county in which
7 the land is located reasonable evidence in writing of the intent to
8 acquire the designated land as long as the intent continues or within
9 sixty days of a request by the assessor. The assessor may not request
10 this evidence more than once in a calendar year;

11 (ii) ~~((such))~~ The owner has failed to comply with a final
12 administrative or judicial order with respect to a violation of the
13 restocking, forest management, fire protection, insect and disease
14 control and forest debris provisions of Title 76 RCW or any applicable
15 regulations thereunder((~~τ~~)); or

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

18 Removal of designation upon occurrence of any of ((subsections)) (a)
19 through (c) ((above)) of this subsection shall apply only to the land
20 affected, and upon occurrence of ((subsection)) (d) of this subsection
21 shall apply only to the actual area of land no longer primarily devoted
22 to and used for growing and harvesting timber, without regard to other
23 land that may have been included in the same application and approval
24 for designation: PROVIDED, That any remaining designated forest land
25 meets necessary definitions of forest land pursuant to RCW 84.33.100
26 ((as now or hereafter amended)).

27 (2) Within thirty days after such removal of designation of forest
28 land, the assessor shall notify the owner in writing, setting forth the
29 reasons for such removal. The seller, transferor, or owner may appeal
30 such removal to the county board of equalization.

31 (3) Unless the removal is reversed on appeal a copy of the notice
32 of removal with notation of the action, if any, upon appeal, together
33 with the legal description or assessor's tax lot numbers for the land
34 removed from designation shall, at the expense of the applicant, be
35 filed by the assessor in the same manner as deeds are recorded, and
36 commencing on January 1 of the year following the year in which the
37 assessor mailed such notice, such land shall be assessed on the same
38 basis as real property is assessed generally in that county. Except as
39 provided in subsection (5) of this section, a compensating tax shall be

1 imposed which shall be due and payable to the county treasurer thirty
2 days after the owner is notified of the amount of the compensating tax.
3 As soon as possible, the assessor shall compute the amount of such
4 compensating tax and mail notice to the owner of the amount thereof and
5 the date on which payment is due. The amount of such compensating tax
6 shall be equal to ~~((:—(a)))~~ the difference between the amount of tax
7 last levied on such land as forest land and an amount equal to the new
8 assessed valuation of such land multiplied by the dollar rate of the
9 last levy extended against such land, multiplied by ~~((+b))~~ a number,
10 in no event greater than ten, equal to the number of years for which
11 such land was designated as forest land.

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

24 (5) The compensating tax specified in subsection (3) of this
25 section shall not be imposed if the removal of designation pursuant to
26 subsection (1) of this section resulted solely from:

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

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

32 (c) A donation of development rights, or the right to harvest
33 timber, or the sale or transfer of fee title or property interests, to
34 a federal, state, or local government ((agency)) entity for the
35 purposes enumerated in RCW 84.34.210 or for academic or scientific
36 research, or an organization qualified under RCW 84.34.210 and
37 64.04.130 for the purposes enumerated in those sections or ((the sale
38 or transfer of fee title to a governmental entity or a nonprofit nature
39 conservancy corporation, as defined in RCW 64.04.130, exclusively for

1 ~~the protection and conservation of lands recommended for state natural~~
2 ~~area preserve purposes by the natural heritage council and natural~~
3 ~~heritage plan as defined in chapter 79.70 RCW)) for academic or~~
4 scientific research: PROVIDED, That at such time as the land that has
5 been transferred to a nongovernment entity is not used for the purposes
6 enumerated, the compensating tax specified in subsection (3) of this
7 section shall be imposed upon the current owner; or
8 (d) Official action by an agency of the state of Washington or by
9 the county or city within which the land is located which disallows the
10 present use of such land.

11 **Sec. 3.** RCW 84.34.037 and 1992 c 69 s 6 are each amended to read
12 as follows:

13 (1) Applications for classification or reclassification under RCW
14 84.34.020(1) shall be made to the county legislative authority.

15 (a) An application made for classification or reclassification of
16 land under RCW 84.34.020(1) (b) and (c) which is in an area subject to
17 a comprehensive plan shall be acted upon in the same manner in which an
18 amendment to the comprehensive plan is processed.

