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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: AMH-4562.1/02

ATTY/TYPIST: ML:ads

BRIEF DESCRIPTION:

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3 **SSB 6257** - H COMM AMD  
4 By Committee on Natural Resources

5 ADOPTED AS AMENDED 03/05/02

6 Strike everything after the enacting clause and insert the  
7 following:

8 NEW SECTION. **Sec. 1.** The legislature finds that it is in the  
9 best interest of the trust beneficiaries to capture additional revenues  
10 while providing for additional environmental protection on timber  
11 sales. Further, the legislature finds that contract harvesting is one  
12 method to achieve these desired outcomes. Therefore, the legislature  
13 directs the department of natural resources to establish and implement  
14 contract harvesting where there exists the ability to increase revenues  
15 for the beneficiaries of the trusts while obtaining increases in  
16 environmental protection.

17 NEW SECTION. **Sec. 2.** The definitions in this section apply  
18 throughout this chapter unless the context clearly requires otherwise.

19 (1) "Commissioner" means the commissioner of public lands.

20 (2) "Contract harvesting" means a timber operation occurring on  
21 state forest lands, in which the department contracts with a firm or  
22 individual to perform all the necessary harvesting work to process  
23 trees into logs sorted by department specifications. The department  
24 then sells the individual log sorts.

25 (3) "Department" means the department of natural resources.

26 (4) "Harvesting costs" are those expenses related to the production  
27 of log sorts from a stand of timber. These expenses typically involve  
28 road building, labor for felling, bucking, and yarding, as well as the  
29 transporting of sorted logs to the forest product purchasers.

30 (5) "Net proceeds" means gross proceeds from a contract harvesting  
31 sale less harvesting costs.

32 NEW SECTION. **Sec. 3.** (1) The department may establish a contract  
33 harvesting program by directly contracting for the removal of timber  
34 and other valuable materials from state lands.

1 (2) The contract requirements must be compatible with the office of  
2 financial management's guide to public service contracts.

3 (3) The prohibition against substitution of export restricted  
4 timber does not apply to logs sold by the department under the contract  
5 harvesting program. Any person may purchase logs from the department  
6 or from another purchaser without limitation through the contract  
7 harvesting program unless that person is under a debarment order issued  
8 by the department of revenue pursuant to the applicable state  
9 regulations or statutes implementing the federal forest resources  
10 conservation and shortage relief act of 1990 (16 U.S.C. Sec. 1620 et  
11 seq.). Nothing in this subsection authorizes the export of export  
12 restricted timber.

13 (4) The department may not use contract harvesting for more than  
14 ten percent of the total annual volume of timber offered for sale.

15 NEW SECTION. **Sec. 4.** The contract harvesting revolving account is  
16 created in the custody of the state treasurer. All receipts from the  
17 gross proceeds of the sale of logs from a contract harvesting must be  
18 deposited into the account. Expenditures from the account may be used  
19 only for the payment of harvesting costs incurred on contract  
20 harvesting sales. Only the commissioner or the commissioner's designee  
21 may authorize expenditures from the account. The board of natural  
22 resources has oversight of the account, and the commissioner must  
23 periodically report to the board of natural resources as to the status  
24 of the account, its disbursement, and receipts. The account is subject  
25 to allotment procedures under chapter 43.88 RCW, but an appropriation  
26 is not required for expenditures.

27 When the logs from a contract harvesting sale are sold, the gross  
28 proceeds must be deposited into the contract harvesting revolving  
29 account. Moneys equal to the harvesting costs must be retained in the  
30 account and be deducted from the gross proceeds to determine the net  
31 proceeds. The net proceeds from the sale of the logs must be  
32 distributed in accordance with RCW 43.85.130(1)(b). The final receipt  
33 of gross proceeds on a contract harvesting sale must be retained in the  
34 contract harvesting revolving account until all required costs for that  
35 sale have been paid. The contract harvesting revolving account is an  
36 interest-bearing account and the interest must be credited to the  
37 account. The account balance may not exceed one million dollars at the  
38 end of each fiscal year. Moneys in excess of one million dollars must

1 be disbursed according to RCW 76.12.030, 76.12.120, and 79.64.040. If  
2 the department permanently discontinues the use of contract harvesting  
3 sales, any sums remaining in the contract harvesting revolving account  
4 must be returned to the resource management cost account and the forest  
5 development account in proportion to each account's contribution to the  
6 initial balance of the contract harvesting revolving account.

