
HOUSE BILL 1700

State of Washington 54th Legislature 1995 Regular Session

By Representatives Sehlin, Chopp, Quall and B. Thomas

Read first time 02/06/95. Referred to Committee on Finance.

1 AN ACT Relating to current use taxation provisions; amending RCW
2 84.33.120, 84.33.140, 84.34.108, 64.04.130, 84.34.037, and 84.34.070;
3 and 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, such a removal of designation
39 shall not occur if a government agency or other entity qualified to be

1 a recipient of such land under a transaction specified as exempt under
2 subsection (9) of this section has manifested its intent in writing or
3 by other official action to acquire an interest in such land by means
4 of a transaction that qualifies for an exemption from compensating tax
5 under subsection (9) of this section. The recipient shall provide
6 reasonable evidence in writing of the intent to the assessor annually
7 so long as the intent continues, or within sixty days of a request by
8 the assessor, which request shall not be made more than once in a
9 calendar year;

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

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

32 The assessor shall remove classification pursuant to
33 (~~(subsections)~~) (c) or (d) (~~(above)~~) of this subsection prior to
34 September 30 of the year prior to the assessment year for which
35 termination of classification is to be effective. Removal of
36 classification as forest land upon occurrence of (~~(subsection)~~) (a),
37 (b), (d), or (e) (~~(above)~~) of this subsection shall apply only to the
38 land affected, and upon occurrence of (~~(subsection)~~) (c) of this
39 subsection shall apply only to the actual area of land no longer

1 primarily devoted to and used for growing and harvesting timber:
2 PROVIDED, That any remaining classified forest land meets necessary
3 definitions of forest land pursuant to RCW 84.33.100 (~~as now or~~
4 ~~hereafter amended~~)).

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

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

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

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

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

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

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

14 (c) ~~((A donation of development rights, or the right to harvest
15 timber, to))~~ Official action by an agency of the state of Washington or
16 by the county or city within which the land is located that disallows
17 the present use of such land;

18 (d) Acquisition of fee simple title or other interests enumerated
19 in RCW 84.34.210 by a government agency; or

20 (e) Acquisition of fee simple title or other interests enumerated
21 in RCW 84.34.210 by an organization qualified under RCW 84.34.210
22 ((and)) or 64.04.130 for the purposes enumerated in those sections or
23 the sale or transfer of fee simple title to a governmental entity or
24 nonprofit nature conservancy corporation, as defined in RCW 84.34.250
25 or 64.04.130, exclusively for the protection and conservation of lands
26 recommended for state natural area preserve purposes by the natural
27 heritage council and natural heritage plan as defined in chapter 79.70
28 RCW or for the protection and conservation of open space for the use
29 and enjoyment of the general public: PROVIDED, That at such time as
30 the land is not used for the purposes enumerated in RCW 84.34.210 or
31 64.04.130, the compensating tax specified in subsection (7) of this
32 section shall be imposed upon the then-current owner.

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, such a removal of
39 designation shall not occur if a government agency or other entity

1 qualified to be a recipient of such land under a transaction specified
2 as exempt under subsection (5) of this section has manifested its
3 intent in writing or by other official action to acquire an interest in
4 such land by means of a transaction that qualifies for an exemption
5 from compensating tax under subsection (5) of this section. The
6 recipient shall provide reasonable evidence in writing of the intent to
7 the assessor annually so long as the intent continues, or within sixty
8 days of a request by the assessor, which request shall not be made more
9 than once in a calendar year;

10 (ii) Such owner has failed to comply with a final administrative or
11 judicial order with respect to a violation of the restocking, forest
12 management, fire protection, insect and disease control and forest
13 debris provisions of Title 76 RCW or any applicable regulations
14 thereunder(~~(7)~~); or

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

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

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

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

1 days after the owner is notified of the amount of the compensating tax.
2 As soon as possible, the assessor shall compute the amount of such
3 compensating tax and mail notice to the owner of the amount thereof and
4 the date on which payment is due. The amount of such compensating tax
5 shall be equal to:

6 (a) The difference between the amount of tax last levied on such
7 land as forest land and an amount equal to the new assessed valuation
8 of such land multiplied by the dollar rate of the last levy extended
9 against such land, multiplied by

