

FINAL BILL REPORT

SHB 2765

C 315 L 02

Synopsis as Enacted

Brief Description: Concerning timber management plans.

Sponsors: By House Committee on Natural Resources (originally sponsored by Representatives Orcutt, Fromhold, Morell and McDermott).

House Committee on Natural Resources
Senate Committee on Natural Resources, Parks & Shorelines

Background:

All property in this state is subject to a property tax each year based on the property's value unless a specific exemption is provided by law. The state constitution authorizes agricultural, timber, and open space lands to be valued on the basis of their current use rather than fair market value. Standing timber is generally exempt from property taxes and is instead subject to a yield tax on harvest.

Two programs currently implement this constitutional exception to fair market value: the "open space" program and the "forest land" program. Both of these programs allow for a tax to be assessed on the current use. Qualifying agricultural, timber, and open space lands must meet certain acreage and/or gross income requirements. Timbered land may qualify for the open space assessment if it is at least five acres in size and used primarily for the commercial growth and harvest of commercial crops. Forested stands over 20 acres in size are qualified to be assessed in the forest lands program.

When a property being taxed at current use is sold or transferred, the new owner has the option of maintaining the current use designation for the land. When lands under the forest lands program are transferred, the county assessor for those lands has the option of requiring the owner to file a timber management plan. Timbered property eligible for current use under the open space program must have a timber management plan submitted to the county assessor whenever an initial application is made or the property is sold or transferred.

Summary:

The elements of a timber management plan under the forest lands tax assessment program are defined to include a legal description of the property, a brief description of the standing timber, the existence and nature of a forest management plan for the parcel, information on use, and information on existing forest practices. The timber management

plan must be filed with a county either when an application for current use classification is submitted, when a sale of timber land occurs, or within 60 days of applying for a reclassification of current use designation. An applicant that is required to submit a timber management plan may have an extension of the timelines granted in writing by the county. If the timelines are extended, the county may delay processing the application until the timber management plan is submitted.

Votes on Final Passage:

House 98 0

Senate 44 0 (Senate amended)

House 94 0 (House concurred)

Effective: June 13, 2002