

SENATE BILL 6664

State of Washington 55th Legislature 1998 Regular Session

By Senators Anderson, Rasmussen and Morton

Read first time 01/27/98. Referred to Committee on Ways & Means.

1 AN ACT Relating to facilitating transfer of forest and open space
2 land to tax-exempt organizations; and amending RCW 84.33.120 and
3 84.34.250.

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

5 **Sec. 1.** RCW 84.33.120 and 1997 c 299 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.

15	LAND	OPERABILITY	VALUES
16	GRADE	CLASS	PER ACRE
18		1	\$141
19	1	2	136

1		3	131
2		4	95
3			
4		1	118
5	2	2	114
6		3	110
7		4	80
8			
9		1	93
10	3	2	90
11		3	87
12		4	66
13			
14		1	70
15	4	2	68
16		3	66
17		4	52
18			
19		1	51
20	5	2	48
21		3	46
22		4	31
23			
24		1	26
25	6	2	25
26		3	25
27		4	23
28			
29		1	12
30	7	2	12
31		3	11
32		4	11
33			
34	8		1
35			

36 (2) On or before December 31, 1981, the department shall adjust, by
37 rule under chapter 34.05 RCW, the forest land values contained in
38 subsection (1) of this section in accordance with this subsection, and
39 shall certify these adjusted values to the county assessor for his or

1 her use in preparing the assessment rolls as of January 1, 1982. For
2 the adjustment to be made on or before December 31, 1981, for use in
3 the 1982 assessment year, the department shall:

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

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

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

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

25 (3) In preparing the assessment roll for 1972 and each year
26 thereafter, the assessor shall enter as the true and fair value of each
27 parcel of forest land the appropriate grade value certified to him or
28 her by the department of revenue, and he or she shall compute the
29 assessed value of such land by using the same assessment ratio he or
30 she applies generally in computing the assessed value of other property
31 in his or her county. In preparing the assessment roll for 1975 and
32 each year thereafter, the assessor shall assess and value as classified
33 forest land all forest land that is not then designated pursuant to RCW
34 84.33.120(4) or 84.33.130 and shall make a notation of such
35 classification upon the assessment and tax rolls. On or before January
36 15 of the first year in which such notation is made, the assessor shall
37 mail notice by certified mail to the owner that such land has been
38 classified as forest land and is subject to the compensating tax
39 imposed by this section. If the owner desires not to have such land

1 assessed and valued as classified forest land, he or she shall give the
2 assessor written notice thereof on or before March 31 of such year and
3 the assessor shall remove from the assessment and tax rolls the
4 classification notation entered pursuant to this subsection, and shall
5 thereafter assess and value such land in the manner provided by law
6 other than this chapter 84.33 RCW.

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

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

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

24 (b) Sale or transfer to an ownership making such land exempt from
25 ad valorem taxation;

26 (c) Determination by the assessor, after giving the owner written
27 notice and an opportunity to be heard, that, because of actions taken
28 by the owner, such land is no longer primarily devoted to and used for
29 growing and harvesting timber. However, land shall not be removed from
30 classification if a governmental agency, organization, or other
31 recipient identified in subsection (9) or (10) of this section as
32 exempt from the payment of compensating tax has manifested its intent
33 in writing or by other official action to acquire a property interest
34 in classified forest land by means of a transaction that qualifies for
35 an exemption under subsection (9) or (10) of this section. The
36 governmental agency, organization, or recipient shall annually provide
37 the assessor of the county in which the land is located reasonable
38 evidence in writing of the intent to acquire the classified land as
39 long as the intent continues or within sixty days of a request by the

1 assessor. The assessor may not request this evidence more than once in
2 a calendar year;

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

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

24 The assessor shall remove classification pursuant to (c) or (d) of
25 this subsection prior to September 30 of the year prior to the
26 assessment year for which termination of classification is to be
27 effective. Removal of classification as forest land upon occurrence of
28 (a), (b), (d), or (e) of this subsection shall apply only to the land
29 affected, and upon occurrence of (c) of this subsection shall apply
30 only to the actual area of land no longer primarily devoted to and used
31 for growing and harvesting timber: PROVIDED, That any remaining
32 classified forest land meets necessary definitions of forest land
33 pursuant to RCW 84.33.100.

34 (6) Within thirty days after such removal of classification as
35 forest land, the assessor shall notify the owner in writing setting
36 forth the reasons for such removal. The owner of such land shall
37 thereupon have the right to apply for designation of such land as
38 forest land pursuant to subsection (4) of this section or RCW

1 84.33.130. The seller, transferor, or owner may appeal such removal to
2 the county board of equalization.

