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**SUBSTITUTE HOUSE BILL 2447**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** House Committee on Revenue (originally sponsored by Representatives Wang and Fraser; by request of Governor Gardner)

Read first time 01/31/92.

1       AN ACT Relating to the taxation of conveyances of real property;  
2 amending RCW 82.45.010, 82.45.020, 82.45.030, 82.45.032, 82.45.060,  
3 82.45.070, 82.45.080, 82.45.090, 82.45.100, 82.45.150, 82.46.010,  
4 82.46.035, 82.46.050, 82.46.070, 84.26.080, 84.33.120, 84.33.140, and  
5 84.34.108; reenacting and amending RCW 82.46.040 and 82.46.060; adding  
6 a new section to chapter 82.45 RCW; creating a new section; repealing  
7 RCW 82.45.035, 82.45.105, and 82.45.120; providing an effective date;  
8 and declaring an emergency.

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

10       **Sec. 1.** RCW 82.45.010 and 1981 c 93 s 1 are each amended to read  
11 as follows:

12       (1) As used in this chapter, the term (~~("sale" shall have its~~  
13 ~~ordinary meaning and shall include any)) "conveyance"(~~(7)) shall mean~~  
14 the grant, assignment, quitclaim, sale, or other transfer of the~~

1 ownership of or title to real property(~~(, including standing timber, or~~  
2 ~~any estate or interest therein for a valuable consideration, and)~~).  
3 The term includes the grant, assignment, quitclaim, sale, or transfer  
4 of improvements constructed upon leased land.

5 (2) The term conveyance also includes any contract for ((such  
6 ~~conveyance,)) the grant, assignment, quitclaim, sale, or transfer((,  
7 ~~and any lease with an option to purchase real property, including~~  
8 ~~standing timber, or any estate or interest therein or other contract))~~  
9 of real property where, under ((which)) the terms of the contract  
10 possession of the property is given to the ((purchaser)) contract  
11 vendee, or any other person ((by his)) at the vendee's direction,  
12 ((which)) and title to the property is retained by the vendor as  
13 security for the ((payment of the purchase price)) vendee's performance  
14 of the contract terms.~~

15 ~~((The term shall not include a transfer by gift, devise, or~~  
16 ~~inheritance, a transfer of any leasehold interest other than of the~~  
17 ~~type mentioned above, a cancellation or forfeiture of a vendee's~~  
18 ~~interest in a contract for the sale of real property, whether or not~~  
19 ~~such contract contains a forfeiture clause, or deed in lieu of~~  
20 ~~foreclosure of a mortgage or the assumption by a grantee of the balance~~  
21 ~~owing on an obligation which is secured by a mortgage or deed in lieu~~  
22 ~~of forfeiture of the vendee's interest in a contract of sale where no~~  
23 ~~consideration passes otherwise or the partition of property by tenants~~  
24 ~~in common by agreement or as the result of a court decree, any~~  
25 ~~transfer, conveyance, or assignment of property or interest in property~~  
26 ~~from one spouse to the other in accordance with the terms of a decree~~  
27 ~~of divorce or in fulfillment of a property settlement agreement~~  
28 ~~incident thereto, the assignment or other transfer of a vendor's~~  
29 ~~interest in a contract for the sale of real property, even though~~  
30 ~~accompanied by a conveyance of the vendor's interest in the real~~

1 property involved, transfers by appropriation or decree in condemnation  
2 proceedings brought by the United States, the state or any political  
3 subdivision thereof, or a municipal corporation, a mortgage or other  
4 transfer of an interest in real property merely to secure a debt, or  
5 the assignment thereof, any transfer or conveyance made pursuant to an  
6 order of sale by the court in any mortgage or lien foreclosure  
7 proceeding or upon execution of a judgment, or deed in lieu of  
8 foreclosure to satisfy a mortgage, a conveyance to the federal housing  
9 administration or veterans administration by an authorized mortgagee  
10 made pursuant to a contract of insurance or guaranty with the federal  
11 housing administration or veterans administration, nor a transfer in  
12 compliance with the terms of any lease or contract upon which the tax  
13 as imposed by this chapter has been paid or where the lease or contract  
14 was entered into prior to the date this tax was first imposed, nor the  
15 sale of any grave or lot in an established cemetery, nor a sale by or  
16 to the United States, this state or any political subdivision thereof,  
17 or a municipal corporation of this state.

