

Chapter 458-30 WAC

OPEN SPACE TAXATION ACT RULES

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DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

Reviser's note: The former codification of Order 71-2, filed 3/26/71 and amended by Order 71-3, filed 4/29/71, showing related histories, was published in the Washington Administrative Code in Supp. #8 (4/1/71) and Supp. #9 (9/1/71). The sections showing captions and histories thereto are as follows:

Sections

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| 458-30-005 | Definitions. [Order 71-3, § 458-30-005, filed 4/29/71; Order 71-2, § 458-30-005, filed 3/26/71.] |
| 458-30-010 | Classified lands. [Order 71-2, § 458-30-010, filed 3/26/71.] |
| 458-30-015 | Agreement. [Order 71-2, § 458-30-015, filed 3/26/71.] |
| 458-30-020 | Application. [Order 71-2, § 458-30-020, filed 3/26/71.] |
| 458-30-025 | Application fee. [Order 71-2, § 458-30-025, filed 3/26/71.] |
| 458-30-030 | Withdrawal—Breach. [Order 71-2, § 458-30-030, filed 3/26/71.] |
| 458-30-035 | Assessor. [Order 71-2, § 458-30-035, filed 3/26/71.] |
| 458-30-040 | Granting authority. [Order 71-2, § 458-30-040, filed 3/26/71.] |
| 458-30-045 | Owner applicant. [Order 71-2, § 458-30-045, filed 3/26/71.] |
| 458-30-050 | Treasurer. [Order 71-2, § 458-30-050, filed 3/26/71.] |
| 458-30-055 | Basis for assessment. [Order 71-3, § 458-30-055, filed 4/29/71; Order 71-2, § 458-30-055, filed 3/26/71.] |
| 458-30-060 | Valuation procedures. [Order 71-3, § 458-30-060, filed 4/29/71.] |
| 458-30-065 | Training. [Order 71-3, § 458-30-065, filed 4/29/71.] |

Order PT 73-9, filed 10/30/73 adopts amended sections which are, in some respects, unrelated to former codification and adopts as new sections formerly codified rules which have been published in the Washington Administrative Code under another section number. Prior histories have been codified as part of a history where a similar subject has been amended. Please consult the above list, as filed by Order PT 73-9, for clarification.

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| 458-30-005 | Definitions. [Order PT 73-9, § 458-30-005, filed 10/30/73; Order 71-3, § 458-30-005, filed 4/29/71; Order 71-2, § 458-30-005, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-010 | Classified lands. [Order PT 73-9, § 458-30-010, filed 10/30/73; Order 71-2, § 458-30-010, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-015 | Agreement. [Order PT 73-9, § 458-30-015, filed 10/30/73; Order 71-2, § 458-30-015, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-020 | Application. [Order PT 73-9, § 458-30-020, filed 10/30/73; Order 71-2, § 458-30-020, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |

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| 458-30-025 | Application fee. [Order PT 73-9, § 458-30-025, filed 10/30/73; Order 71-2, § 458-30-025, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | 458-30-105 | Notice of withdrawal to be filed with assessor—Assessor to withdraw. [Order PT 73-9, § 458-30-105, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-030 | Withdrawal—Change of use. [Order PT 73-9, § 458-30-030, filed 10/30/73; Order 71-2, § 458-30-030, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | 458-30-110 | Assessor to notify owner of value change. [Order PT 73-9, § 458-30-110, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-035 | Additional tax. [Order PT 73-9, § 458-30-035, filed 10/30/73.] Repealed by WSR 78-07-027 (Order PT 78-3), filed 6/16/78. Statutory Authority: RCW 84.34.141. | 458-30-115 | Granting authority. [Order PT 73-9, § 458-30-115, filed 10/30/73; Order 71-2, § 458-30-040, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-040 | Breach—Change of use. [Order PT 73-9, § 458-30-040, filed 10/30/73.] Repealed by WSR 78-07-027 (Order PT 78-3), filed 6/16/78. Statutory Authority: RCW 84.34.141. | 458-30-120 | Granting authority's action on application. [Statutory Authority: RCW 84.34.141. WSR 78-07-027 (Order PT 78-3), § 458-30-120, filed 6/16/78; Order PT 73-9, § 458-30-120, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-045 | Removal of a portion. [Order PT 73-9, § 458-30-045, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 chapter 84.34 RCW. | 458-30-125 | Owner applicant. [Order PT 73-9, § 458-30-125, filed 10/30/73; Order 71-2, § 458-30-045, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-050 | Removal of classification. [Order PT 73-9, § 458-30-050, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | 458-30-130 | Treasurer. [Order PT 73-9, § 458-30-130, filed 10/30/73; Order 71-2, § 458-30-050, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-055 | Notification upon removal. [Order PT 73-9, § 458-30-055, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | 458-30-135 | Advisory committee. [Order PT 73-9, § 458-30-135, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-056 | Additional tax. [Statutory Authority: RCW 84.34.141. WSR 78-07-027 (Order PT 78-3), § 458-30-056, filed 6/16/78.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | 458-30-140 | Basis for assessment. [Order PT 73-9, § 458-30-140, filed 10/30/73; Order 71-3, § 458-30-055, filed 4/29/71; Order 71-2, § 458-30-055, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-057 | Penalty. [Statutory Authority: RCW 84.34.141. WSR 78-07-027 (Order PT 78-3), § 458-30-057, filed 6/16/78.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | 458-30-145 | Valuation procedures. [Statutory Authority: RCW 84.34.141. WSR 86-09-088 (Order PT 86-1), § 458-30-145, filed 4/23/86; WSR 78-07-027 (Order PT 78-3), § 458-30-145, filed 6/16/78; Order PT 73-9, § 458-30-145, filed 10/30/73. Prior: Order 71-3, § 458-30-060, filed 4/29/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-060 | Additional tax—Date due. [Order PT 73-9, § 458-30-060, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | 458-30-146 | Valuation cycle. [Statutory Authority: RCW 84.34.141. WSR 78-07-027 (Order PT 78-3), § 458-30-146, filed 6/16/78.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-065 | Conditions where additional tax not imposed. [Order PT 73-9, § 458-30-065, filed 10/30/73.] Repealed by WSR 78-07-027 (Order PT 78-3), filed 6/16/78. Statutory Authority: RCW 84.34.141. | 458-30-150 | Change of timber land classification to chapter 84.33 RCW. [Order PT 73-9, § 458-30-150, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-070 | Agreement may be abrogated by legislature. [Order PT 73-9, § 458-30-070, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | 458-30-155 | Reclassification of farm and agricultural land under 1973 amendatory act. [Order PT 73-9, § 458-30-155, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-075 | Assessor. [Order PT 73-9, § 458-30-075, filed 10/30/73; Order 71-2, § 458-30-075, filed 3/26/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | 458-30-160 | Training. [Order PT 73-9, § 458-30-160, filed 10/30/73; Order 71-3, § 458-30-065, filed 4/29/71. [See reviser's note following chapter digest.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. |
| 458-30-080 | Assessor to act on agricultural classification. [Order PT 73-9, § 458-30-080, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | 458-30-210 | Classification of land under chapter 84.34 RCW. [Statutory Authority: RCW 84.34.141, 84.34.020, and 84.34.030. WSR 02-20-041, § 458-30-210, filed 9/24/02, effective 10/25/02. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-210, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-210, filed 12/5/90, effective |
| 458-30-085 | Assessor to determine value. [Order PT 73-9, § 458-30-085, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | | |
| 458-30-090 | Assessor may require reports—Failure to comply. [Order PT 73-9, § 458-30-090, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | | |
| 458-30-095 | Assessor to note classification on assessment and tax roll. [Order PT 73-9, § 458-30-095, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | | |
| 458-30-100 | Assessor to record agreement and other notices. [Order PT 73-9, § 458-30-100, filed 10/30/73.] Repealed by WSR 88-23-062 (Order PT 88-12), filed 11/15/88. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. | | |

- 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-210, filed 11/15/88.] Repealed by WSR 15-03-093, filed 1/21/15, effective 2/21/15. Statutory Authority: RCW 84.34.141.
- 458-30-235 Granting authority response. [Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-235, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-235, filed 11/15/88.] Repealed by WSR 95-21-002, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360.
- 458-30-255 Determination of value—Assessor's duties. [Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-255, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-255, filed 11/15/88.] Repealed by WSR 01-15-015, filed 7/9/01, effective 8/9/01. Statutory Authority: RCW 84.34.141.
- 458-30-261 Five year average grain prices. [Statutory Authority: Chapter 84.34 RCW and RCW 84.08.010(2). WSR 89-05-008 (Order PT 89-1), § 458-30-261, filed 2/8/89.] Repealed by WSR 90-02-080 (Order PT 90-1), filed 1/2/90, effective 2/2/90. Statutory Authority: RCW 84.08.010(2) and 84.34.141.
- 458-30-290 Additional tax—Withdrawal. [Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-290, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-290, filed 11/15/88.] Repealed by WSR 95-21-002, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360.
- 458-30-315 County financial authority—Duties. [Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-315, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-315, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-315, filed 11/15/88.] Repealed by WSR 01-24-030, filed 11/27/01, effective 12/28/01. Statutory Authority: RCW 84.34.141.
- 458-30-335 Rating system—Procedure to establish. [Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-335, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-335, filed 11/15/88.] Repealed by WSR 06-18-011, filed 8/24/06, effective 9/24/06. Statutory Authority: RCW 84.34.141.
- 458-30-340 Rating system—Adoption—Notice to owner—Loss of classification. [Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-340, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-340, filed 11/15/88.] Repealed by WSR 06-18-011, filed 8/24/06, effective 9/24/06. Statutory Authority: RCW 84.34.141.
- 458-30-350 Reclassification of lands classified under chapter 84.34 RCW prior to 1973. [Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-350, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-350, filed 11/15/88.] Repealed by WSR 01-24-030, filed 11/27/01, effective 12/28/01. Statutory Authority: RCW 84.34.141.
- 458-30-360 Correction of erroneous classification or reclassification. [Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-360, filed 10/4/95, effective 11/4/95.] Repealed by WSR 99-17-042, filed 8/12/99, effective 9/12/99. Statutory Authority: RCW 84.34.141.
- 458-30-580 Rate of inflation—When published—Calculation. [Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-580, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-580, filed

11/15/88. Statutory Authority: RCW 84.34.360. WSR 87-07-009 (Order PT 87-3), § 458-30-580, filed 3/10/87.] Repealed by WSR 00-24-107, filed 12/6/00, effective 1/1/01. Statutory Authority: RCW 84.34.360 and 84.34.310.

WAC 458-30-200 Definitions. (1) **Introduction.** This rule provides definitions for the terms used in conjunction with land classified under the Open Space Taxation Act, codified as chapter 84.34 RCW. The terms listed in this rule are intended to act in concert with each other as appropriate.

(2) **Definitions.** For purposes of land classified under chapter 84.34 RCW, the following definitions apply:

(a) "Additional tax" means the additional property taxes that will be collected when classification is withdrawn or removed from land classified under chapter 84.34 RCW.

(b) "Affidavit" means the real estate excise tax affidavit required by chapter 82.45 RCW and chapter 458-61 WAC. The affidavit will be prescribed by the department and furnished to county treasurers. This form is used by landowners to report sales or transfers of classified land. The owner or transferor and the purchaser or transferee, or agents of each, must sign the affidavit under penalty of perjury.

(c) "Agreement" means an agreement executed between an owner and the granting authority regarding the classification or reclassification of land as either open space or timber land under chapter 84.34 RCW.

(d) "Agricultural product" means livestock and plants that are produced for commercial purposes and includes any agricultural, horticultural, or aquacultural produce or crop; the raising of livestock, poultry, bees, or fur-bearing animals; or the production of milk, eggs, wool, fur, meat, honey, or other substances obtained therefrom. When used in relation to livestock or fur-bearing animals used for food or fiber, "raising" means breeding or increasing the value, size, or weight of the animal. Agricultural product does not include marijuana, useable marijuana, or marijuana-infused products as those terms are defined in RCW 69.50.101.

(e) "Applicant" means the owner who submits an application for classification or reclassification of land under chapter 84.34 RCW.

(f) "Application" means an application for classification or reclassification of land under chapter 84.34 RCW.

(g) "Approval" means a determination by the granting authority that land qualifies for classification or reclassification under chapter 84.34 RCW.

(h) "Appurtenance" refers to something used with, and related to or dependent upon another thing; that is, something that belongs to something else, an adjunct. The thing appurtenant is strictly necessary and essential to the proper use and enjoyment of the land, as well as useful or necessary for carrying out the purposes for which the land was classified under chapter 84.34 RCW.

(i) In terms of farm and agricultural land, an appurtenance is something used for a particular sort of farm and is widely and routinely used in the operation of the commercial agricultural enterprise.

(ii) For example, an appurtenance may be an outhouse, barn, or tool shed or it may be equipment used for a particular purpose or task, such as tools, instruments, or machinery.

(i) "Aquaculture" means the growing and harvesting of marine or fresh water flora or fauna in a soil or water medium for commercial agricultural purposes.

(j) "Assessor" means the county assessor or any agency or person who is authorized to act on behalf of the assessor.

(k) "Assessment year" means the year in which the property is listed and valued by the assessor and precedes the year in which the taxes on the property are due and payable.

(l) "Change in use" means a direct action taken by an owner that actually changes the use of, or has started changing the use of, classified land to a use that is not in compliance with the conditions of the agreement executed between the owner and the granting authority or to a use that is otherwise not in compliance with the provisions of chapter 84.34 RCW.

(m) "Classified land" means a parcel(s) of land that has been approved by the appropriate granting authority for taxation under chapter 84.34 RCW.

(n) "Commercial agricultural purposes" means the use of farm and agricultural land on a continuous and regular basis, prior to and subsequent to application for classification or reclassification, that demonstrates that the owner or lessee is engaged in and intends to obtain through lawful means, a monetary profit from cash income by producing an agricultural product.

An owner or lessee must engage in commercial agricultural activities on the land to demonstrate a commercial agricultural purpose.

(o) "Contiguous" means land that adjoins and touches other land owned by the same owner or held under the same ownership. Land that is an integral part of a farming operation is considered contiguous even though the land may be separated by a public road, railroad, right of way, or waterway.

For purposes of this subsection (2)(o):

(i) "Same ownership" means owned by the same person or persons, except that parcels owned by different persons are deemed held by the same ownership if the parcels are:

(A) Managed as part of a single operation; and

(B) Owned by:

(I) Members of the same family;

(II) Legal entities that are wholly owned by members of the same family; or

(III) An individual who owns at least one of the parcels and a legal entity or entities that own the other parcel or parcels if the entity or entities are wholly owned by that individual, members of his or her family, or that individual and members of his or her family.

(ii) "Family" includes only:

(A) An individual and his or her spouse or domestic partner, child, stepchild, adopted child, grandchild, parent, stepparent, grandparent, cousin, or sibling;

(B) The spouse or domestic partner of an individual's child, stepchild, adopted child, grandchild, parent, stepparent, grandparent, cousin, or sibling;

(C) A child, stepchild, adopted child, grandchild, parent, stepparent, grandparent, cousin, or sibling of the individual's spouse or the individual's domestic partner; and

(D) The spouse or domestic partner of any individual described in (o)(i)(B)(III) of this subsection.

(p) "County financial authority" and "financial authority" mean the treasurer or any agency or person charged with the responsibility of billing and collecting property taxes.

(q) "County legislative authority" means the county commission, council, or other legislative body.

(r) "County recording authority" means the auditor or any agency or person charged with the recording of documents.

(s) "Current" and "currently" means as of the date on which property is to be listed and valued by the assessor.

(t) "Current use value" means the taxable value of a parcel of land placed on the assessment rolls following its classification or reclassification under chapter 84.34 RCW.

(u) "Department" means the department of revenue.

(v) "Farm and agricultural conservation land" means either:

(i) Land previously classified as farm and agricultural land that no longer meets the criteria and is reclassified as open space land; or

(ii) Traditional farmland that is not classified under chapter 84.33 or 84.34 RCW, has not been irrevocably devoted to a use inconsistent with agricultural uses, and has a high potential for returning to commercial agriculture.

(w) "Farm and agricultural land" means:

(i) Any parcel of land twenty or more acres in size or multiple parcels of land that are contiguous and total twenty or more acres in size when the lands are:

(A) Primarily used to produce agricultural products for commercial agricultural purposes;

(B) Enrolled in the federal conservation reserve program or its successor administered by the United States Department of Agriculture; or

(C) Primarily used for other commercial agricultural purposes as established by rule.

(ii) Any parcel of land or contiguous parcels of land at least five acres, but less than twenty acres in size that are primarily used for commercial agricultural purposes, and produce a gross income equal to:

(A) One hundred dollars or more in cash per acre per year for three of the five calendar years preceding the date of application for classification when the application was made prior to January 1, 1993; or

(B) Two hundred dollars or more in cash per acre per year for three of the five calendar years preceding the date of application for classification when the application is made on or after January 1, 1993.

For the purposes of meeting the minimum gross income requirements as described in (w)(ii)(A) and (B) of this subsection for leased classified farm and agricultural land, the owner may use either the cash income received from leasing his or her classified farm and agricultural land, or the cash income received by the lessee for the production of the agricultural product on the owner's classified farm and agricultural land.

(iii) Any parcel of land or contiguous parcels of land at least five acres, but less than twenty acres in size that are primarily used for commercial agricultural purposes and that have:

(A) Standing crops with an expectation of harvest within seven years and a demonstrable investment in the production

of those crops equivalent to one hundred dollars or more per acre in the current or previous calendar year; or

(B) Standing crops of short rotation hardwoods with an expectation of harvest within fifteen years and a demonstrable investment in the production of those crops equivalent to one hundred dollars or more per acre in the current or previous calendar year.

For the purposes of meeting the minimum investment requirements as described in (w)(iii)(A) and (B) of this subsection for leased classified farm and agricultural land, the owner may use either the cash income received from leasing his or her classified farm and agricultural land, or the cash income invested by the lessee in the production of the standing crop on the owner's classified farm and agricultural land.

(iv) Any parcel of land or contiguous parcels of land less than five acres in size that are primarily used for commercial agricultural purposes, and produce a gross income equal to:

(A) One thousand dollars or more in cash per year for three of the five calendar years preceding the date of application for classification when the application was made prior to January 1, 1993; or

(B) One thousand five hundred dollars or more in cash per year for three of the five calendar years preceding the date of application for classification when the application is made on or after January 1, 1993.

For the purposes of meeting the minimum gross income requirements as described in (w)(iv)(A) and (B) of this subsection for leased classified farm and agricultural land, the owner may use either the cash income received from leasing his or her classified farm and agricultural land, or the cash income received by the lessee for the production of the agricultural product on the owner's classified farm and agricultural land.

(v) Farm and agricultural land also includes:

(A) Land on which employee housing or the principal residence of the farm owner or operator is located, if the housing or residence is on or contiguous to a classified farm and agricultural land parcel of twenty acres or more or multiple parcels that are contiguous and total twenty acres or more, and the use of the housing or residence is integral to the use of the classified farm and agricultural land for commercial agricultural purposes;

(B) Land on which appurtenances necessary for the production, preparation, or sale of the agricultural products are situated when the appurtenances are used in conjunction with the land(s) producing agricultural products, such as a machinery maintenance shed or a shipping facility located on farm and agricultural land that produces the products to be shipped;

(C) Land incidentally used for an activity or enterprise that is compatible with commercial agricultural purposes as long as the incidental use does not exceed twenty percent of the classified land. An incidental use of classified farm and agricultural land may include, but is not limited to, wetland preservation, a gravel pit, a farm woodlot, or a produce stand;

(D) A noncontiguous parcel of land from one to five acres in size that constitutes an integral part of the commercial agricultural operation being conducted on land qualifying as "farm and agricultural land." As used in this paragraph, noncontiguous means not adjoining or touching but held by the same ownership as defined in RCW 84.34.020;

(E) Land used primarily for equestrian related activities for which a charge is made including, but not limited to, stabling, training, riding, clinics, schooling, shows, or grazing for feed and that otherwise meets the requirements in (w)(i), (ii), or (iv) of this subsection; or

(F) Land used primarily for horticultural purposes including growing plants in the ground or in a container, regardless of whether under a structure, such as a greenhouse, subject to the following:

(I) The land is not primarily used for the storage, care, or selling of plants purchased from other growers for retail sale;

(II) If the land is less than five acres and used primarily to grow plants in containers, such land does not qualify as "farm and agricultural land" if more than twenty-five percent of the land used primarily to grow plants in containers is open to the general public for on-site retail sales;

(III) If more than twenty percent of the land used for growing plants in containers is covered by pavement, none of the paved area is eligible for classification as "farm and agricultural land." However, this limitation does not prevent up to twenty percent of the paved area from qualifying as "incidental use" as described in (bb) of this subsection; and

(IV) If the land classified under (w)(v)(F) of this subsection, in addition to any contiguous land classified under (w) of this subsection, is less than twenty acres, it must meet the applicable income or investment requirements described in (w)(ii), (iii), or (iv) of this subsection.

(x) "Farm employee or farm and agricultural employee" means an individual who is employed on farm and agricultural land on a full-time basis or a seasonal or migratory worker who works on farm and agricultural land only during the planting, growing, and/or harvesting seasons. For purposes of (x) of this subsection, "full-time basis" refers to an individual who is employed at least twenty-five hours per week on farm and agricultural land. It does not include a person who is employed full time by a business activity that is not conducted on classified farm and agricultural land and who only works occasional weekends or during the harvest season on classified farm and agricultural land.

(y) "Farm woodlot" means an area of land within a parcel(s) of classified farm and agricultural land that is used in a manner compatible with commercial agricultural purposes including, but not limited to, the growing and cutting of trees for the use of the owner or the sheltering of livestock.

(z) "Granting authority" means the appropriate agency or official that acts on an application for classification or reclassification under chapter 84.34 RCW. The granting authority for:

(i) Open space land classification under RCW 84.34-.020(1) and 84.34.037 is the county legislative authority. However, for applications within an incorporated area of a county, the granting authority is made up of three members of the county legislative authority and three members of the city legislative authority in the county in which the land is located in a meeting where members may be physically absent but participating through telephonic connection or separate affirmative acts by both the county and city legislative authorities where both affirm the entirety of the application either without modification or with identical modifications;

(ii) Farm and agricultural land classification under RCW 84.34.020(2) and 84.34.035 is the assessor or the assessor's designee; and

(iii) Timber land classification under RCW 84.34.020(3) and 84.34.041 is the county legislative authority. However, for applications within an incorporated area of a county, the granting authority is made up of three members of the county legislative authority and three members of the city legislative authority in the county in which the land is located in a meeting where members may be physically absent but participating through telephonic connection or separate affirmative acts by both the county and city legislative authorities where both affirm the entirety of the application either without modification or with identical modifications.