10 (b) A number, in no event greater than ten, equal to the number of
11 years for which 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, to)) Official action by an agency of the state of Washington or
34 by the county or city within which the land is located that disallows
35 the present use of such land;~~

36 (d) Acquisition of fee simple title or other interests enumerated
37 in RCW 84.34.210 by a government agency; or

38 (e) Acquisition of fee simple title or other interests enumerated
39 in RCW 84.34.210 by an organization qualified under RCW 84.34.210

1 ((and)) or 64.04.130 for the purposes enumerated in those sections or
2 the sale or transfer of fee simple title to a governmental entity or
3 nonprofit nature conservancy corporation, as defined in RCW 84.34.250
4 or 64.04.130, exclusively for the protection and conservation of lands
5 recommended for state natural area preserve purposes by the natural
6 heritage council and natural heritage plan as defined in chapter 79.70
7 RCW or for the protection and conservation of open space for the use
8 and enjoyment of the general public: PROVIDED, That at such time as
9 the land is not used for the purposes enumerated in RCW 84.34.210 or
10 64.04.130, the compensating tax specified in subsection (3) of this
11 section shall be imposed upon the then-current owner.

12 **Sec. 3.** RCW 84.34.108 and 1992 c 69 s 12 are each amended to read
13 as follows:

14 (1) When land has once been classified under this chapter, a
15 notation of such classification shall be made each year upon the
16 assessment and tax rolls and such land shall be valued pursuant to RCW
17 84.34.060 or 84.34.065 until removal of all or a portion of such
18 classification by the assessor upon occurrence of any of the following:

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

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

26 (c) Sale or transfer of all or a portion of such land to a new
27 owner, unless the new owner has signed a notice of classification
28 continuance, except transfer to an owner who is an heir or devisee of
29 a deceased owner shall not, by itself, result in removal of
30 classification. The signed notice of continuance shall be attached to
31 the real estate excise tax affidavit provided for in RCW (~~82.45.120,~~
32 ~~as now or hereafter amended~~) 82.45.150. The notice of continuance
33 shall be on a form prepared by the department of revenue. If the notice
34 of continuance is not signed by the new owner and attached to the real
35 estate excise tax affidavit, all additional taxes calculated pursuant
36 to subsection (3) of this section shall become due and payable by the
37 seller or transferor at time of sale. The county auditor shall not
38 accept an instrument of conveyance of classified land for filing or

1 recording unless the new owner has signed the notice of continuance or
2 the additional tax has been paid. The seller, transferor, or new owner
3 may appeal the new assessed valuation calculated under subsection (3)
4 of this section to the county board of equalization. Jurisdiction is
5 hereby conferred on the county board of equalization to hear these
6 appeals;

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

12 The granting authority, upon request of an assessor, shall provide
13 reasonable assistance to the assessor in making a determination whether
14 such land continues to meet the qualifications of RCW 84.34.020 (1) or
15 (3). The assistance shall be provided within thirty days of receipt of
16 the request.

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

22 (3) Unless the removal is reversed on appeal, the assessor shall
23 revalue the affected land with reference to full market value on the
24 date of removal from classification. Both the assessed valuation
25 before and after the removal of classification shall be listed and
26 taxes shall be allocated according to that part of the year to which
27 each assessed valuation applies. Except as provided in subsection (5)
28 of this section, an additional tax, applicable interest, and penalty
29 shall be imposed which shall be due and payable to the county treasurer
30 thirty days after the owner is notified of the amount of the additional
31 tax. As soon as possible, the assessor shall compute the amount of
32 such an additional tax, applicable interest, and penalty and the
33 treasurer shall mail notice to the owner of the amount thereof and the
34 date on which payment is due. The amount of such additional tax,
35 applicable interest, and penalty shall be determined as follows:

36 (a) The amount of additional tax shall be equal to the difference
37 between the property tax paid as "open space land", "farm and
38 agricultural land", or "timber land" and the amount of property tax

1 otherwise due and payable for the seven years last past had the land
2 not been so classified;

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

8 (c) The amount of the penalty shall be as provided in RCW
9 84.34.080. The penalty shall not be imposed if the removal satisfies
10 the conditions of RCW 84.34.070.