18       The term sale shall further not include a transfer to a corporation  
19 or partnership which is wholly owned by the transferor and/or the  
20 transferor's spouse or children: PROVIDED, That if thereafter such  
21 transferee corporation or partnership voluntarily transfers such real  
22 property, or such transferor, spouse, or children voluntarily transfer  
23 stock in the transferee corporation or interest in the transferee  
24 partnership capital, as the case may be, to other than (1) the  
25 transferor and/or the transferor's spouse or children, (2) a trust  
26 having the transferor and/or the transferor's spouse or children as the  
27 only beneficiaries at the time of the transfer to the trust, or (3) a  
28 corporation or partnership wholly owned by the original transferor  
29 and/or the transferor's spouse or children, within five years of the  
30 original transfer to which this exemption applies, excise taxes shall

1 ~~become due and payable on the original transfer as otherwise provided~~  
2 ~~by law.))~~

3 (3) The term conveyance does not include the grant or transfer of  
4 an easement, leasehold, license, equitable servitude, or option to  
5 purchase.

6 (4) The term conveyance does not include any agreement that  
7 obligates the owner of real property to sell but that otherwise does  
8 not by its terms effect a conveyance of the real property.

9 **Sec. 2.** RCW 82.45.020 and 1980 c 154 s 1 are each amended to read  
10 as follows:

11 As used in this chapter the term (~~"seller,"~~) "transferor," unless  
12 otherwise indicated by the context, shall mean any individual,  
13 receiver, assignee, trustee in bankruptcy, trust, estate, firm,  
14 copartnership, joint venture, club, company, joint stock company,  
15 business trust, municipal corporation, quasi municipal corporation,  
16 corporation, association, society, or any group of individuals acting  
17 as a unit, whether mutual, cooperative, fraternal, nonprofit or  
18 otherwise; but it shall not include the United States or the state of  
19 Washington.

20 **Sec. 3.** RCW 82.45.030 and 1969 ex.s. c 223 s 28A.45.030 are each  
21 amended to read as follows:

22 As used in this chapter, the term (~~"selling price" means the~~  
23 ~~consideration, including~~) "taxable value" means the true and fair  
24 value of the property conveyed. Where property has been conveyed in an  
25 arm's length transaction between unrelated persons for a valuable  
26 consideration, the taxable value shall be equal to the total  
27 consideration paid or contracted to be paid to the transferor, or  
28 another for the transferor's benefit. The total consideration paid, or

1 contracted to be paid, includes money or anything of value, paid or  
2 delivered or contracted to be paid or delivered in return for the  
3 transfer of the real property or estate or interest in real property,  
4 and shall include the amount of any lien, mortgage, contract  
5 indebtedness, or other incumbrance, either given to secure the purchase  
6 price, or any part thereof, or remaining unpaid on such property at the  
7 time of ~~((sale))~~ conveyance.

8 ~~((The term))~~ Total consideration shall not include the amount of  
9 any outstanding lien or incumbrance in favor of the United States, the  
10 state, or a municipal corporation for ~~((the))~~ taxes, special benefits,  
11 or improvements.

12 Under circumstances where the total consideration for the  
13 conveyance cannot be ascertained or the true and fair value of the  
14 property at the time of the conveyance cannot reasonably be determined,  
15 the market value assessment for the property maintained on the county  
16 property tax rolls at the time of the conveyance shall be used as the  
17 taxable value.