(aa) "Gross income" means cash income derived from commercial agricultural purposes, as defined in (n) of this subsection. Gross income includes payments received from the United States Department of Agriculture for participating in a crop reduction or acreage set-aside program when such payments are based on the productive capacity of the land. It also includes the wholesale value of agricultural products produced from any parcel of classified land of at least five acres but less than twenty acres in which the agricultural products are donated to nonprofit food banks or feeding programs. The term does not include the following:

- (i) The value of any products produced on the land and consumed by the owner or lessee;
- (ii) Cash income derived from leases for the use of the land for noncommercial agricultural purposes;
- (iii) Payments for soil conservation programs; or
- (iv) The value represented from an exchange of goods or services for other goods or services (bartering).

(bb) "Incidental use" means a use of land classified as farm and agricultural land or timber land that is compatible with commercial agricultural purposes or the commercial growing and harvesting of timber. Incidental use for land classified as farm and agricultural land cannot exceed twenty percent of the total classified land, while incidental use for timber land cannot exceed ten percent of the total classified land. An incidental use may include, but is not limited to, wetland preservation, a gravel pit, a farm woodlot, or a produce stand.

(cc) "Integral" means that which is central to or inherent in the use or operation of classified farm and agricultural land for commercial agricultural purposes. To be considered integral to the farming operation, the residence of the farm operator or owner and/or housing for farm employees must be the place(s) from which the farmer conducts his/her commercial agricultural business.

(dd) "Interest" means the amount of applicable interest upon additional tax.

(ee) "Net cash rental" means the earning or productive capacity of farm and agricultural land less the production costs customarily or typically paid by an owner or landlord. See WAC 458-30-260 for a more detailed explanation of net cash rental.

(ff) "Notice of continuance" means the notice signed when land classified under chapter 84.34 RCW is sold or transferred if the new owner of the land intends to continue the classified use of the land and elects to have the land remain classified under chapter 84.34 RCW. This notice is

part of the real estate excise tax affidavit or may be a separate document prepared by the department and attached to this affidavit.

(gg) "Open space land" means one of the following:

(i) Any parcel(s) of land so designated by an official comprehensive land use plan adopted by any city or county and zoned accordingly;

(ii) Any parcel(s) of land, by preserving it in its present use would either:

- (A) Conserve and enhance natural or scenic resources;
- (B) Protect streams or water supply;
- (C) Promote conservation of soils, wetlands, beaches, or tidal marshes;
- (D) Enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries, or other open space;
- (E) Enhance recreation opportunities;
- (F) Preserve historic sites;
- (G) Preserve visual quality along highway, road, or street corridors, or scenic vistas;
- (H) Retain in its natural state, tracts of land of not less than one acre in size situated in an urban area and open to public use on such conditions as may be reasonably required by the granting authority; or

(iii) Any parcel(s) of farm and agricultural conservation land.

(hh) "Owner" means:

- (i) Any person(s) having a fee interest in a parcel of land; or
- (ii) The contract vendee when the land is subject to a real estate contract.

(ii) "Parcel of land" means a property identified as such on the assessment roll. For purposes of chapter 84.34 RCW and this WAC chapter, a parcel does not include any land area not owned by the applicant including, but not limited to, a public road, right of way, railroad, or waterway.

(jj) "Penalty" means the amount due when land is removed from classification under chapter 84.34 RCW. The amount of the penalty is equal to twenty percent of the additional tax and interest calculated in accordance with RCW 84.34.080 or 84.34.108.

(kk) "Planning authority" means the local government agency empowered by the appropriate legislative authority to develop policies and proposals relating to land use.

(ll) "Primary use" means the existing use of a parcel or parcels of land so prevalent that when the characteristic use of the land is evaluated a conflicting or nonrelated use appears to be very limited or excluded. The primary use of a parcel does not represent a specific percentage of the total classified land.

(mm) "Qualification of land" means the approval of an application for classification or reclassification of land by a granting authority in accordance with chapter 84.34 RCW.

(nn) "Rating system" means a public benefit rating system adopted for classified open space land according to RCW 84.34.055.

(oo) "Reclassification" means the process by which land classified under chapter 84.34 or 84.33 RCW is changed from one classification to a different classification established by chapter 84.34 RCW or into forest land as described in chapter 84.33 RCW. For example, land classified as farm

and agricultural land under RCW 84.34.020(2) may be reclassified as open space land under RCW 84.34.020(1).

(pp) "Removal" or "removed" means land classified under chapter 84.34 RCW is removed from classification by the assessor because the owner requests removal, the new owner fails to sign the notice of continuance, the assessor does not approve a notice of continuance, or the land is no longer being used for the purpose for which classification was granted.

(qq) "Sale of ownership" means the conveyance of the ownership of a parcel of land in exchange for valuable consideration.

(rr) "Standing crop" includes short rotation hardwoods, Christmas trees, vineyards, fruit trees, or other perennial crops that:

(i) Are planted using agricultural methods normally used in the commercial production of that particular crop; and

(ii) Typically do not produce harvestable quantities in the initial years after planting.

(ss) "Tax year" means the year when property tax is due and payable.

(tt) "Timber land" means any parcel of land, five or more acres in size, or multiple parcels of land that are contiguous and total five or more acres in size, that are primarily used for the commercial growth and harvesting of forest crops.

(i) Timber land refers only to the land and also includes:

(A) Land incidentally used for an activity or enterprise that is compatible with the commercial growing and harvesting of timber as long as the incidental use does not exceed ten percent of the classified land; and

(B) Land on which appurtenances necessary for the production, preparation, or sale of commercial timber products are situated when the appurtenances are used in conjunction with the land(s) producing timber products.

(ii) Timber land does not include:

(A) Land listed on the assessment roll as designated forest land according to chapter 84.33 RCW;

(B) Land on which nonforest crops are located; or

(C) Land used as a residential home site.

(uu) "Timber management plan" is synonymous with a "forest management plan" and details an owner's plan regarding the management of classified timber land including, but not limited to, the planting, growing and/or harvesting of timber. The elements of such a plan are set forth in WAC 458-30-232.

(vv) "Transfer" means the conveyance of the ownership of a parcel of land without an exchange of valuable consideration and may include situations where classified land is donated to an owner, corporation, partnership, or limited liability corporation.

(ww) "True and fair value" is the value of a parcel of land placed on the assessment rolls at its highest and best use without regard to its current use. The term also refers to market value, that is, the amount of money a buyer of property willing, but not obligated to buy would pay a seller of property willing but not obligated to sell, taking into consideration all uses to which the property is adapted and might reasonably be applied.

(xx) "Withdrawal" or "withdrawn" means action taken by the owner of land classified under chapter 84.34 RCW by filing a notice of request to withdraw the land from classifica-

tion under the current use program in compliance with RCW 84.34.070. Once land has been classified under chapter 84.34 RCW, it must remain classified for at least ten assessment years from the date of classification. After the initial ten-year classification period has elapsed, the owner may file a notice of request to withdraw all or a portion of the land from classification with the assessor of the county in which the land is located. Land is withdrawn from classification as a result of a voluntary act by the owner. However, if the assessor has given written notice of removal as provided in RCW 84.34.-108 (1)(d)(i) for all or a portion of the land prior to the owner providing the assessor with a request for withdrawal, then the land will be removed from classification.

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.34.141. WSR 18-02-109, § 458-30-200, filed 1/3/18, effective 2/3/18. Statutory Authority: RCW 84.34.141. WSR 15-03-093, § 458-30-200, filed 1/21/15, effective 2/21/15. Statutory Authority: RCW 84.08.070 and 84.08.010(2). WSR 12-07-059, § 458-30-200, filed 3/19/12, effective 4/19/12. Statutory Authority: RCW 84.34.141, 84.34.020, and 84.34.030. WSR 02-20-041, § 458-30-200, filed 9/24/02, effective 10/25/02. Statutory Authority: RCW 84.34.141. WSR 01-24-030, § 458-30-200, filed 11/27/01, effective 12/28/01. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-200, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-200, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.-141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-200, filed 11/15/88.]

WAC 458-30-205 Department of revenue—Duties.

(1) **Introduction.** This section explains the duties assigned to the department of revenue in order to implement and administer chapter 84.34 RCW.

(2) **General authority.** The department shall maintain general administrative authority to assure that chapter 84.34 RCW is effectively and equitably applied throughout the state. Accordingly, the department, upon request, shall provide all reasonable assistance to the granting authorities relating to the administration of chapter 84.34 RCW.

(3) **Forms.** The department shall design all application and other administrative forms necessary under chapter 84.34 RCW, except those forms necessary for the rating system. Forms relating to the rating system shall be designed by the granting authority. Granting authorities shall provide all forms to applicants who seek classification under chapter 84.34 RCW.

(4) **Training.** The department shall provide the guidelines and necessary training to assessors and county boards of equalization so that they may administer chapter 84.34 RCW. Members of the advisory committee and members of any granting authority may attend the training sessions provided by the department.

(5) **Wheat and barley prices.** The department shall annually issue by December 31, by whatever means it deems suitable, a five-year average of wheat and barley prices for use by the assessor in the following assessment year.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-205, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-205, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-205, filed 11/15/88.]

WAC 458-30-215 Application process. (1) Introduction. This section explains the general application procedures of classification of land under chapter 84.34 RCW including where to obtain an application and the information that must accompany an application for classification or reclassification.

(2) **Availability of forms.** The assessor and the county legislative authority shall make available application forms for classification or reclassification and shall supply them upon request.

(a) The assessor and the county legislative authority shall provide the appropriate forms, informational materials (including, but not limited to, copies of chapter 84.34 RCW and chapter 458-30 WAC), and reasonable assistance to an owner who submits an application for classification or reclassification of land under chapter 84.34 RCW.

(b) If the county legislative authority adopts a public benefit rating system for the open space classification, it shall prepare the appropriate forms, provide informational materials, and provide assistance to applicants.

(3) **The applicant.** The applicant shall be the owner of the land described on the application.

(4) **If land is purchased or transferred while application is pending.** In the event a parcel is conveyed while approval of a timely filed application is pending, the purchaser or transferee shall, upon written request to the granting authority, be given the same consideration as the original applicant; in all aspects of the application process the purchaser or transferee shall assume the original applicant's rights and responsibilities in the application process. However, except for the application fee, the granting authority shall require the purchaser or transferee to satisfy all requirements that otherwise would have been required in accordance with the original application.

(5) **Application due date.** Application for classification of land according to chapter 84.34 RCW shall be made from January 1 through December 31 for classification or reclassification and the assessment of the land in its classified status will begin on January 1 in the year following application.

(a) In other words, application must be made during the calendar year preceding the assessment year in which the classification or reclassification is to begin and the taxes on the land based on its classified use and status are payable the year following the assessment year.

(b) Example. An owner submits an application for classification on April 1, 1993. If it qualifies for classification, the land will be assessed based on its current use status for assessment year 1994 and the owner will pay taxes based on this assessment in 1995.

(6) **Information to accompany application.** The application for classification or reclassification shall require only such information as is reasonably necessary to properly classify an area of land under the provisions of chapter 84.34 RCW, including a signed statement as to the truth of the information. It shall also include a statement that the applicant is aware of the potential tax liability involved when the land ceases to qualify as open space, farm and agricultural, or timber land. Additionally, the applicant shall provide a legal description of the parcel of land that is acceptable to the assessor and the granting authority, who shall determine the

appropriate classification according to the provisions of chapter 84.34 RCW.

(7) **Land in multiple counties.** If the land described in the application for classification or reclassification is in more than one county, the owner shall file a separate application with the granting authority of each county.

(8) **Waiting period imposed after application is denied.** If an application for classification or reclassification is denied, a reapplication covering the same parcel of land, or a portion thereof, may not be submitted to the granting authority until three hundred sixty-five days have elapsed from the date the initial application was received.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-215, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-215, filed 11/15/88.]

WAC 458-30-220 Application fee. (1) Introduction. This section explains the processing fee that may be established by the city or county legislative authority and that may be required when an application for classification or reclassification is submitted. It also explains the manner in which the amount of this fee is determined and the distribution of this fee upon receipt.

(2) **Processing fee.** The city or county legislative authority may, at their discretion, require a processing fee to accompany each application. This fee shall be in an amount that reasonably covers the processing costs of the application.

(a) If any agreement is to be recorded, the cost of such recording shall come from the fee.

(b) The fee shall be made payable to the county financial authority, who shall forward a portion of the fee to any city in which the parcel of land is located in proportion to the land area included in the city to the total land area of the parcel.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-220, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-220, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-220, filed 11/15/88.]

WAC 458-30-225 Application for farm and agricultural classification. (1) Introduction. This section explains the application process for an applicant who seeks to have land classified or reclassified as farm and agricultural land under RCW 84.34.020(2).

(2) **Where to submit - Granting authority.** An application for classification or reclassification as farm and agricultural land shall be made to the assessor of the county in which the land is located. The assessor shall be the granting authority.

(3) **Duties of assessor.**

(a) The assessor shall act on each application with due regard to all relevant evidence and may approve or deny the application in whole or in part. If any part of the application is denied, the applicant may withdraw the entire application.

(b) Except as provided by chapter 84.34 RCW and chapter 458-30 WAC, the assessor cannot impose conditions or restrictions regarding the approval of an application for classification or reclassification as farm and agricultural land.

(c) The assessor shall consider the relevant zoning ordinances and regulations. If a zoning ordinance prohibits the

farm and agricultural activity for which classification or reclassification is being sought, the assessor shall deny the application.

(d) Upon receipt of an application for classification or reclassification, the assessor may require the applicant(s) to provide data regarding the current use of the land, including the productivity of typical crops, sales receipts, federal income tax returns including schedules documenting farm income, other related income and expense data, and any other information relevant to the application. Failure to provide the requested information shall be cause to deny an application. Generally, prospective use of the land may not be relevant evidence in acting upon an application.

(e) After an application has been approved and the classification or reclassification has been granted, the assessor may review the classification at any time.

(f) The assessor shall retain a copy of all applications submitted.

(g) The assessor may consider the land area used as a homesite in determining the eligibility of a parcel of land for farm and agricultural classification. If the homesite does not qualify for classification as farm and agricultural land in accordance with RCW 84.34.020 (2)(d) and WAC 458-30-210 (4)(d), the land shall be taxed at its true and fair value.

(4) **Approval.** If no written determination is provided to the applicant prior to May 1 of the year following receipt of the application, the application shall be considered approved.

(5) **Denial.** The assessor may approve or deny an application for classification in whole or in part.

(a) The assessor shall notify the applicant in writing of the extent to which the application is approved or denied.

(b) An applicant who receives a notice that his or her application has been denied may appeal this decision to the board of equalization in the county where the land is located. The appeal shall be filed within thirty calendar days of the date the notice of denial was mailed and shall be in the form specified in RCW 84.40.038.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-225, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-225, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-225, filed 11/15/88.]

WAC 458-30-230 Application for open space classification. (1) **Introduction.** This section explains the application process for an applicant who seeks to have land classified or reclassified as open space land under RCW 84.34.020 (1).

(2) **Where to submit.** An application for classification or reclassification of land as open space shall be made to the county legislative authority of the county in which the land is located.

(3) **Granting authority.** The identity of the entity that will act as the granting authority shall be determined by the location of the land the applicant seeks to classify or reclassify as open space land. The granting authority shall be determined as follows:

(a) If the parcel(s) of land is located in an unincorporated area of the county, the county legislative authority shall be the granting authority.

(b) If the parcel(s) of land is located in an incorporated area of the county, a copy of the application for classification or reclassification shall be forwarded to the city legislative authority in which the land is located. Applications must be acted upon by:

(i) A granting authority composed of three members of the county legislative authority and three members of the city legislative authority in a meeting where members may be physically absent but participating through a telephonic connection; or

(ii) Separate affirmative acts by both the county and city legislative authorities whereby each authority affirms the entirety of the application without modification or each authority affirms the application with identical modifications.

(4) **Application process.** An application for classification or reclassification of a parcel(s) of land as open space land shall be processed as follows:

(a) **Comprehensive land use plan.** The granting authority shall determine whether or not the land is located in an area designated as "open space" by an official comprehensive land use plan adopted by a city or county and zoned accordingly.

(i) If the land is in an area subject to a comprehensive plan, the application for classification or reclassification shall be treated in the same manner as a proposed amendment to that plan.

(ii) If the land is in an area not subject to a comprehensive plan, a public hearing on the application shall be conducted. A notice of this hearing shall be announced once by publication in a newspaper of general circulation in the region, city, or county at least ten days before the hearing. The owner who submitted the application for classification or reclassification that is the subject of the public hearing shall be notified in writing of the date, time, and location of this hearing.

(b) **Factors to consider.** In determining whether an application for classification or reclassification as open space land should be approved, the granting authority:

(i) May take particular notice of the benefits to the general welfare of preserving the current use of the parcel(s) of land described in the application; and

(ii) Shall consider the following:

(A) The revenue loss or tax shift that will result from granting the application;

(B) Whether granting the application for classification or reclassification of land under RCW 84.34.020 (1)(b) will:

(I) Conserve or enhance natural, cultural, or scenic resources;

(II) Protect streams, stream corridors, wetlands, natural shorelines, and aquifers;

(III) Protect soil resources, unique or critical wildlife, and native plant habitat;

(IV) Promote conservation principles by example or by offering educational opportunities;

(V) Enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries, or other open spaces;

(VI) Enhance recreation opportunities;

(VII) Preserve historic and archaeological sites;

(VIII) Preserve visual quality along highway, road, and street corridors or scenic vistas; or

(IX) Affect any other factors relevant in weighing benefits to the general welfare of preserving the current use of the land; and

(C) Whether granting the application for classification or reclassification of land as farm and agricultural conservation land (RCW 84.34.020 (1)(c)) will:

(I) Either preserve land previously classified as farm and agricultural land under RCW 84.34.020(2) or preserve traditional farmland not classified under chapter 84.33 or 84.34 RCW;

(II) Preserve land with a potential for returning to commercial agriculture; and

(III) Affect any other factors relevant in weighing general benefits of preserving the current use of the property.

(iii) In addition to the foregoing concerns, the granting authority shall consider:

(A) The existence of any mining claim or mining lease on the land, and if such a claim or lease will seriously interfere with the considerations stated in (b)(i) and (ii) of this subsection. If the granting authority determines serious interference will occur, it may deny the application in whole or in part. If a mining claim or mining lease is obtained after the land is classified or reclassified, the same determination must be made in deciding whether serious interference will occur; and

(B) The zoning of the parcel(s) of land at the time the application for classification or reclassification is filed.

(5) **Approval or denial of application.** The granting authority shall either approve or disapprove the application within six months of the date the completed application was received by the county legislative authority.

(a) The granting authority may approve the application for classification or reclassification in whole or in part. If any part of the application is denied, the applicant may withdraw the entire application.

(b) In approving the application in whole or in part, the granting authority may also require that certain conditions be met including, but not limited to, the granting of easements. As a condition of granting an application for open space classification, the granting authority may not require public access on land classified under RCW 84.34.020 (1)(b)(iii) to promote the conservation of wetlands.

(c) If approved, valuation of the land at its current use value shall begin on January 1 of the year following the year the application was filed. However, any application approved on or after July 1 of any year shall cause the land to be listed on the assessment roll at its current use value on January 1 of the following assessment year.

(d) When the application for classification or reclassification as open space has been approved, the granting authority shall prepare an agreement. See WAC 458-30-240 for a detailed description of this agreement.

(e) The granting or denial of an application for classification or reclassification as open space land is a legislative determination and shall be reviewable only for arbitrary and capricious actions.

(6) **Public benefit rating system.** When an application for classification or reclassification under RCW 84.34.020 (1)(b) and (c) is submitted regarding land that is subject to a public benefit rating system adopted under RCW 84.34.055, the county legislative authority shall rate the parcel(s) of land

in accordance with the public benefit rating system to determine whether the application should be approved or denied.

Land that was classified under RCW 84.34.020 (1)(b) or (c) prior to the adoption of a public benefit rating system does not have to requalify for classification under the criteria of the public benefit rating system. The land shall not be removed from classification by an assessor. This land may be rated according to the public benefit rating system as appropriate. (See WAC 458-30-330 for more information about the public benefit rating system.)

(7) **Record retention.** The granting authority shall keep a record of each application, agreement, and records relating to each agreement.

[Statutory Authority: RCW 84.08.070, 84.34.141, 84.36.865, 84.52.0502. WSR 09-19-010, § 458-30-230, filed 9/3/09, effective 10/4/09. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-230, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-230, filed 11/15/88.]

WAC 458-30-232 Application for timber land classification. Introduction. This rule explains the application process used by an applicant who seeks to have land classified or reclassified as timber land under RCW 84.34.020(3).

(1) **Definitions.** For purposes of this rule, the following definitions apply:

(a) **"Stand of timber"** means a stand of trees that will yield log and/or fiber:

(i) Suitable in size and quality for the production of lumber, plywood, pulp, or other forest products; and

(ii) Of sufficient value to cover at least all the costs of harvest and transportation to available markets.

(b) **"Timber management plan"** means a plan prepared by a professional forester, or by another person who has adequate knowledge of timber management practices, concerning the use of the land to grow and harvest timber. This plan is described in RCW 84.34.041 and includes the following elements:

(i) A legal description of the land;

(ii) A statement that the timber land is held in contiguous ownership of at least five acres and is primarily devoted to and used to grow and harvest timber;

(iii) A brief description of the timber on the timber land or, if the timber has been recently harvested, the owner's plan to restock the land with timber;

(iv) A statement about whether the timber land is also used to graze livestock;

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

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

(2) **Where to submit.** An application for classification or reclassification of land as timber land under RCW 84.34.020(3) is submitted to the county legislative authority of the county in which the land is located.

(3) **Granting authority.** The identity of the entity that will act as the granting authority will be determined by the location of the land the applicant seeks to classify or reclassify as timber land. The granting authority will be determined as follows:

(a) If the parcel(s) of land is located in an unincorporated area of county, the county legislative authority is the granting authority.

(b) If the parcel(s) of land is located in an incorporated area, a copy of the application for classification is forwarded to the city legislative authority in which the land is located. Applications must be acted upon by:

(i) A granting authority composed of three members of the county legislative authority and three members of the city legislative authority in a meeting where members may be physically absent but participating through a telephonic connection; or

(ii) Separate affirmative acts by both the county and city legislative authorities whereby each authority affirms the entirety of the application without modification or each authority affirms the application with identical modifications.

(4) Application process.

(a) **Consider all relevant evidence.** The granting authority will act upon the application with due regard to all relevant evidence.