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

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

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

30 (b)(i) A taking through the exercise of the power of eminent
31 domain, or (ii) sale or transfer to an entity having the power of
32 eminent domain in anticipation of the exercise of such power, (~~said~~)
33 the entity having manifested its intent in writing or by other official
34 action;

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

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

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

6 (f) Acquisition of (~~property~~) fee simple title or other interests
7 enumerated in RCW 84.34.210 by (~~state agencies or agencies~~) a
8 government agency or an organization(~~s~~) qualified under RCW 84.34.210
9 and 64.04.130 for the purposes enumerated in those sections: PROVIDED,
10 That at such time as these property interests are not used for the
11 purposes enumerated in RCW 84.34.210 (~~and~~) or 64.04.130 the
12 additional tax specified in subsection (3) of this section shall be
13 imposed; or

14 (g) Removal of land classified as farm and agricultural land under
15 RCW 84.34.020(2)(d).

16 **Sec. 4.** RCW 64.04.130 and 1987 c 341 s 1 are each amended to read
17 as follows:

18 A development right, easement, covenant, restriction, or other
19 right, or any interest less than the fee simple, to protect, preserve,
20 maintain, improve, restore, limit the future use of, or conserve for
21 open space purposes, any land or improvement on the land, whether the
22 right or interest be appurtenant or in gross, may be held or acquired
23 by any state agency, federal agency, county, city, town, or
24 metropolitan municipal corporation, nonprofit historic preservation
25 corporation, or nonprofit nature conservancy corporation. Any such
26 right or interest shall constitute and be classified as real property.
27 All instruments for the conveyance thereof shall be substantially in
28 the form required by law for the conveyance of any land or other real
29 property.

30 As used in this section, "nonprofit nature conservancy corporation"
31 means an organization which qualifies as being tax exempt under 26
32 U.S.C. section 501(c)(3) (of the United States Internal Revenue Code of
33 1954, as amended) as it existed on June 25, 1976, and which has as one
34 of its principal purposes the conducting or facilitating of scientific
35 research; the conserving of natural resources, including but not
36 limited to biological resources, for the general public; or the
37 conserving of natural areas or open spaces including but not limited to
38 wildlife or plant habitat.

1 As used in this section, "nonprofit historic preservation
2 corporation" means an organization which qualifies as being tax exempt
3 under 26 U.S.C. section 501(c)(3) of the United States Internal Revenue
4 Code of 1954, as amended, and which has as one of its principal
5 purposes the conducting or facilitating of historic preservation
6 activities within the state, including conservation or preservation of
7 historic sites, districts, buildings, and artifacts.

8 **Sec. 5.** RCW 84.34.037 and 1992 c 69 s 6 are each amended to read
9 as follows:

10 (1) Applications for classification or reclassification under RCW
11 84.34.020(1) shall be made to the county legislative authority. An
12 application made for classification or reclassification of land under
13 RCW 84.34.020(1) (b) and (c) which is in an area subject to a
14 comprehensive plan shall be acted upon in the same manner in which an
15 amendment to the comprehensive plan is processed. Application made for
16 classification of land which is in an area not subject to a
17 comprehensive plan shall be acted upon after a public hearing and after
18 notice of the hearing shall have been given by one publication in a
19 newspaper of general circulation in the area at least ten days before
20 the hearing(~~(: PROVIDED, That)~~). For applications for classification
21 of land in an incorporated area, the county legislative authority shall
22 send a copy of the application for classification to the legislative
23 body of the city or town in which the land is located. The city or
24 town legislative body shall issue a written recommendation to either
25 grant or deny the application for classification to the county
26 legislative authority. This written recommendation shall be issued no
27 later than three months after the date the city or town legislative
28 body received the application. The county legislative authority may
29 either grant or deny the application in accordance with the written
30 recommendation. If the county legislative authority does not agree
31 with the recommendation, the application shall be referred to and acted
32 upon by a granting authority composed of three members of the county
33 legislative ((body)) authority and three members of the city or town
34 legislative body in which the land is located.