7 NEW SECTION. **Sec. 5.** The board of natural resources must  
8 determine whether any special appraisal practices are necessary for  
9 logs sold by the contract harvesting processes, and if so, must adopt  
10 the special appraisal practices or procedures. In its consideration of  
11 special appraisal practices, the board of natural resources must  
12 consider and adopt procedures to rapidly market and sell any log sorts  
13 that failed to receive the required minimum bid at the original  
14 auction, which may include allowing the department to set a new  
15 appraised value for the unsold sort.

16 The board of natural resources must establish and adopt policy and  
17 procedures by which the department evaluates and selects certified  
18 contract harvesters. The procedures must include a method whereby a  
19 certified contract harvester may appeal a decision by the department or  
20 board of natural resources to not include the certified contract  
21 harvester on the list of approved contract harvesters.

22 **Sec. 6.** RCW 76.12.030 and 1997 c 370 s 1 are each amended to read  
23 as follows:

24 If any land acquired by a county through foreclosure of tax liens,  
25 or otherwise, comes within the classification of land described in RCW  
26 76.12.020 and can be used as state forest land and if the department  
27 deems such land necessary for the purposes of this chapter, the county  
28 shall, upon demand by the department, deed such land to the department  
29 and the land shall become a part of the state forest lands.

30 Such land shall be held in trust and administered and protected by  
31 the department as other state forest lands. Any moneys derived from  
32 the lease of such land or from the sale of forest products, oils,  
33 gases, coal, minerals, or fossils therefrom, shall be distributed as  
34 follows:

35 (1) The expense incurred by the state for administration,  
36 reforestation, and protection, not to exceed twenty-five percent, which  
37 rate of percentage shall be determined by the board of natural

1 resources, shall be returned to the forest development account in the  
2 state general fund.

3 (2) Any balance remaining shall be paid to the county in which the  
4 land is located to be paid, distributed, and prorated, except as  
5 hereinafter provided, to the various funds in the same manner as  
6 general taxes are paid and distributed during the year of payment:  
7 PROVIDED, That any such balance remaining paid to a county with a  
8 population of less than sixteen thousand shall first be applied to the  
9 reduction of any indebtedness existing in the current expense fund of  
10 such county during the year of payment.

11 In the event that the department sells logs using the contract  
12 harvesting process described in chapter 79.-- RCW (sections 2 through  
13 5 of this act), the moneys derived subject to this section are the net  
14 proceeds from the contract harvesting sale.

15 **Sec. 7.** RCW 76.12.120 and 2000 c 148 s 2 are each amended to read  
16 as follows:

17 Except as provided in RCW 76.12.125, all land, acquired or  
18 designated by the department as state forest land, shall be forever  
19 reserved from sale, but the timber and other products thereon may be  
20 sold or the land may be leased in the same manner and for the same  
21 purposes as is authorized for state granted land if the department  
22 finds such sale or lease to be in the best interests of the state and  
23 approves the terms and conditions thereof.

24 Except as provided in RCW 79.12.035, all money derived from the  
25 sale of timber or other products, or from lease, or from any other  
26 source from the land, except where the Constitution of this state or  
27 RCW 76.12.030 requires other disposition, shall be disposed of as  
28 follows:

29 (1) Fifty percent shall be placed in the forest development  
30 account.

31 (2) Fifty percent shall be prorated and distributed to the state  
32 general fund, to be dedicated for the benefit of the public schools,  
33 and the county in which the land is located according to the relative  
34 proportions of tax levies of all taxing districts in the county. The  
35 portion to be distributed to the state general fund shall be based on  
36 the regular school levy rate under RCW 84.52.065 as now or hereafter  
37 amended and the levy rate for any maintenance and operation special  
38 school levies. With regard to the portion to be distributed to the

1 counties, the department shall certify to the state treasurer the  
2 amounts to be distributed within seven working days of receipt of the  
3 money. The state treasurer shall distribute funds to the counties four  
4 times per month, with no more than ten days between each payment date.  
5 The money distributed to the county shall be paid, distributed, and  
6 prorated to the various other funds in the same manner as general taxes  
7 are paid and distributed during the year of payment.

8 In the event that the department sells logs using the contract  
9 harvesting process described in chapter 79.-- RCW (sections 2 through  
10 5 of this act), the moneys received subject to this section are the net  
11 proceeds from the contract harvesting sale.