(b) **Information that must accompany application.** An application for classification or reclassification of a parcel(s) of land as timber land is made on forms provided by the department. An application must include the following information and be accompanied by a timber management plan as defined in subsection (2) of this rule:

(i) A legal description of or the parcel number(s) of all land the applicant desires to be classified as timber land;

(ii) The date or dates the land was acquired;

(iii) A brief description of the timber on the land or, if the timber has been harvested, the owner's plan for restocking;

(iv) If the timber or forest management plan for the land has existed for more than one year, the application must indicate the nature and extent to which the plan has been implemented or changed;

(v) Whether the land is used for grazing;

(vi) Whether the land has been subdivided or a plat has been filed with respect for the land;

(vii) Whether the land and the applicant have complied with the restocking, forest management, fire protection, insect and disease control, weed control, and forest debris provisions of Title 76 RCW or applicable rules under Title 76 RCW;

(viii) Whether the land is subject to forest fire protection assessments under RCW 76.04.610;

(ix) Whether the land is subject to a lease, option, or other right that permits the land to be used for a purpose other than growing and harvesting timber;

(x) A summary of the applicant's past experience and activities in growing and harvesting timber;

(xi) A summary of the applicant's current and continuing activities in growing and harvesting of timber; and

(xii) A statement that the applicant is aware of the potential tax liability involved if the land ceases to be classified as timber land.

(c) **Solitary factors that will result in automatic denial.** An application may be denied for any of the following reasons without regard to any other factor:

(i) The land does not contain a stand of timber as defined in subsection (1) of this rule, as well as in chapter 76.09 RCW, and WAC 222-16-010. This reason alone is not sufficient to deny the application if:

(A) The land has been recently harvested or supports a growth of brush or noncommercial type timber and the application includes a plan for restocking within three years or a longer period necessitated because seed or seedlings are unavailable; or

(B) Only isolated areas within the land do not meet minimum standards due to rock outcroppings, swamps, unproductive soil, or other natural conditions.

(ii) The applicant, with respect to the land for which classification or reclassification is sought, has failed to comply with a final administrative or judicial order regarding a violation of the restocking, forest management, fire protection, insect and disease control, weed control, and forest debris provisions of Title 76 RCW or applicable rules under Title 76 RCW.

(iii) The land abuts a body of salt water and lies between the line of ordinary high tide and a line paralleling the ordinary high tide line and two hundred feet horizontally landward from the high tide line.

(5) **Public hearing required.** An application for classification of land as timber land will be approved or denied after a public hearing on the application is held. A notice of this hearing is to be announced once by publication in a newspaper of general circulation in the region, city, or county at least ten days before the hearing. The owner who submitted the application for classification or reclassification is to be notified in writing of the date, time, and location of the public hearing.

(6) **Timber management plan required.** A timber management plan must be filed with the county legislative authority either:

(a) When an application for classification is submitted;

(b) When a sale or transfer of timber land occurs and a notice of continuance is signed; or

(c) Within sixty days of the date an application for reclassification under chapter 84.34 RCW or from designated forest land under chapter 84.33 RCW is received. The application for reclassification will be accepted, but may not be processed until the timber management plan is received. If this plan is not received within sixty days of the date the application for reclassification is received, the application will be denied.

(d) If circumstances require it, the assessor may allow an extension of time for submitting a timber management plan when an application for classification or reclassification is received. The applicant will be notified of this extension in writing. When the assessor extends the filing deadline for a timber management plan, the granting authority should delay processing the application until this plan is received. If this plan is not received by the date set by the assessor, the application for classification or reclassification will be automatically denied.

(e) If circumstances require it, the assessor may allow an extension of time for submitting a timber management plan

when a notice of continuance is received. The applicant will be notified of this extension in writing.

(7) **Approval or denial of application.** The granting authority will either approve or deny the application for classification or reclassification within six months of the date the completed application is received.

(a) The granting authority may approve the application for classification or reclassification in whole or in part. If any part of the application is denied, the applicant may withdraw the entire application.

(b) In approving the application in whole or in part, the granting authority may also require that certain conditions be met. The granting authority may not require the granting of easements for land classified as timber land.

(c) When an application for classification or reclassification as timber land has been approved, the granting authority will prepare an agreement. Refer to WAC 458-30-240 for a detailed description of this agreement.

(d) The granting or denial of an application for classification or reclassification as timber land is a legislative determination and is reviewable only for arbitrary and capricious actions. The applicant may appeal only to the superior court of the county in which the land is located and the application was made.

(e) No application may be approved for classification or reclassification as timber land if a county has merged its timber land classification and designated forest land program as described in subsection (8) of this rule.

(8) Termination of timber land classification.

(a) A county legislative authority has the option to merge its timber land classification with the designated forest land program, pursuant to RCW 84.34.400. To merge the programs, the county legislative authority must enact an ordinance that:

(i) Terminates the timber land classification; and

(ii) Declares that the land that had been classified as timber land is now designated as forest land under chapter 84.33 RCW.

(b) Once the timber land classification is terminated:

(i) Land that has been classified as timber land within the county is now designated as forest land under chapter 84.33 RCW. The date the property was classified as timber land is considered to be the date the property was designated as forest land. For example, if a county enacts an ordinance on October 15, 2014, terminating its timber land classification and declares that any timber land is now considered designated forest land, then a parcel of timber land classified on January 1, 2006, would be considered designated as forest land as of January 1, 2006;

(ii) Any agreement prepared by the granting authority when land was approved as timber land is terminated and no longer in effect; and

(iii) The county must notify the department after taking action under this subsection. The department will maintain a list on its agency internet web site of all counties that have merged their timber land classification with their designated forest land program.

[Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-232, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW 84.08.070, 84.34.141, 84.36.865, 84.52.0502. WSR 09-19-010, § 458-30-232, filed 9/3/09, effective 10/4/09. Statutory

Authority: RCW 84.34.141, 84.34.020, and 84.34.030. WSR 02-20-041, § 458-30-232, filed 9/24/02, effective 10/25/02. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-232, filed 10/4/95, effective 11/4/95.]

WAC 458-30-240 Agreement relating to open space and timber land classifications. (1) Introduction.

This rule explains the contents of and the procedures relating to the agreement that is executed when an application for classification or reclassification as open space land under RCW 84.34.037 or timber land under RCW 84.34.041 has been approved by the granting authority.

(2) **Preparation and contents.** When an application for classification or reclassification as open space or timber land has been approved by the granting authority, the granting authority must prepare an agreement. For purposes of this rule, the date of approval will be the date on which the granting authority approves the application for classification or reclassification.

(a) The agreement must state all conditions attached to the approval of the application. The conditions of approval and any requirements of the classification detailed in the agreement will be binding upon any heir, successor, or assignee of the parties of the original agreement.

(b) The agreement will apply to the parcel(s) of land described in the agreement.

(c) The agreement may include, but is not limited to, a description of the ways the classified land may be used to retain its classified status, the actions that will cause removal of the land from classification, and the consequences of a change in the classified use of the land.

(3) Submit agreement to owner for signature.

(a) Within five calendar days after the approval of the application for classification or reclassification, in whole or in part, the granting authority will deliver by certified mail, return receipt requested, the agreement to the owner for signature.

(b) The owner may accept or reject the agreement.

(c) If accepted, the agreement must be signed and returned to the granting authority within thirty calendar days after receipt.

(d) If the agreement is not signed and returned to the granting authority within thirty calendar days of the date the unsigned agreement was mailed to the owner, the granting authority will conclusively presume the agreement has been rejected unless the owner can show proof that he or she was prevented from returning the agreement by events beyond his or her control.

(e) To be properly executed, the agreement must be signed by the owner and will become effective on the date the granting authority receives the signed agreement from the owner of the classified parcel(s) of land.

(4) **Executed agreement to be sent to assessor.** The granting authority must, within ten calendar days after receiving the signed agreement, send one copy to the assessor of the county in which the land is located.

(5) **Termination of agreement.** In counties that have merged their timber land classification and designated forest land program pursuant to RCW 84.34.400, any land approved as timber land prior to the merger will be considered design-

nated forest land and no longer subject to the agreement described in this rule.

[Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-240, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-240, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-240, filed 11/15/88.]

WAC 458-30-242 Application for open space/farm and agricultural conservation land classification. (1) Introduction. The 1992 legislative changes to chapter 84.34 RCW created a subclassification of farm and agricultural conservation land within the open space classification. This section explains the criteria and procedures related to farm and agricultural conservation land.

(2) Open space application criteria and process must be followed. Farm and agricultural conservation land is not a separate classification within chapter 84.34 RCW. This type of land is merely a subclassification within the open space classification.

(a) To obtain the open space/farm and agricultural conservation land classification, the applicant must follow and comply with the procedures and requirements related to the open space classification. The process of applying for open space classification is set forth in RCW 84.34.037 and WAC 458-30-230.

(b) In addition to the information normally required to accompany an application for open space classification, an applicant seeking open space/farm and agricultural conservation land classification shall submit a statement about the previous use, the current use, and the intended future use of the land. If the land is traditional farmland that has never been classified under chapter 84.33 or 84.34 RCW, this information should be included in the applicant's signed statement.

(3) Specific requirements for classification as open space/farm and agricultural conservation land. To be classified as farm and agricultural conservation land, the land shall be:

(a) Previously classified as farm and agricultural land under RCW 84.34.020(2), that no longer meets the criteria for classification under RCW 84.34.020(2), and that shall be reclassified as open space land under RCW 84.34.020(1); or

(b) Traditional farmland that is not classified under chapter 84.33 or 84.34 RCW, that has not been irrevocably dedicated to a use inconsistent with agricultural uses, and that has a high potential for returning to commercial agricultural purposes.

(4) Examples.

(a) Farmer Jones and his wife own nineteen acres of classified farm and agricultural land. Farmer Jones dies and his wife inherits the classified land. Mrs. Jones realizes that she cannot actively farm the land and produce the annual amount of income required by RCW 84.34.020 (2)(b). She decides to have the land reclassified as farm and agricultural conservation land within the open space classification. The land may be reclassified as open space/farm and agricultural conservation land under subsection (3)(a) of this section if she submits an application for reclassification as open space/farm and agricultural conservation land and the application for reclassification is approved by the granting authority.

(b) Farmer McDowell has a fifty acre parcel of land on which he raises pigs and goats. He inherited this land from his father who farmed it before him. Also, the land has never been classified under chapter 84.34 RCW nor has it ever been designated forest land under chapter 84.33 RCW. As the result of an accident, Farmer McDowell breaks his back and cannot actively farm the land for an extended period of time. This land may be classified as open space/farm and agricultural conservation land under subsection (3)(b) of this section if Farmer McDowell submits an application for classification as open space/farm and agricultural conservation land, the application for classification is approved, the land is not irrevocably dedicated to a use inconsistent with agricultural uses, and the land has a high potential for returning to commercial agriculture.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-242, filed 10/4/95, effective 11/4/95.]

WAC 458-30-245 Recording of documents. (1) Introduction. This section details the documents relating to lands classified under chapter 84.34 RCW that must be filed with the county assessor and the county recording authority in accordance with RCW 84.34.050.

(2) Notice to assessor. When the granting authority has classified land under chapter 84.34 RCW, the granting authority shall file a notice to this effect with the assessor within ten working days of making the determination. As to any land classified under chapter 84.34 RCW, the assessor shall annually make a notation on the county's assessment list and tax roll of the assessed value of this land for the use for which it is classified and the assessed value of this land if it were not so classified.

(3) Agreement relating to open space land or timber land classification. Within ten working days of receipt of an agreement regarding land classified as open space or timber land from a granting authority, the assessor shall submit the executed agreement to the county recording authority for recording in the place and manner provided for the public recording of tax liens on real property. The county recording authority shall return the agreement to the assessor following recording.

(4) Notice of approval relating to farm and agricultural land classification. Within ten working days of the approval of an application for farm and agricultural land classification or reclassification, the assessor shall send a notice of approval to the county recording authority for recording in the place and manner provided for the public recording of tax liens on real property.

(5) Notice of withdrawal or removal. When land is to be withdrawn or removed from classification under chapter 84.34 RCW, the assessor shall forward a notice of withdrawal or removal to the county recording authority. The county recording authority shall record all notices of withdrawal or removal. The owner shall pay all recording fees for the notices.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-245, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-245, filed 11/15/88.]

WAC 458-30-250 Approval or denial and appeal. (1)

Introduction. This section describes the procedure an applicant must follow if his or her application for classification or reclassification under chapter 84.34 RCW is denied, in whole or in part, and he or she wishes to appeal the determination.

(2) **General requirement.** The granting authority shall immediately notify the assessor and the applicant of the approval or denial of an application for classification or reclassification. An application for classification or classification as open space, timber, or farm and agricultural land should be approved or denied no later than six months after the receipt of this application. However, if an application for classification or reclassification as farm and agricultural land is not denied, in whole or in part, by the first day of May of the year after the application was submitted, the application shall be deemed approved. For example, an application for classification as farm and agricultural land shall be considered approved if it was delivered to the assessor on August 30, 1993, and was not denied prior to May 1, 1994.

(3) **Written denials with reasons required.** All denials of an application for classification or reclassification shall be in writing and shall include the reasons for denial.

(4) **Owner's right to appeal.** The owner shall have the right to appeal any denial of an application for classification or reclassification.

(a) If an application for classification or reclassification as farm and agricultural land is denied by the granting authority, in whole or in part, the applicant may appeal to the board of equalization of the county in which the land is located within thirty calendar days of date the denial was mailed.

(b) If an application for classification or reclassification as either open space or timber land is denied by the granting authority, in whole or in part, the applicant may appeal only to the superior court of the county in which the land is located and the application was made.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-250, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-250, filed 11/15/88.]

WAC 458-30-260 Valuation procedures for farm and agricultural land. (1) Introduction.

This section outlines the methods an assessor may use to determine the value of land classified as farm and agricultural land under chapter 84.34 RCW. The valuation procedures are outlined in RCW 84.34.065. The method used to value the principal residence of the farm operator or owner and the housing of farm and agricultural employees on classified farm and agricultural land is described in WAC 458-30-317.

(2) **Definitions.** For purposes of this section, the following definitions apply:

(a) "Landlord" means the person(s) or business enterprise that leases or rents classified farm and agricultural land to another person(s) or business entity.

(b) "Net cash rental" means the average rental paid on an annual basis, in cash, for the land being appraised and other farm and agricultural land of similar quality and similarly situated that is available for lease for a period of at least three years to any reliable person without unreasonable restrictions on its use for the production of agricultural crops.

(c) "Rate of interest" means the rate of interest charged by the farm credit administration and other large financial institutions regularly making loans secured by farm and agricultural lands through mortgages or similar legal instruments averaged over the immediate past five years.

(3) **General considerations.** The assessor shall use all available information to determine the productive or earning capacity of classified farm and agricultural land including, but not limited to, farm production information, actual crop production within an area averaged over not less than five years, and other relevant data. The assessor may also use reliable statistical sources. Additionally, a soil capability analysis may be considered in determining the productive or earning capacity of classified land.

(4) **Determination of current use value.** The value of classified farm and agricultural land shall be determined by the productive or earning capacity of comparable land from crops typically grown in the area averaged over not less than five years, capitalized at indicative rates. The assessor shall use the capitalization of income method to value this type of classified land.

(a) The earning or productive capacity of comparable land is the "net cash rental," capitalized at a "rate of interest" charged on long-term loans secured by a mortgage on farm or agricultural land plus a component for property taxes. The rate of interest and the property tax component for each county are set forth in WAC 458-30-262.

(b) The value of classified farm and agricultural land shall be the net cash rental of the land divided by the capitalization rate.

(5) **Net cash rental.** The net cash rental to be capitalized shall be determined as follows:

(a) Based on leases. Leases of farm and agricultural land paid on an annual basis, in cash, shall be used in determining the net cash rental. The cash value of these leases shall include government subsidies if the subsidies are based on the earning or productive capacity of the land. Only leases of land that is available for rent for a period of at least three years to any reliable person without unreasonable restrictions on its use to produce agricultural crops may be used in this determination. Lease payments shall be averaged as follows:

(i) Each annual lease or rental payment for the land being valued and for other farm and agricultural land within the area of similar quality and upon which typical crops in the area are grown shall be averaged for at least the preceding five crop years; and

(ii) The typical cash rental for each year shall be averaged for at least the preceding five crop years.

(A) Costs of crop production customarily paid by the landlord may be deducted from the typical cash rental. All costs and expenses shall be averaged for at least the preceding five crop years.

(B) If the land is irrigated by a sprinkler system, the amount of rent attributable, if any, to the irrigation equipment shall be deducted from the gross cash rent to determine the net cash rental of the land only. However, the value of irrigation equipment will be placed on the assessment roll at its true and fair value.

(b) Earning or productive capacity of land. If only an insufficient number of leases are available, the earning or productive capacity of farm and agricultural land shall be cal-

culated by determining the cash value of typical crops grown on land of similar quality and similarly situated within the area then subtracting the standard production costs of the crops. The cash value minus the production costs of typical crops are to be averaged over at least five crop years. Cash value shall include, but is not limited to, government subsidies if the subsidies are based on the earning or productive capacity of the land. Any acreage kept out of production because of government subsidies shall be included in the total acreage valued by the capitalization of the income method.

(c) When the land being valued is not being used for commercial agricultural purposes or when the available information is insufficient to determine the earning or productive capacity of the land, the assessor shall compute a reasonable amount based on the land's estimated productive capacity to be capitalized as income.

(6) **Capitalization rate.** The capitalization rate that is used to value classified farm and agricultural land is the sum of the following:

(a) An interest rate determined by the department on or before January 1st each year. This rate shall be the rate of interest charged on long-term loans secured by mortgages or similar legal instruments averaged over the immediate past five years; plus

(b) A component for property taxes determined by dividing the total taxes levied within the county for the year preceding the assessment by the total assessed value of all property within the county and multiplying the quotient by one hundred.

(7) **Appeal of interest rate determination.** The department shall annually determine a rate of interest and property tax component that shall be announced in a rule. (WAC 458-30-262.) This rule will be published in the *Washington State Register* before January 1st each year so that it may be used in that assessment year. The department's determination of the interest rate may be appealed to the state board of tax appeals within thirty calendar days after the date of publication by:

(a) Any owner of a parcel(s) of land classified as farm and agricultural; or

(b) The assessor of any county containing parcels of land that are classified as farm and agricultural under chapter 84.34 RCW.

(8) **Valuation of principal residence or housing for employees.** Land classified as farm and agricultural land because it is the site of the principal residence of the operator or owner of the land and the housing for farm and agricultural employees will be valued in accordance with RCW 84.34-065 and WAC 458-30-317. If the residence or housing for employees does not meet all the requirements for classification, the land may not be classified as farm and agricultural land and it must be valued at its true and fair value in accordance with WAC 458-12-301.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-260, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2) and 84.34.141. WSR 90-02-080 (Order PT 90-1), § 458-30-260, filed 1/2/90, effective 2/2/90. Statutory Authority: RCW 84.08.010(2) and 84.34.065. WSR 89-05-009 (Order PT 89-2), § 458-30-260, filed 2/8/89. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-260, filed 11/15/88.]

(12/27/18)

WAC 458-30-262 Agricultural land valuation—Interest rate—Property tax component. For assessment year 2019, the interest rate and the property tax component that are used to value classified farm and agricultural lands are as follows:

- (1) The interest rate is 5.02 percent; and
- (2) The property tax component for each county is:

| COUNTY | PERCENT | COUNTY | PERCENT |
|--------------|---------|--------------|---------|
| Adams | 1.39 | Lewis | 1.20 |
| Asotin | 1.24 | Lincoln | 1.25 |
| Benton | 1.31 | Mason | 1.24 |
| Chelan | 1.12 | Okanogan | 1.23 |
| Clallam | 1.07 | Pacific | 1.40 |
| Clark | 1.24 | Pend Oreille | 1.05 |
| Columbia | 1.20 | Pierce | 1.41 |
| Cowlitz | 1.21 | San Juan | 0.78 |
| Douglas | 1.12 | Skagit | 1.23 |
| Ferry | 1.05 | Skamania | 1.12 |
| Franklin | 1.20 | Snohomish | 1.16 |
| Garfield | 1.05 | Spokane | 1.36 |
| Grant | 1.30 | Stevens | 1.06 |
| Grays Harbor | 1.40 | Thurston | 1.33 |
| Island | 0.97 | Wahkiakum | 0.97 |
| Jefferson | 1.09 | Walla Walla | 1.34 |
| King | 1.06 | Whatcom | 1.22 |
| Kitsap | 1.17 | Whitman | 1.42 |
| Kittitas | 1.07 | Yakima | 1.28 |
| Klickitat | 1.05 | | |

[Statutory Authority: RCW 84.34.065, 84.34.360, 84.34.141 and 84.69.100. WSR 19-02-058, § 458-30-262, filed 12/27/18, effective 1/1/19; WSR 18-01-147, § 458-30-262, filed 12/20/17, effective 1/1/18; WSR 17-01-162, § 458-30-262, filed 12/21/16, effective 1/1/17; WSR 16-01-035, § 458-30-262, filed 12/9/15, effective 1/1/16; WSR 15-01-166, § 458-30-262, filed 12/23/14, effective 1/1/15; WSR 14-01-059, § 458-30-262, filed 12/13/13, effective 1/1/14; WSR 13-02-053, § 458-30-262, filed 12/26/12, effective 1/1/13; WSR 12-01-040, § 458-30-262, filed 12/13/11, effective 1/1/12. Statutory Authority: RCW 84.34.065 and 84.34.141. WSR 11-02-015, § 458-30-262, filed 12/29/10, effective 1/1/11. Statutory Authority: RCW 84.34.055 and 84.34.141. WSR 10-09-049, § 458-30-262, filed 4/15/10, effective 5/16/10. Statutory Authority: RCW 84.34.065 and 84.34.141. WSR 10-02-025, § 458-30-262, filed 12/29/09, effective 1/1/10; WSR 08-24-093, § 458-30-262, filed 12/2/08, effective 1/2/09; WSR 08-04-051, § 458-30-262, filed 1/31/08, effective 3/2/08; WSR 07-01-011, § 458-30-262, filed 12/7/06, effective 1/1/07; WSR 05-24-028, § 458-30-262, filed 11/30/05, effective 1/1/06; WSR 05-01-051, § 458-30-262, filed 12/7/04, effective 1/1/05; WSR 03-24-013, § 458-30-262, filed 11/20/03, effective 12/21/03; WSR 02-23-080, § 458-30-262, filed 11/19/02, effective 12/20/02; WSR 02-03-040, § 458-30-262, filed 1/8/02, effective 2/8/02. Statutory Authority: RCW 84.34.065, 84.34.360. WSR 00-24-105, § 458-30-262, filed 12/6/00, effective 1/1/01; WSR 99-24-034, § 458-30-262, filed 11/23/99, effective 1/1/00. Statutory Authority: RCW 84.34.065, 84.34.360 and 84.08.010. WSR 99-01-067, § 458-30-262, filed 12/14/98, effective 1/1/99. Statutory Authority: RCW 84.34.065, 84.34.141 and 84.08.010. WSR 98-01-178, § 458-30-262, filed 12/23/97, effective 1/1/98. Statutory Authority: RCW 84.34.065, 84.34.141, 84.08.010 and 84.34.070. WSR 97-02-066, § 458-30-262, filed 12/31/96, effective 1/1/97. Statutory Authority: RCW 84.34.065, 84.34.141, 84.08.010 and 84.34.070. WSR 96-01-095, § 458-30-262, filed 12/19/95, effective 1/1/96. Statutory Authority: RCW 84.34.065, 84.34.141, 84.08.010 and 84.08.070. WSR 95-09-041, § 458-30-262, filed 4/14/95,

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effective 5/15/95. Statutory Authority: RCW 84.08.010, 84.08.070 and 84.34.065. WSR 94-05-062, § 458-30-262, filed 2/11/94, effective 3/14/94. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 93-07-067, § 458-30-262, filed 3/17/93, effective 4/17/93; WSR 92-03-068, § 458-30-262, filed 1/14/92, effective 2/14/92; WSR 91-04-001, § 458-30-262, filed 1/24/91, effective 2/24/91; WSR 90-24-087, § 458-30-262, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2) and 84.34.141. WSR 90-02-080 (Order PT 90-1), § 458-30-262, filed 1/2/90, effective 2/2/90.]