19 (b) An application made for classification of land which is in an
20 area not subject to a comprehensive plan shall be acted upon after a
21 public hearing and after notice of the hearing shall have been given by
22 one publication in a newspaper of general circulation in the area at
23 least ten days before the hearing(~~(: PROVIDED, That)~~)). Applications
24 for classification of land in an incorporated area, the county
25 legislative authority shall send a copy of the application for
26 classification to the legislative body of the city or town in which the
27 land is located.

28 (i) The city or town legislative body shall issue a written
29 recommendation to either grant or deny the application for
30 classification to the county legislative authority. This written
31 recommendation shall be issued no later than three months after the
32 date the city or town legislative body received the application.

33 (ii) The county legislative authority may either grant or deny the
34 application in accordance with the written recommendation.

35 (iii) If the county legislative authority does not agree with the
36 recommendation, the application shall be referred to and acted upon by
37 a granting authority composed of three members of the county

1 legislative (~~body~~) authority and three members of the city or town
2 legislative body in which the land is located.

3 (2) In determining whether an application made for classification
4 or reclassification under RCW 84.34.020(1) (b) and (c) should be
5 approved or disapproved, the granting authority may take cognizance of
6 the benefits to the general welfare of preserving the current use of
7 the property which is the subject of application, and shall consider:

8 (a) The resulting revenue loss or tax shift;

9 (b) Whether granting the application for land applying under RCW
10 84.34.020(1)(b) will (i) conserve or enhance natural, cultural, or
11 scenic resources, (ii) protect streams, stream corridors, wetlands,
12 natural shorelines and aquifers, (iii) protect soil resources and
13 unique or critical wildlife and native plant habitat, (iv) promote
14 conservation principles by example or by offering educational
15 opportunities, (v) enhance the value of abutting or neighboring parks,
16 forests, wildlife preserves, nature reservations, sanctuaries, or other
17 open spaces, (vi) enhance recreation opportunities, (vii) preserve
18 historic and archaeological sites, (viii) preserve visual quality along
19 highway, road, and street corridors or scenic vistas, (ix) affect any
20 other factors relevant in weighing benefits to the general welfare of
21 preserving the current use of the property; and

22 (c) Whether granting the application for land applying under RCW
23 84.34.020(1)(c) will (i) either preserve land previously classified
24 under RCW 84.34.020(2) or preserve land that is traditional farmland
25 and not classified under chapter 84.33 or 84.34 RCW, (ii) preserve land
26 with a potential for returning to commercial agriculture, and (iii)
27 affect any other factors relevant in weighing benefits to the general
28 welfare of preserving the current use of property.

29 (3) If a public benefit rating system is adopted under RCW
30 84.34.055, the county legislative authority shall rate property for
31 which application for classification has been made under RCW
32 84.34.020(1) (b) and (c) according to the public benefit rating system
33 in determining whether an application should be approved or
34 disapproved, but when such a system is adopted, open space properties
35 then classified under this chapter which do not qualify under the
36 system shall not be removed from classification but may be rated
37 according to the public benefit rating system.

38 (4) The granting authority may approve the application with respect
39 to only part of the land which is the subject of the application. If

1 any part of the application is denied, the applicant may withdraw the
2 entire application. The granting authority in approving in part or
3 whole an application for land classified or reclassified pursuant to
4 RCW 84.34.020(1) may also require that certain conditions be met,
5 including but not limited to the granting of easements. As a condition
6 of granting open space classification, the legislative body may not
7 require public access on land classified under RCW 84.34.020(1)(b)(iii)
8 for the purpose of promoting conservation of wetlands.

9 (5) The granting or denial of the application for current use
10 classification or reclassification is a legislative determination and
11 shall be reviewable only for arbitrary and capricious actions.