18 **Sec. 4.** RCW 82.45.032 and 1986 c 211 s 1 are each amended to read  
19 as follows:

20 Unless the context clearly requires otherwise, the definitions in  
21 this section apply throughout this chapter.

22 (1) "Real estate" or "real property" means ~~((real property but~~  
23 ~~includes))~~ any interest or estate in land or anything affixed to land,  
24 including standing timber, used mobile homes ~~((and))~~, used floating  
25 homes, and improvements upon leased land.

26 (2) "Used mobile home" means a mobile home which has been  
27 previously sold at retail and has been subjected to tax under chapter  
28 82.08 RCW, or which has been previously used and has been subjected to  
29 tax under chapter 82.12 RCW, and which has substantially lost its

1 identity as a mobile unit at the time of ((sale)) conveyance by virtue  
2 of its being fixed in location upon land owned or leased by the owner  
3 of the mobile home and placed on a foundation (posts or blocks) with  
4 fixed pipe connections with sewer, water, and other utilities.

5 (3) "Mobile home" means a mobile home as defined by RCW 46.04.302,  
6 as now or hereafter amended.

7 (4) "Used floating home" means a floating home in respect to which  
8 tax has been paid under chapter 82.08 or 82.12 RCW.

9 (5) "Floating home" means a building on a float used in whole or in  
10 part for human habitation as a single-family dwelling, which is not  
11 designed for self propulsion by mechanical means or for propulsion by  
12 means of wind, and which is on the property tax rolls of the county in  
13 which it is located.

14 **Sec. 5.** RCW 82.45.060 and 1987 c 472 s 14 are each amended to read  
15 as follows:

16 ((1)) There is imposed an excise tax upon each ((sale))  
17 conveyance of real property at the rate of one and twenty-eight one-  
18 hundredths percent of the ((selling price)) taxable value of the  
19 property conveyed as determined under RCW 82.45.030. An amount equal  
20 to seven and seven-tenths percent of the proceeds of this tax to the  
21 state treasurer shall be deposited in the public works assistance  
22 account created in RCW 43.155.050.

23 ~~((2) There is imposed an additional excise tax through June 30,~~  
24 ~~1989, upon each sale of real property at the rate of six one-hundredths~~  
25 ~~of one percent of the selling price. The tax imposed under this~~  
26 ~~subsection shall be deposited in the conservation area account under~~  
27 ~~RCW 79.71.110.))~~

1        NEW SECTION.    **Sec. 6.**    A new section is added to chapter 82.45 RCW  
2 to read as follows:

3        The following conveyances are exempt from the tax imposed by this  
4 chapter:

5        (1) A transfer of property by gift to a family member or to an  
6 entity exempt from federal income tax under section 501(c) of the  
7 internal revenue code. For purposes of this section, "family member"  
8 means the transferor, the transferor's spouse, grandparents, parents,  
9 children, grandchildren, sisters, or brothers.

10       (2) A transfer of property by devise or inheritance.

11       (3) An assignment or transfer of property from one spouse to  
12 another to establish or separate community property in accordance with  
13 the terms of a community property agreement; or to separate community  
14 property in accordance with the terms of a decree of divorce or in  
15 fulfillment of a property settlement agreement incident to a decree of  
16 divorce.

17       (4) A physical partition of property by tenants in common by  
18 agreement or as the result of a court decree.

19       (5) A family transfer.

20       (a) For this purpose a family transfer is any transfer:

21       (i) To a trust having family members of the transferor as the only  
22 beneficiaries at the time of the transfer to the trust; or

23       (ii) To a corporation or partnership wholly owned by one or more  
24 family members of the transferor.

25       (b) A family transfer also includes any subsequent transfer of  
26 property by a trust, corporation, or partnership described in (a) of  
27 this subsection to a transferee described in (a) of this subsection.