WAC 458-30-265 Valuation cycle. (1) Introduction. This section explains the timing of revaluations of land classified under the provisions of chapter 84.34 RCW.

(2) **Revaluation cycle.** In determining the true and fair value and the current use value of classified lands, the assessor shall follow a revaluation cycle that adheres to the requirements contained in WAC 458-12-335 through 458-12-339. The cycle used shall be the same as that used for other real property in the county and shall be in an orderly manner, pursuant to a regular plan, and in a manner that is not arbitrary, capricious, or intentionally discriminatory.

(3) **Notice required.** The assessor shall notify the owner of classified lands of any change in the true and fair value and/or current use value in the same manner as prescribed in RCW 84.40.045.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-265, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-265, filed 11/15/88.]

WAC 458-30-267 Valuation procedures for open space and timber land. (1) Introduction. This section outlines the procedures set forth in RCW 84.34.060 about how to value land(s) classified as open space or timber land under the provisions of chapter 84.34 RCW.

(2) Open space land.

(a) In valuing land classified as open space, the assessor shall consider only the way in which the land and improvements are currently used; the assessor shall not consider potential uses of the land.

(b) The assessed value of open space land shall not be less than the minimum value per acre of classified farm and agricultural land.

(c) If open space land is located within a county where the county legislative authority has adopted an open space plan and a public benefit rating system in accordance with RCW 84.34.055, the assessed value of this open space land may be based on the public benefit rating system. The open space plan shall contain criteria for determining eligibility of lands, the process for establishing a public benefit rating system, and an assessed valuation schedule. An assessed valuation schedule shall be developed by the assessor and shall be a percentage of true and fair value based on the public benefit rating system.

(3) **Timber land.** The assessor shall value classified timber land according to the provisions of chapter 84.33 RCW.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-267, filed 10/4/95, effective 11/4/95.]

WAC 458-30-270 Data relevant to continuing eligibility—Assessor may require owner to submit. (1) Introduction. This section explains the types of data or information the assessor may require a person seeking continued

classification or reclassification to submit so that land may retain its eligibility or be reclassified under chapter 84.34 RCW.

(2) **General authorization.** The assessor may require an owner of land classified under chapter 84.34 RCW to submit data relevant to the use of the land, productivity of typical crops, and other information pertinent to continued classification or reclassification and appraisal of the land. The assessor may request any relevant information that will assist him or her in determining whether the land is eligible for continued classification or reclassification. Relevant data or information includes, but is not limited to:

(a) Receipts from sales of agricultural products produced on classified land;

(b) Federal income tax returns including schedules documenting farm income, production costs, and other operating expenses;

(c) Rental or lease agreements and receipts;

(d) Government payments and subsidies;

(e) Crop and livestock production data; or

(f) Other income and expense information related to the land for which continued classification or reclassification is sought.

(3) **Request for information - procedure.** The assessor shall send the request for information by first class mail. The person seeking continued classification or reclassification must submit the requested information or data, in writing, no later than sixty calendar days following the date the request was mailed.

(a) If no response is received within sixty days, the assessor's office shall send the owner a second request for information by certified mail, return receipt requested. This second request shall include a statement that failure to submit the requested information or data within thirty calendar days of the date of mailing may cause the land to be removed from classification.

(b) If the owner of classified land does not respond to a request for information, the assessor may remove the land from classification.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-270, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-270, filed 11/15/88.]

WAC 458-30-275 Continuing classification upon sale or transfer of ownership of classified land—Actions of landowner and county officials to be taken prior to recording a conveyance of classified land. (1) Introduction. If land classified under chapter 84.34 RCW is sold or transferred and the new owner wants to retain the classified status of the land, certain procedures must be followed before the conveyance may be recorded or filed. This rule explains the necessary procedures and required forms.

(2) **General requirements - New owner elects to have the land remain classified.** The county recording authority may not accept an instrument conveying ownership of land classified under chapter 84.34 RCW unless certain conditions are satisfied. When land classified under chapter 84.34 RCW is sold or transferred and the new owner elects to have the land retain its classified status, prior to recording or filing the conveyance, the new owner or the new owner's agent must:

(a) Sign the notice of continuance that is part of the real estate excise tax (REET) affidavit or sign a separate notice of continuance and attach it to the REET affidavit. (Subsection (9) of this rule contains an explanation about REET.) Both the REET affidavit and the notice of continuance are forms provided by the department of revenue and supplied to the counties. A copy of the REET affidavit may be obtained from the county treasurer. If the classified land is owned by multiple owners, all owners or their agent(s) must sign the notice of continuance that is part of the REET affidavit or the separate notice of continuance attached to the REET affidavit.

Except, a notice of continuance is not required when the transfer of classified land is to a new owner who is an heir or devisee of a deceased owner or is a transfer by a transfer on death deed; however, the land must continue to meet the requirements of classification to avoid removal. The treasurer determines that a transfer is by inheritance because the claim for the inheritance exemption is filled out on the REET affidavit with supporting documentation. The treasurer should notify the assessor when classified land has been transferred by inheritance or by a transfer on death deed without a notice of continuance; and

(b) Provide the assessor with a signed statement that explains how the new owner intends to use the classified land and any other information the assessor deems necessary to determine whether the land will continue to be eligible for classification under chapter 84.34 RCW. RCW 84.34.121 and WAC 458-30-270.

(3) Required duties of the assessor before a conveyance of classified land may be filed or recorded. The new owner must supply the assessor with the information outlined in subsection (2) of this rule if the new owner elects to have the land remain classified under chapter 84.34 RCW.

(a) After receiving all required documentation, the assessor is allowed up to fifteen calendar days to determine whether the land should retain its classified status or whether the land should be removed from classification as of the date of conveyance.

(b) To make this determination, the assessor may, but is not required to, consult with the county legislative authority if the land is classified as either open space or timber land or a combination of the county and city legislative authorities if the classified open space land or timber land is within an incorporated part of the county. Both the assessor and the granting authority may require the new owner to submit additional information about the use of the classified land after the sale or transfer is complete. This information will be used to determine whether the land should remain classified under chapter 84.34 RCW.

(4) When may a county recording authority accept an instrument conveying ownership of classified land? A county recording authority may not accept an instrument of conveyance regarding the sale or transfer of land classified under chapter 84.34 RCW for filing or recording until the new owner complies with subsection (2) of this rule and the assessor determines that the land will or will not continue to qualify for classification.

(a) If the new owner signs the notice of continuance and the assessor agrees that the land should remain classified, the assessor checks the box on the REET affidavit that the land qualifies for continued classified status. The completed affi-

davit is then presented to the county recording authority so that it may record or file the conveyance. A completed REET affidavit includes a stamp, placed on it by the treasurer, indicating that any REET or additional tax, interest, and penalty owed as a result of the sale or transfer has been paid. (See subsection (9) of this rule for a more detailed explanation of the real estate excise tax.)

(b) If the assessor decides that the land must be removed or the owner submits a written request to remove the land from classification, the assessor will check the appropriate box on the REET affidavit that the land does not qualify for continuance, sign the REET affidavit, and begin the removal procedures set forth in WAC 458-30-295. Unless the removal results solely from one of the circumstances listed in RCW 84.34.108(6), the additional tax, interest, and penalty are due and payable by the seller or transferor at the time of sale.

(5) Land removed from classification with no back taxes imposed. If the removal results solely from one of the circumstances or actions listed in RCW 84.34.108(6), no additional tax, interest, or penalty is imposed. The assessor will:

(a) Follow the procedures set forth in WAC 458-30-295 and 458-30-300 for removing land from classification;

(b) Notify the treasurer and the seller or transferor that no additional tax, interest, or penalty will be imposed; and

(c) If the land is acquired for conservation purposes by any of the entities listed in RCW 84.34.108 (6)(f), inform the new owner that a lien equal to the amount of additional tax, interest, and penalty has been placed on the land, even though the additional tax, interest, and penalty will not be collected at this time. This lien becomes due and payable if and when the land ceases to be used for one of the purposes outlined in RCW 64.04.130 or 84.34.210.

(6) Sales or transfers of timber land. When a parcel(s) of classified timber land is sold or transferred, the new owner must submit a timber management plan to the assessor and comply with the general requirements listed in subsection (2) of this rule to retain the land's classified status. The assessor sends a copy of the timber management plan to the granting authority of the county in which the classified land is located. WAC 458-30-232 contains a list of the types of additional information an assessor may require the new owner to submit to enable the assessor to determine whether the land will be used to grow and harvest timber for commercial purposes. Generally, the new owner is required to submit a timber management plan when a sale or transfer of timber land occurs and a notice of continuance is signed. However, because a notice of continuance is not required when classified land is transferred by a transfer on death deed or transferred to a new owner who is the heir or devisee of a deceased owner, a timber management plan would not be required under these circumstances.

The assessor may allow an extension of time for submitting the timber management plan when a notice of continuance is received. The new owner will be notified of this extension in writing. If the timber management plan is not received by the date set by the assessor, the notice of continuance will be automatically denied.

(7) Sales or transfers of farm and agricultural land. When a parcel(s) of classified farm and agricultural land is sold or transferred, the new owner must comply with the gen-

eral requirements listed in subsection (2) of this rule. The size of the classified land determines whether any additional requirements must also be satisfied. After all required information is submitted, the assessor determines whether the land qualifies for continued classification.

(a) If the classified land sold or transferred is twenty acres or more, the new owner must satisfy the general requirements listed in subsection (2) of this rule.

(b) If the sale or transfer involves less than twenty acres, the new owner will be required to comply with the general requirements of subsection (2) of this rule and the seller or buyer may be asked to provide gross income or investment information relating to the productivity of the classified land. This income and investment information is used to determine whether the land meets the requirements listed in RCW 84.34.020 (2)(b), (c), and (d). However, if the income or investment information is unavailable but the new owner is willing to sign the notice of continuance and accept the responsibility for any additional tax, interest, and penalty owed for prior years that will be due if the land is later found to be ineligible for continued classification, the classified status of the land will continue until the assessor determines that the land is no longer eligible.

(i) RCW 84.34.020 (2)(b) and (c) set forth the minimum gross income requirements for classified farm and agricultural land of less than twenty acres. If classified land is transferred to a surviving spouse or state registered domestic partner, the gross income requirements will not be examined at the time of transfer, and the land will be subject to the same gross income requirements that were applicable before the death of the spouse or domestic partner. For example, a sixteen acre parcel of classified farm and agricultural land classified in 1988, is transferred to a surviving spouse in 2005. The classified land is still required to produce a minimum of one hundred dollars per acre per year and the assessor is not required to review the income information at the time of sale or transfer.

(ii) Sale or transfer of land classified prior to January 1, 1993. As of January 1, 1993, the legislature imposed higher gross income requirements on classified farm and agricultural land of less than twenty acres. When land classified prior to January 1, 1993, is sold or transferred to a new owner, excluding a transfer to a surviving spouse or state registered domestic partner, the higher minimum income requirements set forth in RCW 84.34.020 (2)(b)(i)(B) and (c)(ii) will be deferred for a period of three years. The new owner is required to produce either two hundred dollars per acre per year if the parcel is five acres or more but less than twenty acres, or fifteen hundred dollars per year if the parcel is less than five acres, at least once during the three calendar years immediately following the sale or transfer. For example, if classification was granted in 1991 to a fifteen acre parcel that produced a gross income of one hundred dollars per acre per year until it was sold on April 15, 2009, the higher minimum gross income requirements will be deferred until 2012. By the end of 2012, the new owner must show that the parcel produced at least two hundred dollars per acre for at least one year during the three-year period of 2010 through 2012. If the land produced a gross income of two hundred dollars per acre, the land remains classified as farm and agricultural land. If the land failed to produce this amount at least

once during this three-year period, the land will be removed from classification and the owner will be required to pay additional tax, interest, and penalty.

(iii) Sale or transfer of land classified on or after January 1, 1993. The higher minimum gross income requirements of RCW 84.34.020 (2)(b)(i)(B) and (c)(ii) apply to land classified on or after January 1, 1993. When the land is sold or transferred, the assessor may ask the seller or buyer to provide gross income information relating to the farm and agricultural operation for three of the past five years. This information will be used to determine whether the land should retain its status as classified farm and agricultural land. For example, a ten acre parcel that was classified as farm and agricultural land on May 1, 1995, is sold on February 23, 2001. The assessor asks the seller of the classified land to provide information about the gross income the land produced during the five calendar years preceding the sale (i.e., 1996 through 2000). To retain the farm and agricultural classification, the land must have produced a minimum gross income of two hundred dollars per acre per year at least three of the five calendar years preceding the date of sale. However, if the gross income information is unavailable but the new owner is willing to sign the notice of continuance and accept the responsibility for any additional tax, interest, and penalty owed for prior years that will be due if the land is later found to be ineligible for continued classification, the classified status of the land will continue until the assessor determines that the land is no longer eligible.

(iv) RCW 84.34.020 (2)(d) sets forth the minimum investment requirement for classified farm and agricultural land, at least five but less than twenty acres, that has a standing crop. If classified farm and agricultural land meeting this description is sold or transferred, the assessor may ask the buyer or seller to provide information that demonstrates that an investment in the production of the standing crops equivalent to one hundred dollars or more per acre in the current or previous calendar year was made.

(c) Segregation of land. If the sale or transfer of classified land involves a segregation, the owner of the newly created parcel(s) and the owner of the parcel from which the land was segregated must comply with the requirements for classification, including the minimum gross income or investment requirements, to enable the assessor to continue the classified status of the land.

(8) **New owner's acknowledgment.** The new owner, by signing the notice of continuance, acknowledges that future use of the land must conform to the provisions of chapter 84.34 RCW.

(9) **Real estate excise tax (REET).** An excise tax is generally imposed in accordance with chapter 82.45 RCW whenever real property is sold or transferred. The amount of this tax is based upon the selling price of the real property. Real estate excise tax is due at the time of sale. This tax is paid to and collected by the treasurer of the county in which the real property is located. (Refer to RCW 82.45.010 for a listing of transactions that are not considered a sale or transfer upon which REET is imposed.)

[Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-275, filed 1/8/15, effective 2/8/15. Statutory Authority: 2009 c 521. WSR 10-07-133, § 458-30-275, filed 3/23/10, effective 4/23/10. Statutory Authority: RCW 84.34.141, 84.34.020,

and 84.34.030. WSR 02-20-041, § 458-30-275, filed 9/24/02, effective 10/25/02. Statutory Authority: RCW 84.34.141. WSR 01-24-030, § 458-30-275, filed 11/27/01, effective 12/28/01. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-275, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-275, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-275, filed 11/15/88.]

WAC 458-30-280 Notice to withdraw from classification.

(1) **Introduction.** When an owner of classified land wishes to withdraw all or part of the land from the current use program, the owner must submit a request to withdraw to the assessor. This rule explains when an owner may request a withdrawal from classification under the provisions of chapter 84.34 RCW and what the assessor must do upon receipt of this request.

(2) **Other rules to reference.** Readers may want to refer to the following rules for additional information:

(a) WAC 458-30-285 Withdrawal from classification.

(b) WAC 458-30-300 Additional tax—Withdrawal or removal from classification.

(c) WAC 458-30-305 Due date of additional tax, interest, and penalty upon withdrawal or removal.

(3) **Definitions.** For purposes of this rule, the definitions in WAC 458-30-200 apply.

(4) **Requirements - Ten years and notice of request for withdrawal.** Except as otherwise provided, land classified under the provisions of chapter 84.34 RCW must remain classified and may not be applied to any other use, except reclassifications as described in RCW 84.34.070(2), for at least ten assessment years from the effective date of classification.

(a) During the eleventh or later assessment year of classification, the owner may file with the assessor a notice of request for withdrawal, unless the assessor has given written notice of removal as provided in RCW 84.34.108 (1)(d)(i) for all or a portion of the land to be removed from classification prior to the owner requesting withdrawal. The request for withdrawal may involve all or part of the land.

(b) Upon receiving the request for withdrawal, the assessor will, within seven working days, transmit one copy of the request to the granting authority that approved the original application for classification.

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.34.141. WSR 18-02-109, § 458-30-280, filed 1/3/18, effective 2/3/18. Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-280, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-280, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-280, filed 11/15/88.]

WAC 458-30-285 Withdrawal from classification. (1)

Introduction. RCW 84.34.070(1) states that once land has been classified under chapter 84.34 RCW, it must remain classified for a minimum of ten years from the date of classification to qualify for owner withdrawal. The land will remain classified until and unless the owner submits to the assessor a notice of request for withdrawal of all or a portion of the land from classification. If land is classified for less than ten years, the owner may request removal under RCW 84.34.108. After a request to withdraw is received, the assessor

is required to make a series of determinations. This rule explains the procedures the assessor must follow upon receipt of a request for withdrawal.

(2) **Other rules to reference.** Readers may want to refer to the following rules for additional information:

(a) WAC 458-30-280 Notice to withdraw from classification.

(b) WAC 458-30-300 Additional tax—Withdrawal or removal from classification.

(c) WAC 458-30-305 Due date of additional tax, interest, and penalty upon withdrawal or removal.

(3) **Definitions.** For purposes of this rule, the definitions in WAC 458-30-200 apply.

(4) **Withdrawal process.** Land classified under chapter 84.34 RCW must be applied to the classified use and remain in its classified status for at least ten assessment years from the date of classification. During the eleventh or later assessment year of classification, the owner may request to have all or a portion of the land withdrawn from the current use program. The owner must submit a written request to withdraw classification to the assessor of the county in which the land is located.

If the assessor gives written notice of removal as provided in RCW 84.34.108 (1)(d)(i) for all or a portion of the land prior to the owner providing the assessor with a request for withdrawal, then additional tax, interest, and penalty will be imposed.

(a) A parcel of land may be withdrawn from classification in whole or in part. RCW 84.34.070(1).

(b) The additional tax and interest imposed by RCW 84.34.108(4) are due when land is withdrawn from classification if the land has been classified under chapter 84.34 RCW for a minimum of ten assessment years.

However, if the removal is a result of one of the circumstances listed in RCW 84.34.108(6), no additional tax, interest, or penalty will be imposed.

(c) Within seven working days of receiving a notice to withdraw classification, the assessor forwards a copy of this notice to the granting authority that approved the initial application for classification.

(d) A request to withdraw classification may be revoked by the owner at any time before the land is actually withdrawn from classification.

(5) **Procedure for partial withdrawal.** RCW 84.34.070 allows an owner to request withdrawal of all or a portion of the land from classification as long as the owner submits a notice of request for withdrawal after the initial ten-year classification period has elapsed. If only a portion of the classified land is to be withdrawn from classification, the remaining land must satisfy the same requirements that all of the land was required to meet when it was originally granted classification unless different criteria are required by statute. For example, if the owner of thirty acres of classified farm and agricultural land wishes to withdraw fifteen acres, the remaining fifteen acres must meet the minimum gross income or investment requirements listed in RCW 84.34.020 (2)(b) or (d) to remain classified even though the thirty acres were not required to meet any minimum gross income or investment requirements under RCW 84.34.020 (2)(a).

(a) The assessor may ask the owner of the land that will remain classified to submit information relevant to its con-

tinuing eligibility under chapter 84.34 RCW. Refer to WAC 458-30-270 for more details on the types of information that may be requested.

(b) If the land is classified farm and agricultural land, the assessor will verify that the remaining land meets the requirements of RCW 84.34.020(2).

(c) If the land is classified as open space land or timber land, the assessor may consult with the granting authority before determining whether the remaining land meets the requirements of RCW 84.34.020 (1) or (3). The granting authority and assessor may ask the owner to submit any data that it considers necessary to assist it in making this determination.

(d) The assessor may segregate the portion of land from which classification is being withdrawn for valuation and taxation purposes.

(e) Within thirty days of withdrawing the land from classification, the assessor must notify the owner in writing that the land has been withdrawn.

(f) When land has been withdrawn from classification, it must be placed on the assessment roll at its true and fair value as of January 1st of the year of withdrawal. The assessment roll lists both the assessed value of the land before and after the withdrawal from classification. Taxes for the current tax year will be prorated to the portion of the year to which each assessed value applies; that is, the current use value and the true and fair value.

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.34.141. WSR 18-02-109, § 458-30-285, filed 1/3/18, effective 2/3/18. Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-285, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW 84.34.141. WSR 01-24-030, § 458-30-285, filed 11/27/01, effective 12/28/01. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-285, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-285, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-285, filed 11/15/88.]

WAC 458-30-295 Removal of classification. (1)

Introduction. This rule discusses the circumstances that may cause land to be removed from classification and the actions an assessor takes to remove the land, in whole or in part, from classification under chapter 84.34 RCW.

(2) **Other rules to reference.** Readers may want to refer to the following rules for additional information:

(a) WAC 458-30-300 Additional tax—Withdrawal or removal from classification.

(b) WAC 458-30-305 Due date of additional tax, interest, and penalty upon withdrawal or removal.

(c) WAC 458-30-325 Transfers between classifications—Application for reclassification.

(3) **Definitions.** For purposes of this rule, the definitions in WAC 458-30-200 apply.

(4) **Examples.** This rule includes examples that identify a set of facts and then state a conclusion. These examples are only a general guide. The tax results of other situations must be determined after a review of all facts and circumstances.

(5) **General requirement - Removal process.** If land classified under chapter 84.34 RCW is applied to a use other than the one for which classification is granted, the owner must notify the assessor of the change in use within sixty

days of the change. If the new use of the land does not qualify for classification under chapter 84.34 RCW, the land must be removed from classification and, in most cases, additional tax, interest, and a penalty are imposed. Land may be totally or partially removed from classification depending on the reason(s) for the removal.

