S-3429.2

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**SENATE BILL 5921**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** Senators Braun and Wagoner

AN ACT Relating to increasing county timber tax distributions by reducing the charge for administrative and collection costs; amending RCW 84.33.051 and 84.33.081; and creating a new section.

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

**Sec.**  RCW 84.33.051 and 2004 c 177 s 2 are each amended to read as follows:

(1) The legislative body of any county may impose a tax upon every person engaging in the county in business as a harvester effective October 1, 1984. The tax shall be equal to the stumpage value of timber harvested from privately owned land multiplied by a rate of 4 percent; and equal to the stumpage value of timber harvested from publicly owned land multiplied by the following rates:

(a) For timber harvested January 1, 2005, through December 31, 2005, 1.2 percent;

(b) For timber harvested January 1, 2006, through December 31, 2006, 1.5 percent;

(c) For timber harvested January 1, 2007, through December 31, 2007, 1.8 percent;

(d) For timber harvested January 1, 2008, through December 31, 2008, 2.1 percent;

(e) For timber harvested January 1, 2009, through December 31, 2009, 2.4 percent;

(f) For timber harvested January 1, 2010, through December 31, 2010, 2.7 percent;

(g) For timber harvested January 1, 2011, through December 31, 2011, 3.1 percent;

(h) For timber harvested January 1, 2012, through December 31, 2012, 3.4 percent;

(i) For timber harvested January 1, 2013, through December 31, 2013, 3.7 percent;

(j) For timber harvested January 1, 2014, and thereafter, 4.0 percent.

(2)(a) Before the effective date of any ordinance imposing a tax under this section, the county shall contract with the department of revenue for administration and collection of the tax. The tax collected by the department of revenue under this section shall be deposited by the department in the timber tax distribution account. Moneys in the account may be spent only for distributions to counties under RCW 84.33.081 and, after appropriation by the legislature, for the activities undertaken by the department of revenue relating to the collection and administration of the taxes imposed under this section and RCW 84.33.041. Appropriations are not required for distributions to counties under RCW 84.33.081.

(b) Beginning with distributions to counties in fiscal year 2023, the department shall deduct a percentage amount not to exceed two percent of the taxes collected for administration and collection expenses incurred by the department. The percentage amount must be uniform for all counties. It is the intent of the legislature to increase the appropriation to the department from the state general fund to offset any reduction in the appropriation to the department from the timber tax distribution account as a result of this act.

**Sec.**  RCW 84.33.081 and 2007 c 69 s 5 are each amended to read as follows:

(1) On the last business day of the second month of each calendar quarter, the state treasurer shall distribute from the timber tax distribution account to each county the amount of tax collected on behalf of each county under RCW 84.33.051, less ((~~each county's proportionate share of appropriations~~)) the deduction for collection and administration activities under RCW 84.33.051, and shall transfer to the state general fund the amount of tax collected on behalf of the state under RCW 84.33.041, less the amount of the distribution under subsection (7) of this section ((~~and the state's proportionate share of appropriations for collection and administration activities under RCW 84.33.041~~)). The county treasurer shall deposit moneys received under this section in a county timber tax account which shall be established by each county. Following receipt of moneys under this section, the county treasurer shall make distributions from any moneys available in the county timber tax account to taxing districts in the county, except the state, under subsections (2) through (4) of this section.

(2) From moneys available, there first shall be a distribution to each taxing district having debt service payments due during the calendar year, based upon bonds issued under authority of a vote of the people conducted pursuant to RCW 84.52.056 and based upon excess levies for a capital project fund authorized pursuant to RCW 84.52.053, of an amount equal to the timber assessed value of the district multiplied by the tax rate levied for payment of the debt service and capital projects: PROVIDED, That in respect to levies for a debt service or capital project fund authorized before July 1, 1984, the amount allocated shall not be less than an amount equal to the same percentage of such debt service or capital project fund represented by timber tax allocations to such payments in calendar year 1984. Distribution under this subsection (2) shall be used only for debt service and capital projects payments. The distribution under this subsection shall be made as follows: One-half of such amount shall be distributed in the first quarter of the year and one-half shall be distributed in the third quarter of the year.

(3) From the moneys remaining after the distributions under subsection (2) of this section, the county treasurer shall distribute to each school district an amount equal to one-half of the timber assessed value of the district or eighty percent of the timber roll of such district in calendar year 1983 as determined under this chapter, whichever is greater, multiplied by the tax rate, if any, levied by the district under RCW 84.52.052 or 84.52.053 for purposes other than debt service payments and capital projects supported under subsection (2) of this section. The distribution under this subsection shall be made as follows: One-half of such amount shall be distributed in the first quarter of the year and one-half shall be distributed in the third quarter of the year.

(4) After the distributions directed under subsections (2) and (3) of this section, if any, each taxing district shall receive an amount equal to the timber assessed value of the district multiplied by the tax rate, if any, levied as a regular levy of the district or as a special levy not included in subsection (2) or (3) of this section.

(5) If there are insufficient moneys in the county timber tax account to make full distribution under subsection (4) of this section, the county treasurer shall multiply the amount to be distributed to each taxing district under that subsection by a fraction. The numerator of the fraction is the county timber tax account balance before making the distribution under that subsection. The denominator of the fraction is the account balance which would be required to make full distribution under that subsection.

(6) After making the distributions under subsections (2) through (4) of this section in the full amount indicated for the calendar year, the county treasurer shall place any excess revenue up to twenty percent of the total distributions made for the year under subsections (2) through (4) of this section in a reserve status until the beginning of the next calendar year. Any moneys remaining in the county timber tax account after this amount is placed in reserve shall be distributed to each taxing district in the county in the same proportions as the distributions made under subsection (4) of this section.

(7) On the last business day of the second month of each calendar quarter, the state treasurer shall distribute from the timber tax distribution account to each county an amount of tax collected by the state under RCW 84.33.041 equal to the amount of any tribal tax credited against the county's tax under an agreement entered into under RCW 43.06.480.

NEW SECTION. **Sec.**  This act does not modify the department of revenue's duties to administer a state forest tax program.

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