3 (7) Unless the owner successfully applies for designation of such
4 land or unless the removal is reversed on appeal, notation of removal
5 from classification shall immediately be made upon the assessment and
6 tax rolls, and commencing on January 1 of the year following the year
7 in which the assessor made such notation, such land shall be assessed
8 on the same basis as real property is assessed generally in that
9 county. Except as provided in subsection (5)(e), (9), or (10) of this
10 section and unless the assessor shall not have mailed notice of
11 classification pursuant to subsection (3) of this section, a
12 compensating tax shall be imposed which shall be due and payable to the
13 county treasurer thirty days after the owner is notified of the amount
14 of the compensating tax. As soon as possible, the assessor shall
15 compute the amount of such compensating tax and mail notice to the
16 owner of the amount thereof and the date on which payment is due. The
17 amount of such compensating tax shall be equal to the difference, if
18 any, between the amount of tax last levied on such land as forest land
19 and an amount equal to the new assessed valuation of such land
20 multiplied by the dollar rate of the last levy extended against such
21 land, multiplied by a number, in no event greater than ten, equal to
22 the number of years, commencing with assessment year 1975, for which
23 such land was assessed and valued as forest land.

24 (8) Compensating tax, together with applicable interest thereon,
25 shall become a lien on such land which shall attach at the time such
26 land is removed from classification as forest land and shall have
27 priority to and shall be fully paid and satisfied before any
28 recognizance, mortgage, judgment, debt, obligation or responsibility to
29 or with which such land may become charged or liable. Such lien may be
30 foreclosed upon expiration of the same period after delinquency and in
31 the same manner provided by law for foreclosure of liens for delinquent
32 real property taxes as provided in RCW 84.64.050. Any compensating tax
33 unpaid on its due date shall thereupon become delinquent. From the
34 date of delinquency until paid, interest shall be charged at the same
35 rate applied by law to delinquent ad valorem property taxes.

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

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

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

6 (c) A donation of fee title, development rights, or the right to
7 harvest timber, to a government agency or organization qualified under
8 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
9 sections, or the sale or transfer of fee title to a governmental entity
10 or a nonprofit nature conservancy corporation, as defined in RCW
11 64.04.130, exclusively for the protection and conservation of lands
12 recommended for state natural area preserve purposes by the natural
13 heritage council and natural heritage plan as defined in chapter 79.70
14 RCW: PROVIDED, That at such time as the land is not used for the
15 purposes enumerated, the compensating tax specified in subsection (7)
16 of this section shall be imposed upon the current owner;

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

19 (e) The sale or transfer to an ownership making such land exempt
20 from ad valorem taxation; or

21 (f) Official action by an agency of the state of Washington or by
22 the county or city within which the land is located that disallows the
23 present use of such land.

24 (10) In a county with a population of more than one million
25 inhabitants, the compensating tax specified in subsection (7) of this
26 section shall not be imposed if the removal of classification as forest
27 land pursuant to subsection (5) of this section resulted solely from:

28 (a) An action described in subsection (9) of this section; or

29 (b) A transfer of a property interest to a government entity, or to
30 a nonprofit historic preservation corporation or nonprofit nature
31 conservancy corporation, as defined in RCW 64.04.130, to protect or
32 enhance public resources, or to preserve, maintain, improve, restore,
33 limit the future use of, or otherwise to conserve for public use or
34 enjoyment, the property interest being transferred. At such time as
35 the property interest is not used for the purposes enumerated, the
36 compensating tax shall be imposed upon the current owner.

37 (11) With respect to any land that has been designated prior to May
38 6, 1974, pursuant to RCW 84.33.120(4) or 84.33.130, the assessor may,
39 prior to January 1, 1975, on his or her own motion or pursuant to

1 petition by the owner, change, without imposition of the compensating
2 tax provided under RCW 84.33.140, the status of such designated land to
3 classified forest land.

4 **Sec. 2.** RCW 84.34.250 and 1975-'76 2nd ex.s. c 22 s 4 are each
5 amended to read as follows:

6 As used in RCW 84.34.210, as now or hereafter amended, and RCW
7 84.34.220, as now or hereafter amended, "nonprofit nature conservancy
8 corporation or association" means an organization which qualifies as
9 being tax exempt under 26 U.S.C. section 501(c) (of the Internal
10 Revenue Code) as it exists on June 25, 1976 and one which has as one of
11 its principal purposes the conducting or facilitating of scientific
12 research; the conserving of natural resources, including but not
13 limited to biological resources, for the general public; educating
14 youth on proper plant and animal husbandry techniques; or the
15 conserving of open spaces, including but not limited to wildlife
16 habitat to be utilized as public access areas, for the use and
17 enjoyment of the general public.

--- END ---