(6) **Circumstances that cause removal of land from classification.** When any of the following actions occur, the assessor must remove all or a portion of the land from classification:

(a) Receipt of a written notice from the owner directing the assessor to remove the land from classification;

(b) Sale or transfer of the land to an owner that makes the land exempt from property taxes, except a transfer resulting from a default in loan payments made to or secured by a governmental agency that intends to or is required by law or regulation to resell the land for the same use as before;

(c) Sale or transfer of classified land to a new owner who is required to pay property tax and who does not sign the notice of classification continuance, except a transfer by a transfer on death deed or a transfer to an owner who is an heir or devisee of a deceased owner. Land may also be removed if a new owner signs the notice of continuance but the assessor determines the land does not qualify to continue in its classified status;

(d) Failure of an owner to respond to a request from the assessor for information regarding the use of the land, productivity of typical crops, and similar information pertinent to continued classification and assessment of the land. RCW 84.34.121;

(e) The granting authority denies an owner's request for reclassification and the land no longer meets the criteria under which it was originally classified;

(f) The assessor determines, based on field inspections, analysis of income and expense data, or any other reasonable evidence, that the land no longer meets the criteria for classification under chapter 84.34 RCW; or

(g) The assessor discovers that the land was classified under chapter 84.34 RCW in error.

(7) Removal examples.

(a) **Example 1.** During an on-site inspection, the assessor discovers that classified farm and agricultural land has been paved over and is used as a parking lot for school buses.

(b) **Example 2.** Based on information released at a public meeting of the county planning commission, the assessor learns that an owner of classified timber land has harvested all timber from the land, the land has been platted, public services such as roads, sewers, and domestic water supply have been made available to the platted land, and houses have been built on the land. This information has led the assessor to conclude that the use of the land no longer meets the criteria for classification as timber land.

(8) **Procedure when an assessor discovers a change in use.** If the assessor determines that the land is not being used for a qualifying use, the assessor must send the owner, by certified mail, return receipt requested, a written notice regarding this determination; e.g., the Notice of Intent to Remove Current Use Classification form.

(a) The owner must respond, in writing, to the assessor's inquiry about the use of the classified land within thirty calendar days of the postmark date of the notice.

(b) If the land in question is classified open space land or timber land, the assessor may ask the granting authority to provide reasonable assistance in determining whether the classified land continues to meet the criteria for classification. The granting authority must provide this assistance within thirty days of receiving the assessor's request for assistance. RCW 84.34.108(1).

(c) Unless the owner demonstrates to the assessor that the classified use of the land has not changed, the assessor will remove the land from classification and impose additional tax, interest, and penalty. RCW 84.34.080 and 84.34.108.

(9) **Procedure for partial removal.** If only a portion of the classified land no longer qualifies for classification under chapter 84.34 RCW, the assessor will remove the nonqualifying portion of the classified land. The remaining land must satisfy the same requirements as when the land was originally granted classification unless different criteria are required by statute because of the reduced size of the land that remains classified.

(a) The assessor may ask the owner of the land that will remain classified to submit information relevant to its continuing eligibility under chapter 84.34 RCW.

(b) If the land is classified as farm and agricultural land, the assessor will verify that the remaining portion meets the requirements of RCW 84.34.020(2).

(c) If the land is classified as open space land or timber land, the assessor may consult with the granting authority before determining whether the remaining portion meets the requirements of RCW 84.34.020 (1) or (3). The granting authority and assessor may ask the owner to submit pertinent data for this determination.

(d) The assessor may segregate the portion of land from which classification is being removed for valuation and taxation purposes.

(10) **Transactions that do not cause land to be removed from classification.** Land cannot be removed from classification solely because of:

(a) The creation, sale, or transfer of forestry riparian easements under RCW 76.13.120; or

(b) The creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040.

(11) **Notice to owner.** Within thirty days of the removal of land from classification, the assessor must notify the owner in writing of the reason(s) for removal; e.g., the Notice of Removal of Current Use Classification and Additional Tax Calculation form. The removal notice must explain the steps an owner needs to follow if he or she wants to appeal the removal decision, including when a notice of appeal must be filed, where an appeal petition may be obtained, and how to contact the county board of equalization.

(12) **Right of appeal.** The seller, transferor, or owner of classified land may appeal the removal from classification to the board of equalization of the county in which the land is located. The appeal must be filed within thirty days (or up to sixty days if such a time limit has been adopted by the county legislative authority) of the postmark date the notice of removal was mailed by the assessor, electronically transmitted by the assessor, the assessor electronically notified the owner or person responsible for payment of taxes that the

notice was available to be accessed by the owner or other person, or on or before July 1st of the year of removal, whichever is later. RCW 84.40.038.

(13) **Assessor's duty after removal.** Unless the removal is reversed on appeal, the assessor revalues the affected land with reference to its true and fair value as of January 1st of the year of removal from classification and places the value on the assessment roll. The assessment roll lists both the assessed value of the land before and after the removal from classification. Taxes for the current tax year are prorated according to the portion of the year to which each assessed value applies.

(14) **Possible segregation after removal.** If only a portion of the land is being removed from classification, the assessor may segregate the affected portion for valuation and tax purposes.

(15) **Additional tax, interest, and penalty are due when land is removed.** The additional tax, interest, and penalty imposed by RCW 84.34.080 and 84.34.108 are due and payable to the treasurer thirty days after the owner is notified of the amount due, unless the removal is the result of one of the exempt circumstances or transactions listed in RCW 84.34.108(6).

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.34.141. WSR 18-02-109, § 458-30-295, filed 1/3/18, effective 2/3/18. Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-295, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW 84.08.070, 84.34.141, 84.36.865, 84.52.0502. WSR 09-19-010, § 458-30-295, filed 9/3/09, effective 10/4/09. Statutory Authority: RCW 84.34.141. WSR 01-24-030, § 458-30-295, filed 11/27/01, effective 12/28/01. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-295, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-295, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-295, filed 11/15/88.]

WAC 458-30-300 Additional tax—Withdrawal or removal from classification. (1) **Introduction.** This rule outlines the withdrawal and removal procedures, events that trigger removal, and how to calculate the additional tax, interest, and penalty that may be imposed because land is withdrawn or removed from classification. When land is withdrawn or removed, additional tax and interest are due. A twenty percent penalty is also due when land is removed from classification. RCW 84.34.108 and 84.34.070.

(2) **Other rules to reference.** Readers may want to refer to the following rules for additional information:

(a) WAC 458-30-295 Removal of classification.

(b) WAC 458-30-305 Due date of additional tax, interest, and penalty upon withdrawal or removal.

(c) WAC 458-30-325 Transfers between classifications—Application for reclassification.

(3) **Definitions.** For purposes of this rule, the definitions in WAC 458-30-200 apply.

(4) **Duties of assessor and treasurer.** After determining the land no longer qualifies for classification under chapter 84.34 RCW, the assessor must provide the owner a written notice regarding this determination and of his or her intent to remove the land from classification; e.g., the Notice of Intent to Remove Current Use Classification form.

(a) The owner must respond, in writing, to the assessor within thirty days of the postmark date of the notice regarding

his or her intention of removing the classified land. Unless sufficient information or evidence is presented as to why the land should not be removed from classified status, the land will be removed from classification.

(b) Within thirty days of removing land from classification, the assessor notifies the owner, in writing, about the reason(s) for the removal; e.g., the Notice of Removal of Current Use Classification and Additional Tax Calculation form. The assessor will compute the amount of additional tax, interest, and penalty, unless the removal is the result of one of the circumstances listed in subsection (7) of this rule. The removal notice must explain the steps the owner needs to follow if he or she wants to appeal the removal decision, including when a notice of appeal must be filed, where an appeal petition may be obtained, and how to contact the county board of equalization.

(c) Unless the removal is reversed on appeal, the assessor revalues the affected land with reference to its true and fair value as of January 1st of the year of removal from classification and places the value on the assessment roll. The assessment roll lists both the assessed value of the land before and after the removal from classification. Taxes for the current tax year will be prorated to the portion of the year to which each assessed value applies; that is, the current use value and the true and fair value.

(d) The assessor computes the amount of additional tax, interest, and penalty, unless the removal is the result of one of the circumstances listed in subsection (7) of this rule.

(e) The assessor notifies the treasurer of the amount of additional tax, interest, and penalty due.

(f) The treasurer mails the owner written notice about the amount of the additional tax, interest, and penalty due and the date on which the total amount must be paid.

(g) The total amount is due and payable to the treasurer thirty days after the owner is notified of the amount due.

(5) Amount of additional tax, interest, and penalty. The amount of additional tax, interest, and penalty will be determined as follows:

(a) The amount of additional tax is equal to the difference between the property tax paid on the land because of its classified status and the property tax that would have been paid on the land based on its true and fair value for the seven tax years preceding the year of withdrawal or removal, and the taxes owed for the balance of the current tax year;

(b) The amount of interest, calculated at the same statutory rate charged on delinquent property taxes specified in RCW 84.56.020, is based upon the amount of additional tax determined under (a) of this subsection, starting from the date the additional tax could have been paid without interest until the date the tax is paid; and

(c) A penalty amounting to twenty percent of the sum of the additional tax and interest. A penalty is not imposed when the land has been classified for at least ten assessment years at the time it is withdrawn from classification and the owner submitted a request to withdraw classification to the assessor.

(d) If additional tax, interest, and penalty are not imposed because the removal meets an exception in subsection (7) of this rule, the assessor still calculates the prorated taxes from the date of removal through December 31st of the year the removal occurred.

(e) When land is withdrawn or removed from classification under chapter 84.34 RCW, the assessor must forward the notice of withdrawal or removal to the county recording authority. The county recording authority must record all notices of withdrawal or removal, and the owner is required to pay all recording fees for the notice.

(6) Failure to sign notice of continuance. Land will be removed from current use classification if a new owner fails to sign the notice of continuance when the classified land is sold or transferred or if the new owner signs the notice of continuance and the assessor determines the land does not continue to qualify in its classification. Additional tax, interest, and penalty will be imposed in accordance with RCW 84.34.108(4) and become due and payable by the seller or transferor at the time of sale or transfer.

A notice of continuance is not required when classified land is transferred by a transfer on death deed or transferred to a new owner who is the heir or devisee of a deceased owner and the new owner wishes to continue classified use. RCW 84.34.108 (1)(c). If the new owner elects not to continue classified use, the land will be removed from classification and additional tax, interest, and penalty are due.

(7) Exceptions. No additional tax, interest, or penalty will be imposed if the withdrawal or removal from classification resulted solely from any of the following:

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

(b) A taking through the exercise of the power of eminent domain or the sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of this power. This entity must have declared its intent to exercise the power of eminent domain in writing or by some other official action;

(c) A natural disaster such as a flood, windstorm, earthquake, wildfire, or other such calamity rather than an act of the landowner changing the use of the property;

(d) Official action by an agency of the state of Washington or by the county or city in which the land is located disallowing the current use of classified land. For the purposes of this rule, "official action" includes: City ordinances, zoning restrictions, Growth Management Act, Shoreline Management Act, and Environmental Policy Act;

(e) Transfer of land to a church when the land would qualify for a property tax exemption under RCW 84.36.020. Only the land that would qualify for exemption under RCW 84.36.020 is included within this exception. Additional tax, interest, and penalty will be assessed upon the remainder of the land removed from classification;

(f) Acquisition of property interests by public agencies or private organizations qualified under RCW 84.34.210 or 64.04.130 for the conservation purposes specified therein. Subsection (8) of this rule provides a listing of these agencies, organizations, and purposes. However, when the land is no longer used for one of the purposes described in RCW 84.34.210 or 64.04.130, additional tax, interest, and penalty will be imposed on the owner of the property at that time;

(g) Removal of land granted classification as farm and agricultural land under RCW 84.34.020 (2)(f) because the principal residence of the farm operator or owner and/or housing for farm and agricultural employees was situated on it. This exception applies only to the land upon which the res-

idence or housing is located even if this portion of the land does not have a separate parcel number for assessment and tax purposes;

(h) Removal of classification after a statutory exemption is enacted that would exempt the land from property tax and the landowner submits a written request to the assessor to remove the land from classification. This exception applies only to newly enacted exemptions that would cause classified land to go from taxable to exempt status. For example, in 1999 the legislature created a new property tax exemption for property used for agricultural research and education programs. If the owner of such land subsequently requests removal of the land from classification, no additional tax, interest or penalty are imposed because of this new property tax exemption authorized by RCW 84.36.570;

(i) The creation, sale, or transfer of forestry riparian easements under RCW 76.13.120;

(j) The creation, sale, or transfer of a conservation easement of private forest lands within unconfined channel migration zones or containing critical habitat for threatened or endangered species under RCW 76.09.040;

(k) The sale or transfer of land within two years of the death of an owner who held at least a fifty percent interest in the land if:

(i) The individual(s) or entity(ies) who received the land from the deceased owner is selling or transferring the land; and

(ii) The land has been continuously assessed and valued as designated forest land under chapter 84.33 RCW or classified under chapter 84.34 RCW since 1993. The date of death shown on the death certificate begins the two-year period for sale or transfer. For example, an owner who holds at least a fifty percent interest in classified farm and agricultural land dies on March 1, 2012. The land was initially classified on January 1, 1989, and is still classified on the date of death of the owner. The heir (new owner) does not want to continue commercially farming the land and sells the land on January 20, 2014. At the time of sale, the buyer does not sign the notice of continuance because they will not be using the land for commercial farming. The assessor will remove the land at the time of sale and the removal would not be subject to additional tax, interest, and penalty;

(l) The assessor discovers that the land was classified under chapter 84.34 RCW in error through no fault of the owner;

(i) For purposes of this subsection, "fault" means a knowingly false or misleading statement, or other act or omission not in good faith, that contributed to the approval of the application for classification or the failure of the assessor to remove the land from classification;

(ii) This exception does not apply if an independent basis for removal exists. Examples of an independent basis for removal include the owner changing the use of the land or failing to meet any applicable income criteria required for classification; or

(m) The result of one of the following changes in classification because of the owner's request for:

(i) Reclassification from farm and agricultural land under RCW 84.34.020(2) to: Timber land under RCW 84.34.020(3), open space land under RCW 84.34.020(1), or forest land under chapter 84.33 RCW;

(ii) Reclassification from timber land under RCW 84.34.020(3) to: Farm and agricultural land under RCW 84.34.020(2), open space land under RCW 84.34.020(1), or forest land under chapter 84.33 RCW;

(iii) Reclassification from open space/farm and agricultural conservation land under RCW 84.34.020 (1)(c) to farm and agricultural land under RCW 84.34.020(2) if the land was previously classified as farm and agricultural land; or

(iv) Reclassification from forest land under chapter 84.33 RCW to timber land under RCW 84.34.020(3), farm and agricultural land under RCW 84.34.020(2), or open space land under RCW 84.34.020(1).

(8) Land acquired by agencies or organizations qualified under RCW 84.34.210 or 64.04.130. If the purpose for acquiring classified land is to protect, preserve, maintain, improve, restore, limit the future use of, or conserve the land for public use or enjoyment and the classified land is acquired by any of the following entities, no additional tax, interest, or penalty will be imposed:

(a) State agency;

(b) Federal agency;

(c) County;

(d) City;

(e) Town;

(f) Metropolitan park district (see RCW 35.61.010);

(g) Metropolitan municipal corporation (see RCW 35.58.020);

(h) Nonprofit historic preservation corporation as defined in RCW 64.04.130;

(i) Nonprofit nature conservancy corporation or association as defined in RCW 84.34.250; or

(j) Federally recognized Indian tribe.

(9) Removal of classification from land that was previously designated forest land under chapter 84.33 RCW. Land that was previously designated as forest land under chapter 84.33 RCW may be reclassified under chapter 84.34 RCW at the owner's request within thirty days after removal of the land from designation. If such land is subsequently removed from classification under chapter 84.34 RCW before it has been classified under chapter 84.34 RCW for at least ten assessment years, a combination of compensating tax imposed under chapter 84.33 RCW and additional tax, interest, and penalty imposed under chapter 84.34 RCW is due. RCW 84.33.145 explains the method in which these taxes are calculated.

(10) Termination of timber land classification. Designation of forest land under RCW 84.33.130(1) as a result of a merger pursuant to RCW 84.34.400 terminating a county's timber land classification is not considered a withdrawal or removal under this chapter and is not subject to additional tax, interest, and penalty.

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.34.141. WSR 18-02-109, § 458-30-300, filed 1/3/18, effective 2/3/18. Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-300, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW 84.08.070, 84.34.141, 84.36.865, 84.52.0502. WSR 09-19-010, § 458-30-300, filed 9/3/09, effective 10/4/09. Statutory Authority: RCW 84.33.140, 84.34.055, 84.34.108, 84.34.141, and 84.08.070. WSR 07-21-097, § 458-30-300, filed 10/18/07, effective 11/18/07. Statutory Authority: RCW 84.34.-141. WSR 01-24-030, § 458-30-300, filed 11/27/01, effective 12/28/01. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-300, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-300,

filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-300, filed 11/15/88.]

WAC 458-30-305 Due date of additional tax, interest, and penalty upon withdrawal or removal. (1) **Introduction.** This rule specifies the date upon which the additional tax, interest, and, if appropriate, penalty are due when land is withdrawn or removed from classification under chapter 84.34 RCW. This rule also explains the consequences of failure to timely pay these charges.

(2) **General rule - Payable within thirty days of removal or withdrawal.** No later than thirty days after the date the treasurer mails or gives the owner written notice that the land will be removed from classification with the amount of additional tax, interest, and penalty due, the total amount owing must be paid, except in the case of a sale or transfer. The notice must list the amount of additional tax, interest, and penalty owed, as well as the date on which the total amount must be paid.

(3) **Exception to general rule - Payable on date of sale or transfer.** If classified land is to be removed because of a sale or transfer, additional tax, interest, and penalty, if owed, must be paid at the time of sale or transfer.

(4) **Failure to timely pay - Delinquency.** Any additional tax, interest, or penalty that is unpaid on its due date is delinquent. Interest is charged on the total amount due at the same rate that is applied by law to delinquent property taxes (see RCW 84.56.020). Interest accrues from the date of the delinquency until the date the total amount is paid in full.

(5) **Additional tax, interest, and penalty constitute a lien.** When land is withdrawn or removed from classification, the amount of additional tax, interest, and penalty becomes a lien on the land that attaches on the date of withdrawal or removal.

(a) This lien has priority to and must be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable.

(b) The lien may be foreclosed at the same time and in the same manner as liens for delinquent real property taxes are foreclosed under RCW 84.64.050.

[Statutory Authority: RCW 84.34.141. WSR 01-24-030, § 458-30-305, filed 11/27/01, effective 12/28/01. Statutory Authority: RCW 84.08.110, 84.08.-070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-305, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-305, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-305, filed 11/15/88.]

WAC 458-30-310 County recording authority—County financial authority—Duties. (1) **Introduction.** This rule explains the conditions under which documents conveying ownership of land classified under chapter 84.34 RCW will be accepted by the county recording authority. It also describes the duties of the treasurer in the withdrawal and removal processes.

(2) **County recording authority - Limited documents may be accepted.** The county recording authority, usually the auditor, will not record any instrument of conveyance involving land classified under chapter 84.34 RCW unless:

(a) Any required additional tax, interest, and penalty has been paid to the treasurer and the treasurer has affixed a stamp on the REET affidavit showing this payment;

(b) The notice of continuance on or attached to the REET affidavit is signed by the new owner or transferee, the assessor agrees that the land should remain classified, and the assessor checks the box on the REET affidavit that the land qualifies for continued classified current use status; or

(c) The land is to be removed from classification because of one of the exceptions listed in RCW 84.34.108(6) and is exempt from additional tax, interest, and penalty.

(3) **Treasurer's duties.** The treasurer has a number of responsibilities relative to land classified under chapter 84.34 RCW and to land that is to be withdrawn or removed from classification.

(a) **Withdrawal.** Upon receipt of a request for withdrawal from classification, the assessor prepares a statement listing the amount of additional tax and interest due as a result of the withdrawal, the date on which this sum must be paid, and the effective date of the withdrawal. The assessor sends a copy of this statement to the treasurer's office. The treasurer's office collects the total amount of additional tax and interest listed on the date specified.

(b) **Removal.** As soon as possible after determining that land must be removed from classification, the assessor prepares a notice of removal of classification and statement containing additional tax, interest, and penalty calculations. This notice and statement lists the reason(s) for removing the land from classification and the assessor's calculations of the total amount of additional tax, interest, and penalty due. The assessor sends or gives a copy of this notice and statement to the treasurer's office and to the taxpayer. The treasurer's office collects the total amount due on the date specified.

(c) **Collection and distribution.** The additional tax, interest, and, if any, penalty imposed under RCW 84.34.080 or 84.34.108 must be paid in full to the treasurer's office thirty days after the date the statement was mailed to the owner. When classified land is sold or transferred and real estate excise tax must be paid, the treasurer will affix a stamp on the REET affidavit as proof that the REET and additional tax, interest, and if any, penalty have been paid so the conveyance may be recorded. The additional tax collected is distributed to taxing districts in the same manner as current taxes applicable to the land are distributed. The treasurer distributes the interest and penalty collected to the county's current expense fund.

(d) The treasurer treats any additional tax, interest, and penalty not paid on the due date as delinquent property taxes.

[Statutory Authority: RCW 84.34.141. WSR 01-24-030, § 458-30-310, filed 11/27/01, effective 12/28/01. Statutory Authority: RCW 84.08.110, 84.08.-070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-310, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-310, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-310, filed 11/15/88.]

WAC 458-30-317 Principal residence of farm operator or housing for farm and agricultural employees. (1) **Introduction.** Under RCW 84.34.020 (2)(d) the land on which the principal residence of the farm operator or owner of farm and agricultural land is situated and the housing for

farm and agricultural employees is situated may be classified as farm and agricultural land.

This section explains the criteria that must be met to include this type of residence or employee housing within the farm and agricultural land classification and the procedure used to value a classified residence or housing.

(2) **Definitions.** For purposes of this section, the following definitions apply:

(a) "Farm employee or farm and agricultural employee" means an individual who is employed on farm and agricultural land on a full-time basis or a seasonal or migratory worker who works on farm and agricultural land only during the planting, growing, and/or harvesting seasons.

(i) For purposes of this section, "full-time basis" refers to an individual who is employed at least twenty-five hours per week on farm and agricultural land.

(ii) The term does not include a person who is employed full time by a business activity that is not conducted on classified farm and agricultural land and who only works occasional weekends or during the harvest season on classified farm and agricultural land.

For example, housing occupied by a person who works full time at a foundry and who works on a farm only two weeks per year helping with the wheat harvest should not be granted classification.

(b) "Integral" means that which is central to or inherent in the use or operation of classified farm and agricultural land for commercial agricultural purposes. For purposes of this section, the residence of the farm operator or owner and/or housing for farm employees must be the place(s) from which the farmer conducts his commercial agricultural business.

(c) "True and fair value" means the value of a parcel of land placed on the assessment rolls at its highest and best use without regard to its current use value. The term also refers to market value; that is, the amount of money a buyer willing but not obligated to buy would pay to a seller willing but not obligated to sell for the real property.