12 **Sec. 8.** RCW 79.64.040 and 2001 c 250 s 16 are each amended to read  
13 as follows:

14 The board shall determine the amount deemed necessary in order to  
15 achieve the purposes of this chapter and shall provide by rule for the  
16 deduction of this amount from the moneys received from all leases,  
17 sales, contracts, licenses, permits, easements, and rights of way  
18 issued by the department and affecting public lands, provided that no  
19 deduction shall be made from the proceeds from agricultural college  
20 lands. Moneys received as deposits from successful bidders, advance  
21 payments, and security under RCW 79.01.132 and 79.01.204 prior to  
22 December 1, 1981, which have not been subjected to deduction under this  
23 section are not subject to deduction under this section. The  
24 deductions authorized under this section shall in no event exceed  
25 twenty-five percent of the moneys received by the department in  
26 connection with any one transaction pertaining to public lands other  
27 than second class tide and shore lands and the beds of navigable  
28 waters, and fifty percent of the moneys received by the department  
29 pertaining to second class tide and shore lands and the beds of  
30 navigable waters.

31 In the event that the department sells logs using the contract  
32 harvesting process described in chapter 79.-- RCW (sections 2 through  
33 5 of this act), the moneys received subject to this section are the net  
34 proceeds from the contract harvesting sale.

35 **Sec. 9.** RCW 43.85.130 and 1981 2nd ex.s. c 4 s 1 are each amended  
36 to read as follows:

1 (1) The department shall deposit daily all moneys and fees  
2 collected or received by the commissioner of public lands and the  
3 department of natural resources in the discharge of official duties as  
4 follows:

5 (a) The department shall pay moneys received as advance payments,  
6 deposits, and security from successful bidders under RCW 79.01.132 and  
7 79.01.204 to the state treasurer for deposit under subsection (1)(b) of  
8 this section. Moneys received from unsuccessful bidders shall be  
9 returned as provided in RCW 79.01.204;

10 (b) The department shall pay all moneys received on behalf of a  
11 trust fund or account to the state treasurer for deposit in the trust  
12 fund or account after making the deduction authorized under RCW  
13 76.12.030, 76.12.120, ~~((and))~~ 79.64.040, and section 4 of this act;

14 (c) The natural resources deposit fund is hereby created. The  
15 state treasurer is the custodian of the fund. All moneys or sums which  
16 remain in the custody of the commissioner of public lands awaiting  
17 disposition or where the final disposition is not known shall be  
18 deposited into the natural resources deposit fund. Disbursement from  
19 the fund shall be on the authorization of the commissioner or the  
20 commissioner's designee, without necessity of appropriation;

21 (d) If it is required by law that the department repay moneys  
22 disbursed under subsections (1)(a) and (1)(b) of this section the state  
23 treasurer shall transfer such moneys, without necessity of  
24 appropriation, to the department upon demand by the department from  
25 those trusts and accounts originally receiving the moneys.

26 (2) Money shall not be deemed to have been paid to the state upon  
27 any sale or lease of land until it has been paid to the state  
28 treasurer.

29 **Sec. 10.** RCW 43.84.092 and 2001 2nd sp.s. c 14 s 608, 2001 c 273  
30 s 6, 2001 c 141 s 3, and 2001 c 80 s 5 are each reenacted and amended  
31 to read as follows:

32 (1) All earnings of investments of surplus balances in the state  
33 treasury shall be deposited to the treasury income account, which  
34 account is hereby established in the state treasury.

35 (2) The treasury income account shall be utilized to pay or receive  
36 funds associated with federal programs as required by the federal cash  
37 management improvement act of 1990. The treasury income account is  
38 subject in all respects to chapter 43.88 RCW, but no appropriation is

1 required for refunds or allocations of interest earnings required by  
2 the cash management improvement act. Refunds of interest to the  
3 federal treasury required under the cash management improvement act  
4 fall under RCW 43.88.180 and shall not require appropriation. The  
5 office of financial management shall determine the amounts due to or  
6 from the federal government pursuant to the cash management improvement  
7 act. The office of financial management may direct transfers of funds  
8 between accounts as deemed necessary to implement the provisions of the  
9 cash management improvement act, and this subsection. Refunds or  
10 allocations shall occur prior to the distributions of earnings set  
11 forth in subsection (4) of this section.

12 (3) Except for the provisions of RCW 43.84.160, the treasury income  
13 account may be utilized for the payment of purchased banking services  
14 on behalf of treasury funds including, but not limited to, depository,  
15 safekeeping, and disbursement functions for the state treasury and  
16 affected state agencies. The treasury income account is subject in all  
17 respects to chapter 43.88 RCW, but no appropriation is required for  
18 payments to financial institutions. Payments shall occur prior to  
19 distribution of earnings set forth in subsection (4) of this section.