12 **Sec. 4.** RCW 84.34.070 and 1992 c 69 s 10 are each amended to read
13 as follows:

14 (1) When land has once been classified under this chapter, it shall
15 remain under such classification and shall not be applied to other use
16 except as provided by subsection (2) of this section for at least ten
17 years from the date of classification and shall continue under such
18 classification until and unless withdrawn from classification after
19 notice of request for withdrawal shall be made by the owner. During
20 any year after eight years of the initial ten-year classification
21 period have elapsed, notice of request for withdrawal of all or a
22 portion of the land may be given by the owner to the assessor or
23 assessors of the county or counties in which such land is situated. In
24 the event that a portion of a parcel is removed from classification,
25 the remaining portion must meet the same requirements as did the entire
26 parcel when such land was originally granted classification pursuant to
27 this chapter unless the remaining parcel has different income criteria.
28 Within seven days the assessor shall transmit one copy of such notice
29 to the legislative body which originally approved the application. The
30 assessor or assessors, as the case may be, shall, when two assessment
31 years have elapsed following the date of receipt of such notice,
32 withdraw such land from such classification and the land shall be
33 subject to the additional tax and applicable interest due under RCW
34 84.34.108. Agreement to tax according to use shall not be considered
35 to be a contract and can be abrogated at any time by the legislature in
36 which event no additional tax or penalty shall be imposed.

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

1 (a) Reclassification between lands under RCW 84.34.020 (2) and (3);
2 (b) Reclassification of land classified under RCW 84.34.020 (2) or
3 (3) or chapter 84.33 RCW to open space land under RCW 84.34.020(1);

4 (c) Reclassification of land classified under RCW 84.34.020 (2) or
5 (3) to forest land classified under chapter 84.33 RCW; and

6 (d) Reclassification of land classified as open space land under
7 RCW 84.34.020(1)((+e+)) and reclassified to farm and agricultural land
8 under RCW 84.34.020(2) if the land had been previously classified as
9 farm and agricultural land under RCW 84.34.020(2) or if the land is
10 permanently protected by a conservation easement that prohibits the
11 land from being developed for a use other than agricultural. The
12 conservation easement must be filed with the auditor or other recording
13 authority for the county in which the land is located.

14 (3) Applications for reclassification shall be subject to
15 applicable provisions of RCW 84.34.037, 84.34.035, 84.34.041, and
16 chapter 84.33 RCW.

17 (4) The income criteria for land classified under RCW 84.34.020(2)
18 (b) and (c) may be deferred for land being reclassified from land
19 classified under RCW 84.34.020 (1)(c) or (3), or chapter 84.33 RCW into
20 RCW 84.34.020(2) (b) or (c) for a period of up to five years from the
21 date of reclassification.

22 **Sec. 5.** RCW 84.34.108 and 1992 c 69 s 12 are each amended to read
23 as follows:

24 (1) When land has once been classified under this chapter, a
25 notation of such classification shall be made each year upon the
26 assessment and tax rolls and such land shall be valued pursuant to RCW
27 84.34.060 or 84.34.065 until removal of all or a portion of such
28 classification by the assessor upon occurrence of any of the following:

29 (a) Receipt of notice from the owner to remove all or a portion of
30 such classification;

31 (b) Sale or transfer to an ownership, except a transfer that
32 resulted from a default in loan payments made to or secured by a
33 governmental agency that intends to or is required by law or regulation
34 to resell the property for the same use as before, making all or a
35 portion of such land exempt from ad valorem taxation;

36 (c) Sale or transfer of all or a portion of such land to a new
37 owner, unless the new owner has signed a notice of classification
38 continuance, except transfer to an owner who is an heir or devisee of

1 a deceased owner shall not, by itself, result in removal of
2 classification. The signed notice of continuance shall be attached to
3 the real estate excise tax affidavit provided for in RCW ((82.45.120,
4 ~~as now or hereafter amended~~) 82.45.150. The notice of continuance
5 shall be on a form prepared by the department of revenue. If the notice
6 of continuance is not signed by the new owner and attached to the real
7 estate excise tax affidavit, all additional taxes calculated pursuant
8 to subsection (3) of this section shall become due and payable by the
9 seller or transferor at time of sale. The county auditor shall not
10 accept an instrument of conveyance of classified land for filing or
11 recording unless the new owner has signed the notice of continuance or
12 the additional tax has been paid. The seller, transferor, or new owner
13 may appeal the new assessed valuation calculated under subsection (3)
14 of this section to the county board of equalization. Jurisdiction is
15 hereby conferred on the county board of equalization to hear these
16 appeals;

17 (d) Determination by the assessor, after giving the owner written
18 notice and an opportunity to be heard, that all or a portion of such
19 land no longer meets the criteria for classification under this
20 chapter. The criteria for classification pursuant to this chapter
21 continue to apply after classification has been granted.