(3) **Requirements for classification.** The land on which the principal residence of a farm operator or the owner of land is situated and the housing for farm or agricultural employees is situated may be classified as farm and agricultural land if it meets the following conditions:

(a) The land on which the residence or housing stands is twenty or more acres or multiple parcels that are contiguous and total twenty or more acres; and

(i) Primarily used to produce livestock or agricultural products for commercial purposes; or

(ii) Enrolled in the federal Conservation Reserve Program or its successor administered by the United States Department of Agriculture; and

(b) The use of the residence or housing is integral to the use of the classified land for commercial agricultural purposes.

(4) **Examples.**

(a) On a parcel of land twenty acres or more, there are two dwellings: One is the principal residence of the farm operator or owner of classified farm and agricultural land and the second is inhabited by the owner's son who is employed full time at a foundry in town and works on the farm only during harvest time. The land on which the principal residence is situated may be classified as farm and agricultural

land if the use of the dwelling is integral to the use of the classified land. The land on which the second home is situated may not be included within the farm and agricultural land classification because it is not inhabited by a farm employee as defined in subsection (2) of this section.

(b) On a parcel of land twenty acres or more, there are two dwellings: One is the principal residence of the farm operator or owner of farm and agricultural land and the second is inhabited by seasonal farm workers who work on the farm only during harvest time. The land on which both dwellings are situated may be classified as farm and agricultural land if the use of the dwellings are integral to the use of the classified land.

(c) On a parcel of classified land that is twenty acres, there is one dwelling. This dwelling is occupied by the owner of the classified land but the owner does not run the farm. The farm is leased to a cooperative that conducts the commercial agricultural activities of the farm from central administrative headquarters that are not located on the classified land. The land on which this dwelling stands may not be classified as farm and agricultural land because the use of the dwelling is not integral to the commercial agricultural purposes of the farm.

(5) **Valuation.**

(a) The land. The land on which the principal residence of a farm operator or owner of farm and agricultural land or the housing for farm and agricultural employees is situated shall be valued in the following manner:

(i) The prior's year average value of classified farm and agricultural land in the county; plus

(ii) The value of land improvements used to serve the residence or housing, such as sewer, water, and power.

(iii) If the use of the residence or housing for employees is not integral to the farming operation, the land on which the residence or housing stands shall be valued at its true and fair value in accordance with WAC 458-12-301.

(b) The principal residence or housing for employees. The building(s) used by the farm operator or owner as his or her principal residence and building(s) used to provide shelter to farm and agricultural employees shall be valued at its true and fair value in accordance with WAC 458-12-301.

(c) Excluded structures. The land on which storeyards, barns, machine sheds, and similar type structures are located shall not be considered as part of the principal residence of the farm operator or owner nor housing for farm and agricultural employees. However, the land upon which these structures stand may be classified as farm and agricultural land generally.

(6) **Withdrawal or removal.** Additional tax, interest, and penalty, if owed, are not imposed if farm and agricultural land classified under RCW 84.34.020 (2)(d) is withdrawn or removed from classification.

(7) **Effect of 1992 legislation on county revaluation cycle.** Land on which the farm owner's or operator's residence is located and land on which the housing for farm and agricultural employees is located shall be revalued in accordance with the 1992 legislative changes, described in subsection (5) of this section, only in the assessment year when the land is being revalued in accordance with the county's revaluation cycle.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-317, filed 10/4/95, effective 11/4/95.]

WAC 458-30-320 Assessment and tax rolls. (1) Introduction. This section explains the manner in which land classified under chapter 84.34 RCW is to be listed on the assessment and tax rolls.

(2) **Listing of current use land.** When land has been classified under chapter 84.34 RCW, the assessor shall annually enter on the assessment and tax rolls, the current use value and the true and fair value of that land. The assessor shall provide notice of these values to the county financial authority who shall list these values in the place and manner provided for public recording of tax liens on real property.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-320, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-320, filed 11/15/88.]

WAC 458-30-325 Transfers between classifications —Application for reclassification. (1) Introduction. This rule discusses the process used when land is reclassified into a different classification under chapter 84.34 or 84.33 RCW.

(2) **General information - When reclassification is required.** The following circumstances may cause an owner of classified land to seek reclassification:

(a) The classified land is no longer being used for the purpose for which it was granted classification;

(b) The owner of classified land has decided to change the use of classified land;

(c) The classified land no longer meets the requirements of the classification under which it was originally classified. For example, farm and agricultural land that no longer produces the minimum gross income or investment requirements in RCW 84.34.020 (2)(b), (c), or (d) must either be reclassified or removed from classification; or

(d) A new owner who received classified land from a deceased owner and the land does not meet the requirements of the classification under which the land is currently classified.

(3) **Reclassification process if land is subject to removal.** Within thirty days of receiving notice from the assessor that land was removed from classification; e.g., Notice of Removal of Current Use Classification and Additional Tax Calculations form, the owner must submit an application for reclassification into another classification under chapter 84.34 or 84.33 RCW if the owner elects to have the land remain classified. The removal notice must include a statement informing the owner of the classified land about the reclassification option. If an application for reclassification is submitted within thirty days, the land is not considered removed from classification until the application for reclassification is approved or denied.

(4) **Reclassification process if an owner seeks change of classification.** An owner of classified land may seek to have the land reclassified under a different classification under chapter 84.34 RCW or may seek designation as forest land under chapter 84.33 RCW.

(a) If an owner elects to have land reclassified, the owner must submit an application for reclassification to the assessor of the county in which the land is located. This application

form will be prepared by the department and supplied to assessors.

(b) Within seven days of receiving the application for reclassification, the assessor must forward a copy to the appropriate granting authority. The assessor retains a copy of all applications for reclassification.

(c) When an application for reclassification is submitted, the classified status of the land is not changed until the application is approved.

(5) **Application procedure.** An application for reclassification is processed in the same manner as an initial application for classification, which may include payment of an application fee if the county requires one. All classification requirements of RCW 84.34.035 for farm and agricultural land, RCW 84.34.037 for open space land, RCW 84.34.041 for timber land, and chapter 84.33 RCW for forest land must be satisfied in order to reclassify land. For example, if an owner of classified farm and agricultural land under RCW 84.34.020 (2)(a) submits a reclassification application into the timber land classification under RCW 84.34.020(3), some of the classified farm and agricultural land may not qualify for reclassification into the timber land classification because the timber land classification only allows up to ten percent of the land for compatible incidental uses and does not allow integral residential homesites to qualify.

(a) The granting authority must process an application for reclassification in the same manner as it processes an initial application for classification under chapter 84.34 RCW or for designation as forest land under chapter 84.33 RCW.

(b) A timber management plan must be filed with the county legislative authority within sixty days of the date the application for reclassification under RCW 84.34.020(3) is received. The application for reclassification will be accepted, but may not be processed until this plan is received.

(i) If this plan is not received within sixty days of the date the application for reclassification is received, the application will be denied.

(ii) If circumstances require it, the assessor may allow an extension of time for submitting a timber management plan when an application for reclassification is received. The applicant will be notified of this extension in writing. When the assessor extends the filing deadline for this plan, the granting authority should delay processing the application until the plan is received. If the timber management plan is not received by the date set by the assessor, the application for reclassification will be automatically denied.

(c) An application for reclassification may be approved or denied, in whole or in part.

(i) The granting authority must notify the applicant in writing of the extent to which the application for reclassification is approved or denied.

(ii) The applicant has the same appeal rights in relation to a denial of an application for reclassification as the applicant has in regard to an initial application for classification.

(iii) If land is subject to removal and the application for reclassification is denied, the assessor removes the land from classification and calculates additional tax, interest, and penalty in accordance with RCW 84.34.108.

(6) **Reclassifications exempt from additional tax, interest, and penalty.** No additional tax, interest, and pen-

alty are due when reclassification is a result of any of the following transfers between classifications:

(a) Reclassification from farm and agricultural land under RCW 84.34.020(2) to: Timber land under RCW 84.34.020(3), open space land under RCW 84.34.020(1), or forest land under chapter 84.33 RCW;

(b) Reclassification from timber land under RCW 84.34.020(3) to: Farm and agricultural land under RCW 84.34.020(2), open space land under RCW 84.34.020(1), or forest land under chapter 84.33 RCW;

(c) Reclassification from open space/farm and agricultural conservation land under RCW 84.34.020 (1)(c) to farm and agricultural land under RCW 84.34.020(2) if the land was previously classified as farm and agricultural land;

(d) Reclassification from forest land under chapter 84.33 RCW to open space land under RCW 84.34.020(1), farm and agricultural land under RCW 84.34.020(2), or timber land under RCW 84.34.020(3); or

(e) If a county merges its timber land classification into its designated forest land program pursuant to RCW 84.34.400, a reclassification application as described in subsection (5) of this rule will not be required.

(7) **Gross income requirements of land to be reclassified.** The minimum gross income requirements relating to the following reclassifications may be deferred for a period of up to five years from the effective date of reclassification when:

(a) Land classified as open space/farm and agricultural conservation land under RCW 84.34.020 (1)(c) or timber land under RCW 84.34.020(3) is reclassified as farm and agricultural land under RCW 84.34.020 (2)(b) or (c); or

(b) Land designated as forest land under chapter 84.33 RCW is reclassified as farm and agricultural land under RCW 84.34.020 (2)(b) or (c).

(8) **Valuation of reclassified land.** If approved, the assessed value of reclassified land will be based on the new classification as of January 1 of the assessment year following the year of application. For example, if an application for reclassification from farm and agricultural land to open space/farm and agricultural conservation land is submitted on February 15, 2014, and approved on July 15, 2014, the land will be valued and assessed as open space/farm and agricultural conservation land on January 1, 2015, and the owner is required to pay taxes on this new assessed value in 2016.

[Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-325, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW 84.34.141, 84.34.020, and 84.34.030. WSR 02-20-041, § 458-30-325, filed 9/24/02, effective 10/25/02. Statutory Authority: RCW 84.34.141. WSR 01-24-030, § 458-30-325, filed 11/27/01, effective 12/28/01. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-325, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-325, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-325, filed 11/15/88.]

WAC 458-30-330 Open space plan and public benefit rating system—Authorization and procedure to establish—Adoption—Notice to owner—Valuation. (1) **Introduction.** RCW 84.34.055 enables a county legislative authority to establish an open space plan, public benefit rating system, and valuation schedule for land classified as open space. This section explains the factors that must be considered when

such a plan and rating system are established, includes a non-exclusive list of recognized sources used in determining open space priorities, and outlines the actions required after and effects of the approval of an open space plan and public benefit rating system.

(2) **General authorization.** The county legislative authority may direct the county planning commission to set open space priorities and to adopt, following a public hearing, an open space plan and a public benefit rating system (rating system) for the county. As used in this section, "planning commission" means the county office, commission, or department that is responsible for making planning decisions at the county level. The open space plan must include, but is not limited to, the following:

(a) Criteria to determine the eligibility of land;

(b) A process to establish a rating system; and

(c) An assessed valuation schedule developed by the assessor. This schedule is a percentage reduction of true and fair value based on the rating system.

(3) **A public hearing is required.** At least one public hearing must be held before an open space plan, a public benefit rating system, or an assessed valuation schedule may be approved by the county legislative authority.

(4) **What criteria are used to determine eligibility?** Within the rating system the county legislative authority must include the criteria and elements contained in RCW 84.34.-020 (1)(a). This authority, which approves or denies applications for the classification and reclassification of land as open space, must consider the criteria when it makes its determination.

(a) The rating system must provide a method to rank or rate classified open space land.

(b) The legislative authority must give priority consideration to lands used for buffers planted with or primarily containing native vegetation no later than July 1, 2006, unless buffers of this nature already receive priority consideration in an existing open space plan, rating system, and assessed valuation schedule.

(c) "Priority consideration" as used in this section, may include, but is not limited to, establishing classification eligibility, maintenance criteria, or a rating system for buffers with native vegetation.

(5) **How is an open space plan and rating system developed?** The county planning commission must take all reasonable steps to determine open space priorities or use recognized sources for this purpose, or both.

(a) Recognized sources of open space priorities include, but are not limited to:

(i) The natural heritage database;

(ii) The state office of historic preservation;

(iii) The recreation and conservation office inventory of dry accretion beach and shoreline features;

(iv) The state, national, county, and/or state registers of historic places;

(v) The shoreline master program; or

(vi) Studies conducted by the parks and recreation commission and by the departments of fisheries, natural resources, and wildlife.

(b) Particular features and sites may be verified by an outside expert in the field and approved by the appropriate state or local agency. This verification is to be sent to the

county legislative authority for final approval for inclusion in the open space plan.

(6) How is an owner of classified open space land notified about the adoption of an open space plan, rating system, and valuation schedule? Can an owner choose not to participate and request removal from the current use program? Once the county legislative authority adopts an open space plan, rating system, and assessed valuation schedule, the planning commission or other designated agent of the legislative authority must assign a recommended number of priority rating points to all land classified as open space using the adopted rating system. The planning commission or agent will forward this recommendation to the county legislative authority for approval. After the number of priority rating points are assigned and approved, this information will be sent to the assessor. The assessor will determine the new assessed value of the classified open space land based on the number of priority rating points assigned and the adopted assessed valuation schedule. Thereafter, the assessor must notify all owners of such land of the new assessed value of their land in the manner provided in RCW 84.40.045.

(a) Within thirty days of receipt of this notice of the new assessed value, the owner may request that the parcel(s) of land be removed from the open space classification without payment of additional tax, interest, or penalty.

(b) If previously classified open space land does not qualify for classification under the newly adopted open space plan and rating system, the assessor is not to remove the land from the open space classification. This land will retain its status as classified open space land. The assessor will determine the value of this land using the new priority rating system and valuation schedule.

(7) How does a rating system affect assessed value of classified open space land? The assessed value of properties classified as open space is determined by a formula using a priority rating system typically consisting of "points." A county generally establishes a list of priority resources based on the definition of open space in RCW 84.34.020(1); these are also known as "open space priorities." Each priority resource is assigned a specific point or number of points. The more priority points the land is entitled to, the larger the reduction in true and fair value.

(a) A parcel of classified open space land may contain a number of priority resources. In such cases, the open space plan and rating system may allow the parcel to receive multiple priority points based on the number of priority resources. This would entitle the parcel to a larger reduction in assessed value.

(b) The priority rating system takes into consideration established priority resources, public access, and/or conservation or historic easements.

(c) **Example.** Let's assume a wetland was designated as a priority resource in the adopted open space plan. A wetland entitles the land to receive three priority points. Each point may represent a ten percent reduction in assessed value (one point equals a ten percent reduction, two points equals a twenty percent reduction, and so on). A parcel with a priority rating of three points would be entitled to a thirty percent reduction in assessed value.

[Statutory Authority: RCW 84.33.140, 84.34.055, 84.34.108, 84.34.141, and 84.08.070. WSR 07-21-097, § 458-30-330, filed 10/18/07, effective

11/18/07. Statutory Authority: RCW 84.34.141. WSR 06-18-011, § 458-30-330, filed 8/24/06, effective 9/24/06. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-330, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-330, filed 11/15/88.]

WAC 458-30-345 Advisory committee. (1) Introduction. This section explains how the advisory committee mandated by RCW 84.34.145 is formed, the type of advice this committee may give the assessor, and the consequences of not forming this committee.

(2) Formation. The county legislative authority shall appoint a five-member advisory committee representing the active farming community to advise the assessor in implementing assessment guidelines as established by the department for open space, farm and agricultural, and timber land classified under the provisions of chapter 84.34 RCW, unless the county legislative authority finds insufficient interest by the farming community in the formation of such a committee.

(a) The committee shall elect officers and adopt operating procedures.

(b) All meetings and records shall be open to the public according to chapters 42.30 and 42.17 RCW.

(c) Upon appointment, each member of the advisory committee shall serve a one-year term.

(d) Members may be removed from the advisory committee by majority vote of the county legislative authority.

(3) Type of advice. The advisory committee shall not give advice regarding the valuation or assessment of specific parcels of land. However, it may supply the assessor with advice on typical crops, land quality, and net cash rental assessments to assist the assessor in determining appropriate values.

(4) Failure to appoint advisory committee. Failure of the county legislative authority to appoint an advisory committee shall not invalidate the listing of property on the assessment or the tax rolls.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-345, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-345, filed 12/5/90, effective 1/5/91. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-345, filed 11/15/88.]

WAC 458-30-355 Agreement may be abrogated by legislature. (1) Introduction. This section explains that the agreement to tax according to current use is a noncontractual agreement that may be annulled or cancelled at any time by the legislature.

(2) No contractual obligation. The agreement to tax land according to its current use is not a contract between the owner and any other party. This agreement can be abrogated, annulled, or cancelled at any time by the legislature in which event no additional tax, interest, and/or penalty shall be imposed. In other words, if the changes made to the Open Space Taxation Act or chapter 84.34 RCW by the legislature cause classified land to be removed from classification, the owner of the land shall not be required to pay the additional tax, interest, or penalty that is generally imposed when land is removed from classification.

(a) Example 1. The legislature eliminates the timber land classification from chapter 84.34 RCW. All land classified as

timber land shall be removed from classification and no additional tax, interest, or penalty will be imposed because the legislature caused the removal of the land when it eliminated the timber land classification from the Open Space Taxation Act.

(b) Example 2. The legislature amends RCW 84.34.020 (2) so that only parcels of twenty acres or more may be granted classified status as farm and agricultural land. All parcels of classified farm and agricultural land that are less than twenty acres in size may be removed from classification and no owner of such land may be required to pay any additional tax, interest, or penalty because the legislature's action caused the removal of the land.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-355, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-355, filed 11/15/88.]

WAC 458-30-500 Definitions of terms used in WAC 458-30-500 through 458-30-590. (1) **Introduction.** This rule sets forth the definitions to be used in administering and understanding the statutes and rules relating to special benefit assessments on classified farm and agricultural and timber land.

(2) **Definitions.** For the purposes of WAC 458-30-500 through 458-30-590, unless otherwise required by the context, the following definitions apply:

(a) "Average rate of inflation" means the annual rate of inflation adopted each year by the department of revenue in accordance with WAC 458-30-590 averaged over the period of time provided in WAC 458-30-550.

(b) "Connection charge" or "charge for connection" means the charge required to be paid to the district for connection to the service as opposed to the assessment based upon the benefits derived.

(c) "District" means any local improvement district, utility local improvement district, local utility district, road improvement district, or any similar unit created by a local government for the purpose of levying special benefit assessments against property specially benefited by improvements relating to the districts.

(d) "Final assessment roll" means a final special benefit assessment roll approved or confirmed by a local government for the purpose of levying special benefit assessments against property specially benefited by a sanitary and/or storm sewerage system, domestic water supply and/or distribution system, or road construction and/or improvement.

(e) "Local government" means any city, town, county, water-sewer district, public utility district, port district, flood control district, or any other municipal corporation, quasi-municipal corporation, or other political subdivision authorized to levy special benefit assessments for sanitary and/or storm sewerage systems, domestic water supply and/or distribution systems, or road construction and/or improvement purposes. "Local government" does not include an irrigation district with respect to any local improvement district created or local improvement assessment levied by that irrigation district.

(f) "Special benefits assessments" means special assessments levied or capable of being levied in any local improvement district or otherwise levied or capable of being levied by

a local government to pay for all or part of the costs of a local improvement and that may be levied only for the special benefits to be realized by property because of the local improvement.

[Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-500, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW 84.34.141, 84.34.020, and 84.34.030. WSR 02-20-041, § 458-30-500, filed 9/24/02, effective 10/25/02. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-500, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.34.360. WSR 87-07-009 (Order PT 87-3), § 458-30-500, filed 3/10/87.]

WAC 458-30-510 Creation of district—Protest—Adoption of final assessment roll. (1) **Introduction.** RCW 84.34.320 requires local government officials to take certain steps upon "creation" of a district and upon adoption or confirmation of a final assessment roll. This section defines when a district shall be deemed to have been "created" and when a final assessment shall be deemed "adopted" or "confirmed."

(2) **Exemption from special benefit assessments.** Any farm and agricultural or timber land classified in accordance with the provisions of chapter 84.34 RCW shall be exempt from special benefit assessments or charges in lieu of assessment for such purposes as long as the classified land remains in classification if the legislative authority of a local government adopts a resolution, ordinance, or legislative act:

(a) To create a local improvement district in which the classified land is included or would have been included but for the classification designation; or

(b) To approve or confirm a final specific benefit assessment roll that would have included the classified land but for the classification designation relating to a:

(i) Sanitary and/or storm sewerage system;

(ii) Domestic water supply and/or distribution system; or

(iii) Road construction and/or improvement.

(3) **When a district is deemed to be created.**

(a) For districts outside of cities, a district shall be considered created upon its actual adoption at the required public hearing.

(b) For districts within cities, creation shall occur thirty days after passage of the ordinance ordering the improvement, thereby allowing the protest period set forth in RCW 35.43.180.

(4) **Protest the formation of a district.**

(a) For districts within cities, a protest may be filed with the city or town council within thirty days of the date the ordinance ordering the improvement is passed. Creation of a district can be prevented by the property owners within the district whose combined payments for said improvement(s) are equal to, or in excess of, sixty percent of the cost of the improvement.

(b) For all other districts, their creation can be prevented by the property owners within those districts whose combined property ownership is equal to, or greater than, forty percent of the area to be included in the district.

(5) **Final assessment roll.** For those districts that have an annual assessment roll hearing on capital assessments, the final assessment roll will be considered as "adopted" upon confirmation of the roll at the hearing in the first year.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-510, filed 10/4/95, effective 11/4/95. Statutory

Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-510, filed 11/15/88. Statutory Authority: RCW 84.34.360. WSR 87-07-009 (Order PT 87-3), § 458-30-510, filed 3/10/87.]

WAC 458-30-520 Notification of district—Certification by assessor—Estimate by district. (1) **Introduction.** This rule explains the procedures that follow the creation of a district.

(2) **Notice to assessor and legislative authority.** Upon creation of a district, the local government must immediately notify the assessor and legislative authority of the county where the district is located of its creation.

(3) **Assessor duties.** Upon receipt of notification that a district has been created, the assessor must certify in writing to the district whether or not classified farm and agricultural or timber land is within its boundaries.

(a) If there is any classified farm and agricultural or timber land within the district boundaries, the assessor must certify what land is within its boundaries by providing parcel numbers and legal descriptions of the property.

(b) If any owner of land within the created district has timely filed, as of December 31st, an application for classification or reclassification as farm and agricultural or timber land and no action has been taken, the assessor will report the status of the pending application(s) to the district. The assessor must:

(i) Take immediate action to render a decision for the approval or denial of any farm and agricultural land application and encourage the appropriate granting authority to render a decision for the approval or denial of any pending timber land application;

(ii) Inform the district that any decision regarding classification or reclassification as farm and agricultural land is appealable under RCW 84.34.035 and any decision regarding classification or reclassification as timber land is appealable under RCW 84.34.041; and

(iii) If approved, the assessment of farm and agricultural land and timber land in its classified status will be effective as of January 1st of the year following application.