20 (4) Monthly, the state treasurer shall distribute the earnings  
21 credited to the treasury income account. The state treasurer shall  
22 credit the general fund with all the earnings credited to the treasury  
23 income account except:

24 (a) The following accounts and funds shall receive their  
25 proportionate share of earnings based upon each account's and fund's  
26 average daily balance for the period: The capitol building  
27 construction account, the Cedar River channel construction and  
28 operation account, the Central Washington University capital projects  
29 account, the charitable, educational, penal and reformatory  
30 institutions account, the common school construction fund, the contract  
31 harvesting revolving account, the county criminal justice assistance  
32 account, the county sales and use tax equalization account, the data  
33 processing building construction account, the deferred compensation  
34 administrative account, the deferred compensation principal account,  
35 the department of retirement systems expense account, the drinking  
36 water assistance account, the drinking water assistance administrative  
37 account, the drinking water assistance repayment account, the Eastern  
38 Washington University capital projects account, the education  
39 construction fund, the emergency reserve fund, the federal forest

1 revolving account, the health services account, the public health  
2 services account, the health system capacity account, the personal  
3 health services account, the state higher education construction  
4 account, the higher education construction account, the highway  
5 infrastructure account, the industrial insurance premium refund  
6 account, the judges' retirement account, the judicial retirement  
7 administrative account, the judicial retirement principal account, the  
8 local leasehold excise tax account, the local real estate excise tax  
9 account, the local sales and use tax account, the medical aid account,  
10 the mobile home park relocation fund, the multimodal transportation  
11 account, the municipal criminal justice assistance account, the  
12 municipal sales and use tax equalization account, the natural resources  
13 deposit account, the oyster reserve land account, the perpetual  
14 surveillance and maintenance account, the public employees' retirement  
15 system plan 1 account, the public employees' retirement system combined  
16 plan 2 and plan 3 account, the public health supplemental account, the  
17 Puyallup tribal settlement account, the resource management cost  
18 account, the site closure account, the special wildlife account, the  
19 state employees' insurance account, the state employees' insurance  
20 reserve account, the state investment board expense account, the state  
21 investment board commingled trust fund accounts, the supplemental  
22 pension account, the teachers' retirement system plan 1 account, the  
23 teachers' retirement system combined plan 2 and plan 3 account, the  
24 tobacco prevention and control account, the tobacco settlement account,  
25 the transportation infrastructure account, the tuition recovery trust  
26 fund, the University of Washington bond retirement fund, the University  
27 of Washington building account, the volunteer fire fighters' and  
28 reserve officers' relief and pension principal fund, the volunteer fire  
29 fighters' and reserve officers' administrative fund, the Washington  
30 fruit express account, the Washington judicial retirement system  
31 account, the Washington law enforcement officers' and fire fighters'  
32 system plan 1 retirement account, the Washington law enforcement  
33 officers' and fire fighters' system plan 2 retirement account, the  
34 Washington school employees' retirement system combined plan 2 and 3  
35 account, the Washington state health insurance pool account, the  
36 Washington state patrol retirement account, the Washington State  
37 University building account, the Washington State University bond  
38 retirement fund, the water pollution control revolving fund, and the  
39 Western Washington University capital projects account. Earnings

1 derived from investing balances of the agricultural permanent fund, the  
2 normal school permanent fund, the permanent common school fund, the  
3 scientific permanent fund, and the state university permanent fund  
4 shall be allocated to their respective beneficiary accounts. All  
5 earnings to be distributed under this subsection (4)(a) shall first be  
6 reduced by the allocation to the state treasurer's service fund  
7 pursuant to RCW 43.08.190.

8 (b) The following accounts and funds shall receive eighty percent  
9 of their proportionate share of earnings based upon each account's or  
10 fund's average daily balance for the period: The aeronautics account,  
11 the aircraft search and rescue account, the county arterial  
12 preservation account, the department of licensing services account, the  
13 essential rail assistance account, the ferry bond retirement fund, the  
14 grade crossing protective fund, the high capacity transportation  
15 account, the highway bond retirement fund, the highway safety account,  
16 the motor vehicle fund, the motorcycle safety education account, the  
17 pilotage account, the public transportation systems account, the Puget  
18 Sound capital construction account, the Puget Sound ferry operations  
19 account, the recreational vehicle account, the rural arterial trust  
20 account, the safety and education account, the special category C  
21 account, the state patrol highway account, the transportation equipment  
22 fund, the transportation fund, the transportation improvement account,  
23 the transportation improvement board bond retirement account, and the  
24 urban arterial trust account.