22 The granting authority, upon request of an assessor, shall provide
23 reasonable assistance to the assessor in making a determination whether
24 such land continues to meet the qualifications of RCW 84.34.020 (1) or
25 (3). The assistance shall be provided within thirty days of receipt of
26 the request.

27 (2) Within thirty days after such removal of all or a portion of
28 such land from current use classification, the assessor shall notify
29 the owner in writing, setting forth the reasons for such removal. The
30 seller, transferor, or owner may appeal such removal to the county
31 board of equalization.

32 (3) Unless the removal is reversed on appeal, the assessor shall
33 revalue the affected land with reference to full market value on the
34 date of removal from classification. Both the assessed valuation
35 before and after the removal of classification shall be listed and
36 taxes shall be allocated according to that part of the year to which
37 each assessed valuation applies. Except as provided in subsection (5)
38 of this section, an additional tax, applicable interest, and penalty
39 shall be imposed which shall be due and payable to the county treasurer

1 thirty days after the owner is notified of the amount of the additional
2 tax. As soon as possible, the assessor shall compute the amount of
3 such an additional tax, applicable interest, and penalty and the
4 treasurer shall mail notice to the owner of the amount thereof and the
5 date on which payment is due. The amount of such additional tax,
6 applicable interest, and penalty shall be determined as follows:

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

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

17 (c) The amount of the penalty shall be as provided in RCW
18 84.34.080. The penalty shall not be imposed if the removal satisfies
19 the conditions of RCW 84.34.070.

20 (4) Additional tax, applicable interest, and penalty, shall become
21 a lien on such land which shall attach at the time such land is removed
22 from classification under this chapter and shall have priority to and
23 shall be fully paid and satisfied before any recognizance, mortgage,
24 judgment, debt, obligation or responsibility to or with which such land
25 may become charged or liable. Such lien may be foreclosed upon
26 expiration of the same period after delinquency and in the same manner
27 provided by law for foreclosure of liens for delinquent real property
28 taxes as provided in RCW 84.64.050 (~~now or as hereafter amended~~).
29 Any additional tax unpaid on its due date shall thereupon become
30 delinquent. From the date of delinquency until paid, interest shall be
31 charged at the same rate applied by law to delinquent ad valorem
32 property taxes.

33 (5) The additional tax, applicable interest, and penalty specified
34 in subsection (3) of this section shall not be imposed if the removal
35 of classification pursuant to subsection (1) of this section resulted
36 solely from:

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

1 (b)(i) A taking through the exercise of the power of eminent
2 domain, or (ii) sale or transfer to an entity having the power of
3 eminent domain in anticipation of the exercise of such power, ((said))
4 the entity having manifested its intent in writing or by other official
5 action;

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

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

12 (e) Transfer of land to a church when such land would qualify for
13 exemption pursuant to RCW 84.36.020;

14 (~~Acquisition of property interests by state agencies or~~
15 ~~agencies or organizations qualified under RCW 84.34.210 and 64.04.130~~
16 ~~for the purposes enumerated in those sections: PROVIDED, That at such~~
17 ~~time as these property interests are not used for the purposes~~
18 ~~enumerated in RCW 84.34.210 and 64.04.130 the additional tax specified~~
19 ~~in subsection (3) of this section shall be imposed)) A donation of
20 development rights, or the right to harvest timber, or the sale or
21 transfer of fee title or property interests, to a federal, state, or
22 local government entity for the purposes enumerated in RCW 84.34.210 or
23 for academic or scientific research, or an organization qualified under
24 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
25 sections or for academic or scientific research: PROVIDED, That at
26 such time as the land that has been transferred to a nongovernment
27 entity is not used for the purposes enumerated, the additional tax
28 specified in subsection (3) of this section shall be imposed upon the
29 current owner;~~

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

33 (~~(g))~~ (h) Removal of land classified as farm and agricultural
34 land under RCW 84.34.020(2)(d).

35 NEW SECTION. Sec. 6. This act is necessary for the immediate
36 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and shall take
2 effect immediately.

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