(4) **District duties.** The district, upon receipt of the assessor's certification required by subsection (3) of this rule, must notify the assessor and the legislative authority of the extent to which classified lands may be subject to a partial assessment for connection to the service provided by the improvement(s). The estimate will be determined by WAC 458-30-560.

(5) **If land is removed or withdrawn from classification.** The assessor must notify the district when any farm and agricultural land or timber land is removed or withdrawn from classification. Designation as forest land under RCW 84.33.130(1) as a result of a merger pursuant to RCW 84.34.-400 terminating the timber land classification is not considered a removal or withdrawal of timber land under this rule.

[Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-520, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-520, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-520, filed 11/15/88. Statutory Authority: RCW 84.34.360. WSR 87-07-009 (Order PT 87-3), § 458-30-520, filed 3/10/87.]

WAC 458-30-525 Notification of final assessment roll. (1) **Introduction.** This section explains the procedures outlined in RCW 84.34.320 that follow the adoption or confirmation of a final special benefit assessment roll.

(2) **Notice to assessor, legislative authority, and treasurer required.** When a local government approves or confirms a final assessment roll, it shall file a notice of this action with the assessor, legislative authority, and treasurer of the county in which classified farm and agricultural or timber land is located. This notice shall describe:

(a) The action taken;
(b) The type of improvement involved;
(c) The land exempted from special benefit assessments;
and

(d) The amount of special benefit assessments that would be levied against the land if the land was not exempt.

(3) **Effect of notice.** If local government has filed a notice signifying the adoption of a final assessment roll with the assessor and treasurer of the county in which land exempt from special benefits is located, the notice shall serve as constructive notice to a purchaser or encumbrancer of the affected land and to any person who subsequently executes or records a conveyance or encumbrance that the land is subject to special benefits assessment when the farm and agricultural or timber land is removed or withdrawn from its current use classification.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-525, filed 10/4/95, effective 11/4/95.]

WAC 458-30-530 Notification of owner regarding creation of district. (1) **Introduction.** This section explains the assessor's duty to notify an owner of classified farm and agricultural or timber land when a local improvement district is created.

(2) **Assessor to notify owner.** The assessor, upon receiving notice that a district was created, shall notify the owner of the farm and agricultural or timber lands as shown on the current assessment rolls of this fact. This notification shall be made on forms approved by the department of revenue and shall contain the following:

(a) Notice of the creation of the local improvement district;

(b) Notice of the exemption of classified farm and agricultural or timber land from special benefit assessments;

(c) Notice that the farm and agricultural or timber land will become subject to the special benefit assessments if the owner waives the exemption by filing a notarized document with the governing body of the local government creating the district before the final special benefit assessment roll is confirmed;

(d) Notice of potential liability if the exemption is not waived and the land is subsequently withdrawn or removed from the farm and agricultural or timber land classification;

(e) The portion of the land measured as the benefited "residence" as provided in WAC 458-30-560 will be assessed for benefits received;

(f) That connection to the system shall result in a connection charge; and

(g) That connection to the system subsequent to the creation of the district and the initial final assessment will result

in being liable for the amounts as calculated in WAC 458-30-570.

(3) **Owner's right to appeal.** The property owner shall have the same right of appeal that is guaranteed to any other property owner within the district.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-530, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-530, filed 11/15/88. Statutory Authority: RCW 84.34.360. WSR 87-07-009 (Order PT 87-3), § 458-30-530, filed 3/10/87.]

WAC 458-30-540 Waiver of exemption. (1) **Introduction.** This section explains the owner's right to waive the exemption relating to special benefit assessments as set forth in RCW 84.34.320.

(2) **Owner may waive exemption.** The owner of land exempted from special benefit assessments may waive this exemption by filing a notarized statement to that effect with the legislative authority of the local government creating the district after receiving notice from local government concerning the assessment roll hearing. This statement must be filed before the local government confirms the final special benefit assessment roll.

(3) **Copy of waiver to assessor.** A copy of this waiver shall be filed by the local government with the assessor and the county legislative authority, but the failure to file this document shall not affect the waiver.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-540, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-540, filed 11/15/88. Statutory Authority: RCW 84.34.360. WSR 87-07-009 (Order PT 87-3), § 458-30-540, filed 3/10/87.]

WAC 458-30-550 Exemption—Removal or withdrawal. (1) **Introduction.** This rule explains the process that must be followed when classified land subject to a special benefit assessment is withdrawn or removed from the farm and agricultural or timber land classifications.

(2) **General treatment of land.** After the creation of a district or the adoption and confirmation of a final assessment roll, an owner of classified farm and agricultural land or timber land who wants the land to be exempt from a special benefit assessment is not required to take any further action. The land will retain its classified status and will not be connected to the improvement(s) or be listed on the final assessment roll.

(3) **Subsequent withdrawal or removal.** If the owner initially chose for the farm and agricultural land or timber land to remain exempt, and the land is subsequently removed or withdrawn from classification, the owner will be liable for paying the special benefit assessment in the following manner:

(a) If the bonds used to fund the improvement have not been completely retired when the land is withdrawn or removed from classification, the liability will be:

(i) The amount of the special benefit assessment listed in the notice provided for in RCW 84.34.320; and

(ii) Interest on that amount, compounded annually at a rate equal to the average rate of inflation from the time the initial notice is filed by the governmental entity creating the

district to the time the land is withdrawn or removed from exempt status.

(b) If the bonds used to fund the improvement in the district have been completely retired when the land is withdrawn or removed from classification, immediate payment will be due for:

(i) The amount of the special benefit assessment listed in the notice provided for in RCW 84.34.320;

(ii) Interest on that amount compounded annually at a rate equal to the average rate of inflation from the time the initial notice is filed to the time the bonds used to fund the improvement were retired; and

(iii) Interest on the total amount of (i) and (ii) at a simple per annum rate equal to the average rate of inflation from the time the bonds used to fund the improvement were retired to the time the land is withdrawn or removed from exempt status.

(4) **Withdrawal or removal of land with partial assessment.** If land is withdrawn or removed from classification and a partial special benefit assessment has been paid because the classified land was connected to a domestic water system, sewerage facility, or road improvement, the amount of partial assessment paid will be credited against the total amount due for the special benefit assessment.

(5) **Due date of special benefit assessment upon withdrawal or removal.** When land is to be withdrawn or removed from the farm and agricultural land or timber land classification and an amount for a special benefit assessment is due, this amount will be due on the date the land is withdrawn or removed from its classification. This amount will be a lien on the land prior and superior to any other lien whatsoever except for general taxes and will be enforceable in the same manner as special benefit assessments are collected by local governments.

Designation as forest land under RCW 84.33.130(1) as a result of a merger pursuant to RCW 84.34.400 that terminates the timber land classification is not considered a removal or withdrawal of timber land under this rule.

(6) **Notice of withdrawal or removal to local government and land owner.** When farm and agricultural land or timber land is withdrawn or removed from classification, the assessor of the county in which the land is located must send a written notice of the withdrawal or removal to the local government, or its successor, that filed the original notice regarding creation of a district with the assessor. After receiving this notice, the local government must mail a written statement to the owner indicating the amount of the special benefit assessment due because the farm and agricultural land or timber land was withdrawn or removed from classification. This amount is delinquent if not paid within one hundred eighty days of the date the statement is mailed and is subject to the same interest, penalties, lien, priority, and enforcement procedures that are applicable to delinquent assessments on the final assessment roll from which the land was exempted, except the rate of interest charged must not exceed the rate provided in RCW 84.34.330.

(7) **Partial withdrawal or removal of land exempt from special benefit assessments.** If a portion of classified farm and agricultural land or timber land exempted from a special benefit assessment is withdrawn or removed from classification, the previously exempt special benefit assess-

ment will be due only on the portion of the land being withdrawn or removed.

[Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-550, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-550, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-550, filed 11/15/88. Statutory Authority: RCW 84.34.360. WSR 87-07-009 (Order PT 87-3), § 458-30-550, filed 3/10/87.]

WAC 458-30-560 Partial special benefit assessment—Computation. (1) **Introduction.** When classified farm and agricultural or timber land is connected to a domestic water system, sewerage facilities, or road improvements, a partial special benefit assessment will be made. This section explains the manner in which this partial assessment is calculated.

(2) **General obligation.** A portion of the exempt classified farm and agricultural land shall be subject to special benefit assessment if it is actually connected to the domestic water system or sewerage facilities, or for access to a road improvement.

(3) **Amount of partial assessment.** The amount of special benefit assessment shall be calculated by the method used in the district to assess nonexempt property. If a district uses more than one method to calculate the assessment, it shall use the one that results in the least cost to the property owner, regardless of the owner's property holdings and/or exempt status. The district shall provide the owner of the property with a written estimate of the partial assessment as determined from the following methods:

(a) For assessments relating to sanitary and/or storm sewerage service or domestic water service one of the following methods shall be used:

(i) **Square foot method:** If the special benefit assessment is determined on a square footage basis, the assessable portion of the exempt land shall be determined as follows:

(A) Calculate the square footage of the residential area, i.e., the "main dwelling."

(B) This area shall include all those facilities normally found on a residential lot such as a garage or carport, driveway, front and back yards, etc. Also included in the area shall be any buildings or facilities directly benefited by an actual connection to the improvement. (For example: A dairy barn connected to a sewer or water system.)

(ii) **Front foot method:** If the special benefit assessment is determined on a front footage basis, the assessable portion of the exempt land shall be determined by one of the following:

(A) Calculate the square footage for the residential area in the same manner as the square foot method. The square foot measurement of the entire "residence," shall then be converted into the area of a square. The calculated square will be used as the unit to be charged for the special benefit assessment. One side of the square will be used as front footage; or

(B) Determine the mean (average) front footage of all nonexempt properties within the district, and use it to assess the portion of otherwise exempt property for the special benefit assessment, i.e., add all of the nonexempt front footage relevant to the improvement and divide by the number of nonexempt properties within the district.

(iii) **Zone-termini method:** If the special benefit assessment is determined on a zone-termini basis, the assessable portion of the exempt land shall be determined by one of the following:

(A) Convert the square foot area of the residence to a square as in the front foot method. Use this square as the zone for assessing the portion of otherwise exempt property for the special benefit assessment; or

(B) Calculate the mean (average) width and depth (length) of all nonexempt properties within the district, using these averages to create a rectangular unit as the zone for assessing the portion of otherwise exempt property for the special benefit assessment. To perform this calculation:

(I) Add all nonexempt front footage relevant to the improvement and divide by the number of nonexempt properties within the district to determine the mean width of the zone; and

(II) Add the depths (lengths) of all nonexempt properties within the district and divide by the number of nonexempt properties within the district to determine the mean depth of the zone.

(iv) **Equivalent residential unit method (ERU):** The ERU method shall be used in the same manner as it is used on all other properties within the district. The value to be determined is based on the amount of benefit derived or, when appropriate, the degree of contribution to the service, such as drainage or sewer. This amount shall be measured for all uses of property. (For example, if a dairy barn uses a greater amount of water or contributes a greater amount of sewerage than the normal residential unit, it shall be classified as more than one ERU and shall be charged a proportionately greater amount.)

(v) **Combined methods:** In districts making assessments using a combination of two or more methods (e.g., an assessment based on a front footage charge plus a square foot charge), the procedures for determining the assessable portion of previously exempt property shall be the same as those described above.

(b) For assessments relating to road construction and/or improvements. If the property is provided access to a constructed or improved road, the assessment will be based upon the percentage of current use value to true and fair value as evidenced by the last property tax assessment roll as equalized by the county board of equalization to what the assessment would have been if the owner had waived the exemption. (For example, if the current use value is forty-five percent of its true and fair value, then the assessable portion is forty-five percent of the amount the assessment would have been if the owner had waived the exemption.)

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-560, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-560, filed 11/15/88. Statutory Authority: RCW 84.34.360. WSR 87-07-009 (Order PT 87-3), § 458-30-560, filed 3/10/87.]

WAC 458-30-570 Connection subsequent to final assessment roll—Interest—Connection charge. (1) **Introduction.** If classified farm and agricultural or timber land is connected to water and/or sewer systems or road improvements after the final assessment roll has been approved, the

owner of this land will be liable for the special benefit assessments relating to the improvements. This section explains how the assessments are calculated and the costs associated with the services.

(2) **Connection to local improvements after final assessment roll.** The owner of property exempted from special benefit assessments under the current use farm and agricultural or timber land classification who connects to the sanitary and/or sewerage systems, domestic water supply and/or distribution systems, or road construction and/or improvements provided by the district after the final assessment roll has been approved will be liable for the special benefit assessments as determined by WAC 458-30-560 including interest. In addition, the annual payment required for each year following the connection shall be due and payable.

(3) **Cost of connection.** In addition to the charges imposed in subsection (2) of this section, the owner will also be liable for the cost of connection.

[Statutory Authority: RCW 84.08.110, 84.08.070, 84.34.141 and 84.34.360. WSR 95-21-002, § 458-30-570, filed 10/4/95, effective 11/4/95. Statutory Authority: RCW 84.08.010(2), 84.34.141 and chapter 84.34 RCW. WSR 88-23-062 (Order PT 88-12), § 458-30-570, filed 11/15/88. Statutory Authority: RCW 84.34.360. WSR 87-07-009 (Order PT 87-3), § 458-30-570, filed 3/10/87.]

WAC 458-30-590 Rate of inflation—Publication—Interest rate—Calculation. (1) **Introduction.** This rule provides the rates of inflation discussed in WAC 458-30-550. It also explains the department of revenue's obligation to annually publish a rate of inflation and the manner in which this rate is determined.

(2) **General duty of department - Basis for inflation rate.** Each year the department determines and publishes a rule establishing an annual rate of inflation. This rate of inflation is used in computing the interest that is assessed when farm and agricultural or timber land, which are exempt from special benefit assessments, is withdrawn or removed from current use classification.

(a) The rate of inflation is based upon the implicit price deflator for personal consumption expenditures calculated by the United States Department of Commerce. This rate is used to calculate the rate of interest collected on exempt special benefit assessments.

(b) The rate is published by December 31st of each year and applies to all withdrawals or removals from farm and agricultural or timber land classification that occur the following year.

(3) **Assessment of rate of interest.** An owner of classified farm and agricultural or timber land is liable for interest on the exempt special benefit assessment. Interest accrues from the date the local improvement district is created until the land is withdrawn or removed from classification. Interest accrues and is assessed in accordance with WAC 458-30-550.

(a) Interest is assessed only for the time (years and months) the land remains classified under RCW 84.34.020 (2) or (3).

(b) If the classified land is exempt from the special benefit assessment for more than one year, the annual inflation rates are used to calculate an average rate of interest. This average is determined by adding the inflation rate for each

year the classified land was exempt from the special benefit assessment after the local improvement district was created. The sum of the inflation rates is then divided by the number of years involved to determine the applicable rate of interest.

(c) **Example.** A local improvement district for a domestic water supply system was created in January 1990 and the owner used the statutory exemption provided in RCW 84.34.320. On July 1, 1997, the land was removed from the farm and agricultural classification. An average interest rate was calculated using the inflation rates for 1990 through 1997. The owner was then notified of the amount of previously exempt special benefit assessment, plus the average interest rate.

(4) **Rates of inflation.** The rates of inflation used to calculate the interest as required by WAC 458-30-550 are as follows:

| YEAR | PERCENT | YEAR | PERCENT |
|------|---------|------|------------------|
| 1976 | 5.6 | 1977 | 6.5 |
| 1978 | 7.6 | 1979 | 11.3 |
| 1980 | 13.5 | 1981 | 10.3 |
| 1982 | 6.2 | 1983 | 3.2 |
| 1984 | 4.3 | 1985 | 3.5 |
| 1986 | 1.9 | 1987 | 3.7 |
| 1988 | 4.1 | 1989 | 4.8 |
| 1990 | 5.4 | 1991 | 4.2 |
| 1992 | 3.3 | 1993 | 2.7 |
| 1994 | 2.2 | 1995 | 2.3 |
| 1996 | 2.2 | 1997 | 2.1 |
| 1998 | 0.85 | 1999 | 1.42 |
| 2000 | 2.61 | 2001 | 1.89 |
| 2002 | 1.16 | 2003 | 1.84 |
| 2004 | 2.39 | 2005 | 2.54 |
| 2006 | 3.42 | 2007 | 2.08 |
| 2008 | 4.527 | 2009 | -0.85 (negative) |
| 2010 | 1.539 | 2011 | 2.755 |
| 2012 | 1.295 | 2013 | 1.314 |
| 2014 | 1.591 | 2015 | 0.251 |
| 2016 | 0.953 | 2017 | 1.553 |
| 2018 | 2.169 | | |

[Statutory Authority: RCW 84.34.065, 84.34.360, 84.34.141 and 84.69.100. WSR 19-02-058, § 458-30-590, filed 12/27/18, effective 1/1/19; WSR 18-01-147, § 458-30-590, filed 12/20/17, effective 1/1/18; WSR 17-01-162, § 458-30-590, filed 12/21/16, effective 1/1/17; WSR 16-01-035, § 458-30-590, filed 12/9/15, effective 1/1/16; WSR 15-01-166, § 458-30-590, filed 12/23/14, effective 1/1/15; WSR 14-01-059, § 458-30-590, filed 12/13/13, effective 1/1/14; WSR 13-02-053, § 458-30-590, filed 12/26/12, effective 1/1/13; WSR 12-01-040, § 458-30-590, filed 12/13/11, effective 1/1/12. Statutory Authority: RCW 84.34.360. WSR 11-02-016, § 458-30-590, filed 12/29/10, effective 1/1/11; WSR 10-02-027, § 458-30-590, filed 12/29/09, effective 1/1/10; WSR 08-24-115, § 458-30-590, filed 12/3/08, effective 1/3/09; WSR 08-04-050, § 458-30-590, filed 1/31/08, effective 3/2/08. Statutory Authority: RCW 84.34.360 and 84.34.310. WSR 07-01-012, § 458-30-590, filed 12/7/06, effective 1/1/07; WSR 05-24-119, § 458-30-590, filed 12/7/05, effective 1/1/06; WSR 05-01-052, § 458-30-590, filed 12/7/04, effective 1/1/05; WSR 03-24-076, § 458-30-590, filed 12/2/03, effective

1/2/04; WSR 02-24-058, § 458-30-590, filed 12/3/02, effective 1/3/03; WSR 02-03-041, § 458-30-590, filed 1/8/02, effective 2/8/02; WSR 00-24-107, § 458-30-590, filed 12/6/00, effective 1/1/01; WSR 99-24-035, § 458-30-590, filed 11/23/99, effective 12/24/99; WSR 99-01-068, § 458-30-590, filed 12/14/98, effective 1/1/99; WSR 98-01-179, § 458-30-590, filed 12/23/97, effective 1/1/98; WSR 97-02-067, § 458-30-590, filed 12/31/96, effective 1/1/97; WSR 96-01-094, § 458-30-590, filed 12/19/95, effective 1/1/96; WSR 95-06-043, § 458-30-590, filed 2/24/95, effective 3/27/95. Statutory Authority: RCW 84.34.360. WSR 94-11-098, § 458-30-590, filed 5/17/94, effective 6/17/94; WSR 92-22-061, § 458-30-590, filed 10/29/92, effective 11/29/92. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 90-24-087, § 458-30-590, filed 12/5/90, effective 1/5/91. Statutory Authority: Chapter 84.34 RCW and RCW 84.34.360. WSR 89-05-010 (Order PT 89-3), § 458-30-590, filed 2/8/89. Statutory Authority: RCW 84.34.360. WSR 88-07-004 (Order PT 88-4), § 458-30-590, filed 3/3/88; WSR 87-07-009 (Order PT 87-3), § 458-30-590, filed 3/10/87.]

WAC 458-30-700 Designated forest land—Removal—Change in status—Compensating tax. (1) Introduction. This rule describes what events cause removal of land from designated forest land status under chapter 84.33 RCW, the procedures followed for removal, and the resulting compensating tax.

(2) Events causing the removal of designated forest land status. The assessor must remove forest land from its designated forest land status when:

(a) The owner submits a written request to remove the land from designated forest land status;

(b) The owner sells or transfers the land to an individual or entity exempt from property tax because of that individual's or entity's ownership;

(c) The assessor determines that the land is no longer primarily devoted to and used for growing and harvesting timber;

(d) The owner has failed to comply with a final administrative or judicial order made because of the violation of the restocking, forest management, fire protection, insect and disease control and forest debris provisions of Title 76 RCW or the rules that implement Title 76 RCW;

(e) Restocking has not occurred to the extent or within the time specified in the application for designation of the land;

(f) The owner sells or transfers forest land to a new owner who has not signed a notice of continuance, except for a transfer by a transfer on death deed or a transfer to a new owner who is the heir or devisee of a deceased owner. RCW 84.33.140(5). Land may also be removed if a new owner signs the notice of continuance but the assessor determines the land does not continue to qualify in its designated status; or

(g) The assessor discovers that the land was designated under chapter 84.33 RCW in error.

(3) How to retain designated forest land status when the land is sold or transferred. When designated forest land is sold or transferred, the new owner may retain designated forest land status by filing a signed notice of continuance with the deed. The notice of continuance may be signed as part of the real estate excise tax (REET) affidavit or as a separate form if the county has decided it will require owners to submit both the REET affidavit and attach a separate notice of continuance. If multiple owners own the land, all owners or their agent(s) must sign the notice of continuance. A notice of continuance is not required for a transfer to a new owner who is an heir or devisee of a deceased owner or for a transfer

by a transfer on death deed to retain designated forest land status.

(a) The owner may obtain the notice of continuance form and a real estate excise tax (REET) affidavit from the county. The county assessor's office has the notice of continuance form and the county treasurer's office has the REET affidavit.

(b) After the new owner signs the notice of continuance as part of the REET affidavit and, if required, the separate notice, the REET affidavit and notice must be submitted to the assessor for approval. The assessor may also require the owner to submit a timber management plan before approving the notice of continuance.

(i) The assessor signs the REET affidavit and indicates whether the land will or will not qualify to continue as designated forest land.

(ii) An assessor signs the REET affidavit and approves the land for continued designation if:

(A) The assessor is provided with a complete and accurate notice of continuance signed by the new owner demonstrating that the forest land will continue to qualify as designated forest land; and

(B) At the assessor's option, the new owner provides a timber management plan for the property.

(iii) The assessor is allowed up to fifteen days to confirm that the information upon the notice is complete and accurate. The assessor may use this time to confirm that the timber management plan provides:

(A) The correct legal description for the forest land;

(B) The new owner's statement that the forest land is a parcel of land that consists of five or more acres or multiple parcels that are contiguous and total five or more acres and is primarily devoted to and used to grow and harvest timber;

(C) A statement about whether the land is used to graze livestock;

(D) A brief description of the timber stands located on the land;

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

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

A timber management plan may contain, but is not required to contain, any other information that the harvester needs for its own business purposes (i.e., a statement of goals for managing the land or identifying resource protection areas on the land, like riparian buffer areas along a stream or an unstable slope, that limit harvesting activities).