35 (2) In determining whether an application made for classification
36 or reclassification under RCW 84.34.020(1) (b) and (c) should be
37 approved or disapproved, the granting authority may take cognizance of

1 the benefits to the general welfare of preserving the current use of
2 the property which is the subject of application, and shall consider:

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

4 (b) Whether granting the application for land applying under RCW
5 84.34.020(1)(b) will (i) conserve or enhance natural, cultural, or
6 scenic resources, (ii) protect streams, stream corridors, wetlands,
7 natural shorelines and aquifers, (iii) protect soil resources and
8 unique or critical wildlife and native plant habitat, (iv) promote
9 conservation principles by example or by offering educational
10 opportunities, (v) enhance the value of abutting or neighboring parks,
11 forests, wildlife preserves, nature reservations, sanctuaries, or other
12 open spaces, (vi) enhance recreation opportunities, (vii) preserve
13 historic and archaeological sites, (viii) preserve visual quality along
14 highway, road, and street corridors or scenic vistas, (ix) affect any
15 other factors relevant in weighing benefits to the general welfare of
16 preserving the current use of the property; and

17 (c) Whether granting the application for land applying under RCW
18 84.34.020(1)(c) will (i) either preserve land previously classified
19 under RCW 84.34.020(2) or preserve land that is traditional farmland
20 and not classified under chapter 84.33 or 84.34 RCW, (ii) preserve land
21 with a potential for returning to commercial agriculture, and (iii)
22 affect any other factors relevant in weighing benefits to the general
23 welfare of preserving the current use of property.

24 (3) If a public benefit rating system is adopted under RCW
25 84.34.055, the county legislative authority shall rate property for
26 which application for classification has been made under RCW
27 84.34.020(1) (b) and (c) according to the public benefit rating system
28 in determining whether an application should be approved or
29 disapproved, but when such a system is adopted, open space properties
30 then classified under this chapter which do not qualify under the
31 system shall not be removed from classification but may be rated
32 according to the public benefit rating system.

33 (4) The granting authority may approve the application with respect
34 to only part of the land which is the subject of the application. If
35 any part of the application is denied, the applicant may withdraw the
36 entire application. The granting authority in approving in part or
37 whole an application for land classified or reclassified pursuant to
38 RCW 84.34.020(1) may also require that certain conditions be met,
39 including but not limited to the granting of easements. As a condition

1 of granting open space classification, the legislative body may not
2 require public access on land classified under RCW 84.34.020(1)(b)(iii)
3 for the purpose of promoting conservation of wetlands.

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

7 **Sec. 6.** RCW 84.34.070 and 1992 c 69 s 10 are each amended to read
8 as follows:

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

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

- 34 (a) Reclassification between lands under RCW 84.34.020 (2) and (3);
35 (b) Reclassification of land classified under RCW 84.34.020 (2) or
36 (3) or chapter 84.33 RCW to open space land under RCW 84.34.020(1);
37 (c) Reclassification of land classified under RCW 84.34.020 (2) or
38 (3) to forest land classified under chapter 84.33 RCW; ((and))

1 (d) Reclassification of land classified as open space land under
2 RCW 84.34.020(1)(c) and reclassified to farm and agricultural land
3 under RCW 84.34.020(2) if the land had been previously classified as
4 farm and agricultural land under RCW 84.34.020(2) or if the land is
5 permanently protected by conservation easement so that it may not be
6 developed for a use other than agricultural; and

7 (e) Transfer of land classified as open space, farm and
8 agricultural land, or timber land under RCW 84.34.020 (1), (2), or (3)
9 to a governmental agency if the governmental agency acquires the land
10 for open space protection purposes as set forth in RCW 84.34.020(1).
11 If the government agency subsequently converts the use of the land from
12 park usage or the appropriate current use classification to other uses,
13 the governmental agency making the conversion shall be responsible for
14 paying the additional tax and applicable interest due under RCW
15 84.34.108 calculated at the time of sale.

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

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

24 NEW SECTION. Sec. 7. This act is necessary for the immediate
25 preservation of the public peace, health, or safety, or support of the
26 state government and its existing public institutions, and shall take
27 effect immediately.

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