25 (5) In conformance with Article II, section 37 of the state  
26 Constitution, no treasury accounts or funds shall be allocated earnings  
27 without the specific affirmative directive of this section.

28 **Sec. 11.** RCW 84.33.078 and 1986 c 65 s 1 are each amended to read  
29 as follows:

30 When any timber standing on public land, other than federally owned  
31 land, is sold separate from the land, the department of natural  
32 resources or other governmental unit, as appropriate, shall state in  
33 its notice of the sale or prospectus that timber sold separate from the  
34 land is subject to property tax and that the amount of the tax paid may  
35 be used as a credit against any tax imposed with respect to business of  
36 harvesting timber from publicly owned land under RCW 84.33.041. If the  
37 timber from public land is harvested by the state, its departments and  
38 institutions and political subdivisions, or any municipal corporation

1 therein, the governmental unit, or governmental units, that harvest or  
2 market the timber must provide the harvester purchasing the timber with  
3 its harvesting and marketing costs as defined in RCW 84.33.035(7).

4 **Sec. 12.** RCW 84.33.035 and 2001 c 249 s 1 and 2001 c 97 s 1 are  
5 each reenacted and amended to read as follows:

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

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

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

19 (3) "Composite property tax rate" for a county means the total  
20 amount of property taxes levied upon forest lands by all taxing  
21 districts in the county other than the state, divided by the total  
22 assessed value of all forest land in the county.

23 (4) "Forest land" is synonymous with "designated forest land" and  
24 means any parcel of land that is twenty or more acres or multiple  
25 parcels of land that are contiguous and total twenty or more acres that  
26 is or are devoted primarily to growing and harvesting timber.  
27 Designated forest land means the land only and does not include a  
28 residential homesite. The term includes land used for incidental uses  
29 that are compatible with the growing and harvesting of timber but no  
30 more than ten percent of the land may be used for such incidental uses.  
31 It also includes the land on which appurtenances necessary for the  
32 production, preparation, or sale of the timber products exist in  
33 conjunction with land producing these products.

34 (5) "Harvested" means the time when in the ordinary course of  
35 business the quantity of timber by species is first definitely  
36 determined. The amount harvested shall be determined by the Scribner  
37 Decimal C Scale or other prevalent measuring practice adjusted to

1 arrive at substantially equivalent measurements, as approved by the  
2 department.

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

18 (7) "Harvesting and marketing costs" means only those costs  
19 directly associated with harvesting the timber from the land and  
20 delivering it to the buyer and may include the costs of disposing of  
21 logging residues. Any other costs that are not directly and  
22 exclusively related to harvesting and marketing of the timber, such as  
23 costs of permanent roads or costs of reforesting the land following  
24 harvest, are not harvesting and marketing costs.

25 (8) "Incidental use" means a use of designated forest land that is  
26 compatible with its purpose for growing and harvesting timber. An  
27 incidental use may include a gravel pit, a shed or land used to store  
28 machinery or equipment used in conjunction with the timber enterprise,  
29 and any other use that does not interfere with or indicate that the  
30 forest land is no longer primarily being used to grow and harvest  
31 timber.

32 (9) "Local government" means any city, town, county, water-sewer  
33 district, public utility district, port district, irrigation district,  
34 flood control district, or any other municipal corporation, quasi-  
35 municipal corporation, or other political subdivision authorized to  
36 levy special benefit assessments for sanitary or storm sewerage  
37 systems, domestic water supply or distribution systems, or road  
38 construction or improvement purposes.

1 (10) "Local improvement district" means any local improvement  
2 district, utility local improvement district, local utility district,  
3 road improvement district, or any similar unit created by a local  
4 government for the purpose of levying special benefit assessments  
5 against property specially benefited by improvements relating to the  
6 districts.

7 (11) "Owner" means the party or parties having the fee interest in  
8 land, except where land is subject to a real estate contract "owner"  
9 means the contract vendee.

10 (12) "Primarily" or "primary use" means the existing use of the  
11 land is so prevalent that when the characteristic use of the land is  
12 evaluated any other use appears to be conflicting or nonrelated.