(iv) If the assessor determines that the notice of continuance or the timber management plan is not accurate or complete, the owner may resubmit the corrected information to the assessor.

(v) If the assessor determines that the land does not qualify to continue as designated forest land, the assessor removes the land upon the date of the conveyance and provides the owner with a notice of removal containing reason(s) for the removal and the amount of compensating taxes owed.

(c) Once the assessor signs the notice of continuance as part of the REET affidavit and the separate notice of continu-

ance, if required, the notice(s) are then submitted to the treasurer. Before the treasurer can stamp the REET affidavit as approved for recording, the treasurer collects any REET due because of the sale or transfer, and collects all compensating tax if the land does not qualify for continuance as designated forest land because it was denied continuance by the assessor. The county recording clerk must not accept any deeds or other transfer documents unless the treasurer has stamped the REET affidavit.

(d) A notice of continuance is not required when the transfer of the forest land is to a new owner who is an heir or devisee of a deceased owner or is a transfer by a transfer on death deed, however, the land must continue to meet the requirements of designated forest land to avoid removal from designation. The treasurer determines that a transfer is by inheritance because the claim for the inheritance exemption is filled out on the REET affidavit with supporting documentation. The treasurer should notify the assessor when forest land has been transferred by inheritance without a notice of continuance.

(4) **Assessor decisions and procedures.** Before removing the land from its designated forest land status, the assessor follows certain procedures and takes into account circumstances that may delay or prevent removal.

(a) The assessor must determine:

(i) The actual area of land to be removed from forest land status;

(ii) Whether the land has been exempted from a special benefit assessment;

(iii) The true and fair value of the area being removed as of January 1st of the year of removal from designation;

(iv) Forest land value of the area to be removed as of January 1st of the year of removal from designation;

(v) The last levy rate that applied for that area; and

(vi) The amount of time the land has been designated as forest land, including the number of days up to the date of removal for the current year of removal.

(b) The assessor may require the owner to provide a legal description of the land area intended for removal when the landowner requests removal of owner's land from designated forest land status.

(c) The remaining land outside of the affected removal area continues to be designated as forest land if the owner retains a parcel of land that consists of five or more acres or multiple parcels that are contiguous and total five or more acres, primarily devoted to and used for growing and harvesting timber. If the remaining land fails to meet this requirement, it will be subject to removal.

(d) The assessor must provide the owner with a written notice and an opportunity to be heard by the assessor, or the assessor's deputy, when the assessor intends to remove the land because it is no longer primarily devoted to and used for growing and harvesting timber. RCW 84.33.140 (5)(e). Each county assessor may set his or her own procedure for giving a landowner this notice and opportunity to be heard so long as it is done in a reasonable and consistent manner that ensures due process for each owner.

(e) An assessor may not remove forest land merely because an owner subdivides the land into separate parcels, if the contiguous parcels of the subdivided land still consist of at least five acres and continues to be primarily devoted to

and used for growing and harvesting timber. An assessor may ask an owner of designated forest land if the use of the land has changed when the owner subdivides a tract of designated forest land into separate parcels.

(f) If the assessor determines the land is no longer primarily devoted to and used for growing and harvesting timber, but there is a pending acquisition by an entity that would qualify for exemption from compensating tax under subsection (6)(e) of this rule, the assessor must not remove the land from its designated forest land status. RCW 84.33.140 (5)(e)(i). To prevent removal, the government entity or other qualified recipient must provide written proof to the assessor of its intent to acquire the land or documentation that demonstrates the transaction will qualify for an exemption from compensating tax under subsection (6)(e) of this rule. The entity acquiring the land must provide this written proof within sixty days of a request by the assessor. Thereafter, once a year, the governmental entity or other recipient must provide the assessor of the county in which the land is located written evidence of its intent to acquire the land. This written evidence must be provided on or before December 31st of each year or at an earlier date if the assessor makes a written request for such information. Upon the assessor's written request, the information must be provided within sixty days from the postmark date the assessor mails the request to the owner.

(g) The assessor must not remove forest land from its designation if a governmental restriction is imposed on the land that prohibits, in whole or in part, the harvesting of timber.

(i) If only a portion of the forest land is impacted by the governmental restriction, the assessor cannot use the restriction as a basis to remove the remainder of the land from its designated forest land status.

(ii) A governmental restriction includes:

(A) Any law, regulation, rule, ordinance, program, or other action adopted or taken by a federal, state, county, city, or other governmental entity; or

(B) The land's zoning or its presence within an urban growth area designated under RCW 36.70A.110.

(h) If the assessor has reason to believe that forest land less than twenty acres is no longer primarily used for the growing and harvesting of timber, the assessor may require a timber management plan to assist with determining continuing eligibility.

(5) **Removal proceedings.** If the forest land no longer qualifies for designation, the assessor must provide timely written notice(s) to the owner. RCW 84.33.140 (5)(e) (written notice and opportunity to be heard), and RCW 84.33.140 (9) (notice of removal). Upon receiving the notice that the land has been removed (notice of removal), the owner may appeal the removal and/or apply for reclassification of the land under chapter 84.34 RCW. If the owner chooses to appeal the removal, the appeal must be filed within thirty days (or up to sixty days if such a time limit has been adopted by the county legislative authority) of the postmark date the notice was mailed by the assessor, electronically transmitted by the assessor, the assessor electronically notified the owner or person responsible for payment of taxes that the notice was available to be accessed by the owner or other person, or on or before July 1st of the year of removal, whichever is later.

RCW 84.40.038. If the owner chooses to apply for reclassification, they must do so within thirty days of the postmark date of the notice.

(a) **When does the land get removed from designated forest land status?** If the removal is a result of a sale or transfer, the assessor removes the land on the date of sale or transfer provided in the legal conveyance. If the removal is based upon a determination or discovery made about the land by the assessor or at the request of the owner, the assessor removes the land on the date shown on the notice of removal mailed to the owner.

(b) **Notice of removal.** The assessor uses the notice of removal to notify the owner that the land has been removed from designated forest land status. Within thirty days of removing land from designated forest land status, the assessor must mail the notice of removal to the owner with the reasons for the removal. The owner, seller, or transferor may appeal the removal to the county board of equalization.

(i) If the property is being removed because the assessor has determined the land is no longer primarily devoted to and used for growing and harvesting timber, the assessor provides two notices. First, the assessor must notify the taxpayer of his or her intent to remove the property and give the owner an opportunity to be heard. The assessor may require the owner to provide pertinent information about the land and its use in the response to the assessor's first notice. When the assessor determines that the property still does not qualify as designated forest land after the first notice is sent, the assessor mails the owner the second notice, the notice of removal, but only after:

(A) The owner declines the opportunity to be heard;

(B) The owner fails to timely respond to the first notice;
or

(C) The assessor has received and considered the owner's timely response to the notice of intent to remove and nevertheless concludes that the property is no longer primarily devoted to growing and harvesting timber.

(ii) If the removal is based upon an owner's request for removal, upon receipt of a request for removal from an owner, the assessor sends the notice of removal to the owner showing the compensating tax and recording fee due.

(iii) The notice of removal provides the reason(s) for removing the land from designation and the date of the removal. The notice includes the compensating tax calculated in subsection (6) of this rule and the necessary recording fees to be paid. It also includes the due date for payment, along with the owner's rights to appeal the removal or appeal the true and fair value at the time of removal, and the owner's right to apply for the land to be reclassified under chapter 84.34 RCW. The county must use the notice of removal form provided by the department.

(iv) The assessor must also provide written notice of the removal to any local government filing a notice regarding a special benefit assessment under RCW 84.33.210 within a reasonable time after the assessor's decision to remove the land. The assessor may provide a simple statement with the legal description of the land, the name of the landowner, and the date of removal, if he or she includes a copy of the notice sent to the landowner. RCW 84.33.230.

(c) **What happens when an owner chooses to appeal the removal?** Unless the removal is reversed on appeal, the

assessor continues the process to remove the property from designated forest land status. The assessor may choose to delay collection of the compensating tax and recording fee until the appeal is decided. However, if the assessor postpones the collection of the compensating tax and recording fee, the assessor must notify the treasurer to temporarily delay collection. The assessor must also notify the owner that if the determination to remove is upheld, then interest will be due from the date the compensating tax and recording fee were due.

(i) If the removal is reversed on appeal, the assessor must reinstate the land as designated forest land, discharge any lien placed against the land, revise any assessments made against the property during the interim, refund the recording fee paid, and refund or cancel any compensating taxes and interest paid or owing.

(ii) If the removal is upheld on an appeal and the compensating tax and recording fee have not been paid, the compensating tax and recording fee are due immediately with interest accrued from the date they were originally due. Upon receiving notice of the decision upholding the removal, the assessor must immediately notify the treasurer to collect any unpaid compensating taxes, fees, and interest on the land.

(d) **What happens when an owner applies to have the land reclassified under chapter 84.34 RCW?** If an application for reclassification is submitted by the owner no later than thirty days after the postmark date the notice of removal was mailed, the forest land is not removed from designation until the application for reclassification under chapter 84.34 RCW is denied or later removed from classification under RCW 84.34.108. RCW 84.33.145(1).

(i) An application for reclassification is processed in the same manner as an initial application for classification under chapter 84.34 RCW.

(ii) If an owner is reclassifying forest land under chapter 84.33 RCW into the timber land classification under chapter 84.34 RCW, a timber management plan must be filed with the county legislative authority within sixty days of the date the application for reclassification is received. The application for reclassification will be accepted, but may not be processed until this plan is received.

(A) If this plan is not received within sixty days of the date the application for reclassification is received, the application will be denied.

(B) If circumstances require it, the assessor may allow an extension of time for submitting a timber management plan when an application for reclassification is received. The applicant will be notified of this extension in writing. When the assessor extends the filing deadline for this plan, the granting authority may delay processing the application until the plan is received. If the timber management plan is not received by the date set by the assessor, the application for reclassification will be automatically denied.

(iii) When the owner sells or transfers forest land (or a portion of the forest land) while an application for reclassification under chapter 84.34 RCW is pending, the assessor may accept a notice of continuation, and allow the owner to revise the application for reclassification to reflect the name of the new owner of the forest land.

(iv) If the application for reclassification under chapter 84.34 RCW is approved, the assessor will transfer the prop-

erty to its new classification. The assessed value of reclassified land will be based on the new classification as of January 1st of the assessment year following the year the reclassification application was submitted.

(v) If the application for reclassification under chapter 84.34 RCW is denied, the assessor must submit the notice of removal to the county recording authority and inform the treasurer's office to immediately begin collection of the compensating tax and the recording fee. When an application for reclassification is denied, the owner may appeal the denial in accordance with RCW 84.34.035, 84.34.037, or 84.34.041, depending on the classification applied for.

(6) **Compensating tax.** Compensating tax is imposed when land is removed from its designated forest land status. This tax recaptures taxes that would have been paid on the land if it had been assessed and taxed at its true and fair value instead of the forest land value.

(a) **Calculating the compensating tax.** The assessor uses the last levy rate extended against the land, the forest land value as of January 1st of the removal year, and the true and fair value as of January 1st of the removal year for the area to be removed from forest land status to calculate the compensating tax. The compensating tax consists of two parts: The recapture of taxes for previous years that the land was designated as forest land, up to a maximum of nine years; and the recapture of taxes from January 1st of the removal

year up to the date of removal from designation. RCW 84.33.140 (10) and (11).

(i) The compensating tax for the previous years is calculated by determining the difference between the amount of taxes assessed at the forest land value for the removal area and the amount of taxes that would have been paid if the land had been valued at its true and fair value as of January 1st in the year of removal. That difference is multiplied by the number of years the land was designated as forest land up to a maximum of nine years.

For the purpose of counting the number of years land was assessed as forest land under this chapter, if the forest land being removed was once classified as timber land under chapter 84.34 RCW but is designated under this chapter because of a merger pursuant to RCW 84.34.400, the date the land was classified as timber land is considered to be the date the property was designated as forest land.

(ii) The compensating tax for the portion of the year of removal from January 1st to the date of removal is calculated by determining the difference between the amount of taxes assessed at the forest land value as of January 1st of the year of removal and the taxes that would have been paid if the land had been valued at its true and fair value as of January 1st of the year of removal.

(b) **Formulas for calculating taxes after removal:**

(i) Calculation of prior year's compensating tax:

| True and Fair Value of Land (Jan 1st of year removed) | Less | Forest Land Value (Jan 1st of year removed) | Multiplied by | Last levy Rate Extended Against Land | Multiplied by | Years (not to exceed 9) | Equals | Compensating Tax |
|---|------|---|---------------|--------------------------------------|---------------|-------------------------|--------|------------------|
| \$ | — | \$ | x | \$ | x | | = | \$ |

(ii) Calculation of current year's taxes to date of removal:

| | | | | | | |
|-----|--|---|--|--------------------------------------|---|---|
| | | ÷ | | 365 | = | |
| | No. of days designated as forest land in the year of removal | | | No. of days in year | | Proration factor (To items (A) and (B)) |
| (A) | \$ _____ | x | | | x | = \$ _____ |
| | True and Fair Value of Land (Jan 1st of year removed) | | | Last Levy Rate Extended Against Land | | Proration factor |
| (B) | \$ _____ | x | | | x | = \$ _____ |
| | Forest Land Value (Jan 1st of year removed) | | | Last Levy Rate Extended Against Land | | Proration factor |
| (C) | Amount of compensating tax for current year ((A) minus (B)) | | | | | = \$ _____ |

(c) **The assessor notifies the treasurer of the amount of compensating tax and the due date for the tax by providing the treasurer a copy of the removal notice.** Compensating tax is due and payable to the county treasurer thirty days after the owner is notified of the amount due. The treasurer will mail a notice to the owner of the amount of compensating tax owed and the due date on which this amount must be paid. RCW 84.33.140(11). However, when property is sold or transferred, any compensating tax owed must be paid to the county treasurer before recording the conveyance. The county recording authority will not accept any instru-

ment transferring the land, unless the compensating tax was paid or was not owed.

(d) **What happens if the compensating tax is not paid on the due date?** If the compensating tax is not paid by the due date, the tax is considered delinquent. Interest, set at the statutory rate for delinquent property taxes specified in RCW 84.56.020, will accrue against the amount of the unpaid compensating tax from the due date until the entire amount owing is paid. Unpaid compensating tax and interest becomes a lien on the land. RCW 84.60.020.

(i) This lien attaches at the time the forest land is removed from designation.

(ii) The lien has priority over any recognizance, mortgage, judgment, debt, obligation, or responsibility against the land.

(iii) This lien must be fully paid before any other recognizance, mortgage, judgment, debt, obligation, or responsibility may be charged against the land.

(iv) The lien can be foreclosed upon expiration of the same period after delinquency and in the same manner as liens for delinquent real property taxes are foreclosed under RCW 84.64.050. RCW 84.33.140(12).

(e) Compensating tax is not imposed on land removed from forest land designation if the removal resulted solely from any of the following:

(i) A transfer to a government entity in exchange for other forest land within Washington state;

(ii) A transfer under either the power of eminent domain or upon the threat of eminent domain by an entity with the power of eminent domain that intends to exercise this power. The entity must threaten to exercise eminent domain in writing or demonstrate this threat by some other official action;

(iii) A donation of fee title, development rights, or the right to harvest timber in order to protect, preserve, maintain, improve, restore, limit the future use, or conserve the property for public use or enjoyment (RCW 84.34.210 and 64.04.-130), provided, this donation is made to a:

(A) State agency;

(B) Federal agency;

(C) County;

(D) City;

(E) Town;

(F) Metropolitan park district (see RCW 35.61.010);

(G) Metropolitan municipal corporation (see RCW 35.58.020);

(H) Nonprofit historic preservation corporation as defined in RCW 64.04.130;

(I) Nonprofit nature conservancy corporation or association as defined in RCW 84.34.250; or

(J) Federally recognized Indian tribe.

However, when the land is no longer being used for one of the purposes listed in RCW 84.34.210 or 64.04.130, compensating tax will be imposed on the owner of the land at that time;

(iv) The sale or transfer of fee title to a government entity (see the governmental entities listed in subsection (6)(e)(iii) of this rule) or a nonprofit nature conservancy corporation as defined in RCW 64.04.130 exclusively for the protection and conservation of lands recommended for state natural area preserve purposes by the natural heritage advisory council under its established natural heritage plan as defined in chapter 79.70 RCW (natural area preserves) or approved for state natural resources conservation area purposes as defined in chapter 79.71 RCW, or for acquisition and management as a community forest trust as defined in chapter 79.155 RCW. However, if the land is no longer used for these purposes, compensating tax will be imposed on the owner of the land at that time;

(v) A sale or transfer of fee title to the state's parks and recreations commission for park and recreation purposes;

(vi) An official action of an agency of the state of Washington or the county or city in which the land is located disallowing the present use of the land. "Official action" includes city ordinances, zoning restrictions, the Growth Management Act, the Shoreline Management Act, and the Environmental Policy Act;

(vii) The creation, sale, or transfer of forestry riparian easements under RCW 76.13.120;

(viii) The creation, sale, or transfer of a conservation easement of private forest lands within unconfined channel migration zones or containing critical habitat for threatened or endangered species under RCW 76.09.040;

(ix) The sale or transfer of forest land within two years after the death of an owner who held at least a fifty percent interest in the land if:

(A) The individual(s) or entity(s) who received the land from the deceased owner is selling or transferring the land; and

(B) The land has been continuously assessed and valued as classified forest land, designated as forest land under chapter 84.33 RCW or classified under chapter 84.34 RCW since 1993. The date of death shown on the death certificate begins the two-year period for sale or transfer. For example, an owner who holds at least a fifty percent interest in designated forest land dies on March 1, 2012. The land was designated on January 1, 1989, and is still designated on the date of death of the owner. The heir (new owner) does not want to continue growing and harvesting timber and sells the land on January 20, 2014. At the time of sale, the buyer does not sign the notice of continuance because they will not be using the land for growing and harvesting timber. The assessor will remove the land at the time of sale and the removal would not be subject to compensating tax;

(x) The occurrence of a natural disaster such as a flood, windstorm, earthquake, wildfire, or other such calamity that changes the use of the property, rather than by virtue of an act by the landowner changing the use of the property;

(xi) The assessor discovers that the land was designated under chapter 84.33 RCW in error through no fault of the owner;

(A) For purposes of this subsection, "fault" means a knowingly false or misleading statement, or other act or omission not in good faith, that contributed to the approval of the application for designation or the failure of the assessor to remove the land from designation;

(B) This exception does not apply if an independent basis for removal exists. An example of an independent basis for removal includes the land is no longer devoted primarily to and used for the growing and harvesting of timber; or

(xii) In a county with a population of more than six hundred thousand inhabitants or in a county with a population of at least two hundred forty-five thousand inhabitants that borders Puget Sound as defined in RCW 90.71.010, the compensating tax will not be imposed if there is a transfer of a property interest to a government entity, or to a nonprofit historic preservation corporation or nonprofit nature conservancy corporation (as these corporations are defined in RCW 64.04.130) and the property interest being transferred is to:

(A) Protect or enhance public resources; or

(B) Preserve, maintain, improve, restore, limit the future use of, or otherwise to conserve the land for public use or

enjoyment. When the land is no longer being used for any of these purposes, the owner of the land at the time will be required to pay compensating tax.

(7) **When will the land be assessed at its true and fair value and the taxes become payable?** The land will be assessed at its true and fair value on the date it is removed from forest land status. The assessor revalues the land removed from designated forest land status with reference to its true and fair value on January 1st in the year of removal. RCW 84.33.140(10). The property tax for the remainder of

the year following the date of removal is based on land's true and fair value as of January 1st of the removal year.

(a) To calculate the increase the assessor must determine the number of days remaining in the year from the date of removal. The increase in property tax is due on the same due dates as all other property taxes are due for the year (April 30th and October 31st of the current year). RCW 84.56.020.

(b) Formula for calculating the increase in property taxes for the remainder of the year in which the land is being removed:

| | | | | | |
|-------|--|---|---|---|--|
| (i) | No. of days from date of removal to the end of the year | ÷ | 365 No. of days in year | = | Proration factor for true and fair land value |
| (ii) | \$ _____ True and Fair Value of Land (Jan 1st of year removed) | x | _____ x _____ Last Levy Rate Extended Against Land | = | \$ _____ Proration factor |
| (iii) | \$ _____ Forest Land Value (Jan 1st of year removed) | x | _____ x _____ Last Levy Rate Extended Against Land | = | \$ _____ Proration factor |
| (iv) | Total amount of increased taxes for current year ((ii) minus (iii)) | | | | = \$ _____ |

(c) If the taxes for the year of removal have not yet been billed, the tax should be recalculated based on the true and fair value of the land removed as of January 1st of the removal year.

(d) An owner may appeal the true and fair value of the land which is used to calculate the compensating tax and the increase in the remaining current year's taxes in accordance with RCW 84.40.038.

(8) **What happens when forest land reclassified under chapter 84.34 RCW is later removed from that classification before ten years have passed?** If reclassified forest land is later removed under chapter 84.34 RCW, a combination of compensating tax and additional tax will be imposed unless the basis for removal is one of the circumstances listed as exempt from additional tax under RCW 84.34.108(6).

(a) The amount of compensating tax is equal to the difference, if any, between the amount of property tax last levied on the land as designated forest land and an amount equal to the true and fair value as of January 1st of the year the land is removed from classification under RCW 84.34.108, multiplied by the last property tax levy rate extended against the land, multiplied by

(b) A number equal to:

(i) The number of years the land was designated as forest land under chapter 84.33 RCW, if the total number of years the land was designated under chapter 84.33 RCW and classified under chapter 84.34 RCW is less than ten; or

(ii) Ten minus the number of years the land was classified under chapter 84.34 RCW, if the total number of years the land was designated under chapter 84.33 RCW and classified under chapter 84.34 RCW is at least ten.

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.34.141. WSR 18-02-109, § 458-30-700, filed 1/3/18, effective 2/3/18. Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.34.141, 84.34.360. WSR 15-03-017, § 458-30-700, filed 1/8/15, effective 2/8/15. Statutory Authority: RCW

84.08.070, 84.34.141, 84.36.865, 84.52.0502. WSR 09-19-010, § 458-30-700, filed 9/3/09, effective 10/4/09. Statutory Authority: RCW 84.33.140, 84.34.055, 84.34.108, 84.34.141, and 84.08.070. WSR 07-21-097, § 458-30-700, filed 10/18/07, effective 11/18/07. Statutory Authority: RCW 84.34.-141, 84.34.020, and 84.34.030. WSR 02-20-041, § 458-30-700, filed 9/24/02, effective 10/25/02. Statutory Authority: RCW 82.32.300, 84.33.-096, and 84.33.140. WSR 02-05-043, § 458-30-700, filed 2/13/02, effective 3/16/02.]