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**SUBSTITUTE SENATE BILL 5066**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Fraser, Newhouse, Loveland, Rasmussen and Hochstatter)

Read first time 02/13/95.

1 AN ACT Relating to the taxation of short-rotation hardwoods;  
2 amending RCW 84.33.035 and 84.33.170; and creating a new section.

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

4 **Sec. 1.** RCW 84.33.035 and 1986 c 315 s 1 are each amended to read  
5 as follows:

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

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

14 (2) "Composite property tax rate" for a county means the total  
15 amount of property taxes levied upon forest lands by all taxing  
16 districts in the county other than the state, divided by the total  
17 assessed value of all forest land in the county.

18 ((+2+)) (3) "Forest land" means forest land which is classified or  
19 designated forest land under this chapter.

1       (~~(3)~~) (4) "Harvested" means the time when in the ordinary course  
2 of business the quantity of timber by species is first definitely  
3 determined. The amount harvested shall be determined by the Scribner  
4 Decimal C Scale or other prevalent measuring practice adjusted to  
5 arrive at substantially equivalent measurements, as approved by the  
6 department of revenue.

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

22       (~~(5)~~) (6) "Short-rotation hardwoods" means hardwood trees, such  
23 as but not limited to hybrid cottonwoods, cultivated by agricultural  
24 methods in growing cycles shorter than ten years.

25       (7) "Stumpage value of timber" means the appropriate stumpage value  
26 shown on tables prepared by the department of revenue under RCW  
27 84.33.091, provided that for timber harvested from public land and sold  
28 under a competitive bidding process, stumpage value shall mean that  
29 actual amount paid to the seller in cash or other consideration.  
30 Whenever payment for the stumpage includes considerations other than  
31 cash, the value shall be the fair market value of the other  
32 consideration, provided that if the other consideration is permanent  
33 roads, the value of the roads shall be the appraised value as appraised  
34 by the seller.

35       (~~(6)~~) (8) "Timber" means forest trees, standing or down, on  
36 privately or publicly owned land, and except as provided in RCW  
37 84.33.170 includes Christmas trees and short-rotation hardwoods.

38       (~~(7)~~) (9) "Timber assessed value" for a county means a value,  
39 calculated by the department of revenue before October 1 of each year,

1 equal to the total stumpage value of timber harvested from privately  
2 owned land in the county during the most recent four calendar quarters  
3 for which the information is available multiplied by a ratio. The  
4 numerator of the ratio is the rate of tax imposed by the county under  
5 RCW 84.33.051 for the year of the calculation. The denominator of the  
6 ratio is the composite property tax rate for the county for taxes due  
7 in the year of the calculation, expressed as a percentage of assessed  
8 value.

9 ((+8)) (10) "Timber assessed value" for a taxing district means  
10 the timber assessed value for the county multiplied by a ratio. The  
11 numerator of the ratio is the total assessed value of forest land in  
12 the taxing district. The denominator is the total assessed value of  
13 forest land in the county. As used in this section, "assessed value of  
14 forest land" means the assessed value of forest land for taxes due in  
15 the year the timber assessed value for the county is calculated.

16 **Sec. 2.** RCW 84.33.170 and 1984 c 204 s 24 are each amended to read  
17 as follows:

18 Notwithstanding any provision of this chapter to the contrary, this  
19 chapter shall not exempt from the ad valorem tax nor subject to the  
20 excise tax imposed by this chapter, Christmas trees (~~which are grown~~  
21 ~~on land which has been prepared by intensive cultivation and tilling,~~  
22 ~~such as by plowing or turning over the soil, and on which all unwanted~~  
23 ~~plant growth is controlled continuously for the exclusive purpose of~~  
24 ~~raising such Christmas trees)) and short-rotation hardwoods, which are  
25 cultivated by agricultural methods, and such land on which such  
26 Christmas trees and short-rotation hardwoods stand shall not be taxed  
27 as provided in RCW 84.33.100 through 84.33.140. However, short-  
28 rotation hardwoods, which are cultivated by agricultural methods, on  
29 land classified as timber land under chapter 84.34 RCW, shall be  
30 subject to the excise tax imposed under this chapter.~~

31 NEW SECTION. **Sec. 3.** This act applies to taxes levied in 1995 for  
32 collection in 1996 and thereafter.

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