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

16 (14) "Small harvester" means every person who from his or her own  
17 land or from the land of another under a right or license granted by  
18 lease or contract, either directly or by contracting with others for  
19 the necessary labor or mechanical services, fells, cuts, or takes  
20 timber for sale or for commercial or industrial use in an amount not  
21 exceeding two million board feet in a calendar year. When the United  
22 States or any instrumentality thereof, the state, including its  
23 departments and institutions and political subdivisions, or any  
24 municipal corporation therein so fells, cuts, or takes timber for sale  
25 or for commercial or industrial use, not exceeding these amounts, the  
26 small harvester is the first person other than the United States or any  
27 instrumentality thereof, the state, including its departments and  
28 institutions and political subdivisions, or any municipal corporation  
29 therein, who acquires title to or a possessory interest in the timber.  
30 Small harvester does not include persons performing under contract the  
31 necessary labor or mechanical services for a harvester, and it does not  
32 include the harvesters of Christmas trees or short-rotation hardwoods.

33 (15) "Special benefit assessments" means special assessments levied  
34 or capable of being levied in any local improvement district or  
35 otherwise levied or capable of being levied by a local government to  
36 pay for all or part of the costs of a local improvement and which may  
37 be levied only for the special benefits to be realized by property by  
38 reason of that local improvement.

1 (16) "Stumpage value of timber" means the appropriate stumpage  
2 value shown on tables prepared by the department under RCW 84.33.091,  
3 provided that for timber harvested from public land and sold under a  
4 competitive bidding process, stumpage value shall mean the actual  
5 amount paid to the seller in cash or other consideration. The stumpage  
6 value of timber from public land does not include harvesting and  
7 marketing costs if the timber from public land is harvested by, or  
8 under contract for, the United States or any instrumentality of the  
9 United States, the state, including its departments and institutions  
10 and political subdivisions, or any municipal corporation therein.  
11 Whenever payment for the stumpage includes considerations other than  
12 cash, the value shall be the fair market value of the other  
13 consideration. If the other consideration is permanent roads, the  
14 value of the roads shall be the appraised value as appraised by the  
15 seller.

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

19 (18) "Timber assessed value" for a county means a value, calculated  
20 by the department before October 1st of each year, equal to the total  
21 stumpage value of timber harvested from privately owned land in the  
22 county during the most recent four calendar quarters for which the  
23 information is available multiplied by a ratio. The numerator of the  
24 ratio is the rate of tax imposed by the county under RCW 84.33.051 for  
25 the year of the calculation. The denominator of the ratio is the  
26 composite property tax rate for the county for taxes due in the year of  
27 the calculation, expressed as a percentage of assessed value.

28 (19) "Timber assessed value" for a taxing district means the timber  
29 assessed value for the county multiplied by a ratio. The numerator of  
30 the ratio is the total assessed value of forest land in the taxing  
31 district. The denominator is the total assessed value of forest land  
32 in the county. As used in this section, "assessed value of forest  
33 land" means the assessed value of forest land for taxes due in the year  
34 the timber assessed value for the county is calculated.

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

39 (a) A legal description of the forest land;

1 (b) A statement that the forest land is held in contiguous  
2 ownership of twenty or more acres and is primarily devoted to and used  
3 to grow and harvest timber;

4 (c) A brief description of the timber on the forest land or, if the  
5 timber on the land has been harvested, the owner's plan to restock the  
6 land with timber;

7 (d) A statement about whether the forest land is also used to graze  
8 livestock;

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

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

15 NEW SECTION. **Sec. 13.** The department of natural resources must  
16 provide a report to the appropriate committees of the legislature  
17 concerning the costs and effectiveness of the contract harvesting  
18 program. The report must be submitted by December 31, 2005.

19 NEW SECTION. **Sec. 14.** Sections 2 through 5 of this act constitute  
20 a new chapter in Title 79 RCW.

21 NEW SECTION. **Sec. 15.** If any provision of this act or its  
22 application to any person or circumstance is held invalid, the  
23 remainder of the act or the application of the provision to other  
24 persons or circumstances is not affected."

25 **SSB 6257** - H COMM AMD  
26 By Committee on Natural Resources

27 ADOPTED 03/05/02

28 On page 1, line 1 of the title, after "harvesting;" strike the  
29 remainder of the title and insert "amending RCW 76.12.030, 76.12.120,  
30 79.64.040, 43.85.130, and 84.33.078; reenacting and amending RCW  
31 43.84.092 and 84.33.035; adding a new chapter to Title 79 RCW; and  
32 creating new sections."

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