28       (c) The exemption provided in this subsection will not apply to any  
29 transfer, and tax will be due on such transfer if, within five years of  
30 the date of the transfer, the transferee corporation, partnership, or

1 trust voluntarily conveys the property, or a family member voluntarily  
2 transfers stock in the transferee corporation or an interest in the  
3 transferee partnership or trust, as the case may be, to other than a  
4 person described in (a) of this subsection.

5 (6) The creation of a lien by means of a mortgage or deed of trust,  
6 or the assignment of such a mortgage or deed of trust.

7 (7) The assignment or other transfer of a vendor's interest in a  
8 contract for the sale of real property, even though accompanied by a  
9 conveyance of the vendor's interest in the real property involved.

10 (8) A release or satisfaction of mortgage or full reconveyance of  
11 the beneficiary's interest under a deed of trust.

12 (9) A deed given to the vendee under a real estate contract upon  
13 fulfillment of the contract terms.

14 (10) A transfer or conveyance made pursuant to an order of sale by  
15 a court in any mortgage or lien foreclosure proceeding or upon  
16 execution of a judgment.

17 (11) A transfer by a trustee under a power of sale contained in a  
18 deed of trust.

19 (12) A deed in lieu of foreclosure of a mortgage or deed of trust  
20 given to the mortgagee or trust deed beneficiary.

21 (13) A declaration of contract forfeiture or deed given by the  
22 vendee to the vendor upon, or in lieu of, forfeiture of a real estate  
23 contract.

24 (14) A transfer of a grave or cemetery lot in an established  
25 cemetery.

26 (15) A transfer by a trustee in bankruptcy or pursuant to a court  
27 approved plan of reorganization under chapter 11 or 12 of the  
28 bankruptcy code.

29 (16) A transfer by appropriation or decree in condemnation  
30 proceedings brought by the United States, the state of Washington or



1 any of its political subdivisions, or a municipal corporation of this  
2 state.

3 (17) A transfer to the federal housing administration or the  
4 veteran's administration by an authorized mortgagee pursuant to a  
5 contract of insurance or guaranty with the federal housing  
6 administration or the veteran's administration.

7 (18) A transfer by a nominee to a third-party principal, provided  
8 that:

9 (a) The proper tax was paid on the transfer to the nominee;

10 (b) The third-party principal was in legal existence at the time of  
11 initial transfer;

12 (c) The funds used by the nominee to initially acquire the property  
13 were provided by the third-party principal; and

14 (d) The subsequent transfer from the nominee to the third-party  
15 principal is not for a greater consideration than that of the initial  
16 acquisition.

17 (19) A transfer by the United States, the state of Washington or  
18 any of its political subdivisions, or a municipal corporation of this  
19 state.

20 **Sec. 7.** RCW 82.45.070 and 1969 ex.s. c 223 s 28A.45.070 are each  
21 amended to read as follows:

22 The tax ~~((herein provided for and any))~~ imposed by this chapter,  
23 along with interest ((or penalties thereon)) accruing as provided in  
24 RCW 82.45.100, shall be a specific lien upon each ~~((piece))~~ parcel of  
25 real property ~~((sold))~~ conveyed from the time of ~~((sale))~~ conveyance  
26 until the tax ~~((shall have))~~ has been paid, which lien may be enforced  
27 in the manner prescribed for the foreclosure of mortgages. The lien  
28 provided under this section shall be perfected without further act and

1 shall have priority over any lien arising after the conveyance, other  
2 than a lien arising under RCW 84.60.010.

3 **Sec. 8.** RCW 82.45.080 and 1980 c 154 s 3 are each amended to read  
4 as follows:

5 The tax levied under this chapter shall be the obligation of the  
6 ~~((seller))~~ transferor and the department of revenue may, at the  
7 department's option, enforce the obligation through an action of debt  
8 against the ~~((seller))~~ transferor or the department may proceed in the  
9 manner prescribed for the foreclosure of mortgages ~~((and))~~. Resort to  
10 one course of enforcement shall not ~~((be an election not to pursue))~~  
11 preclude the department from pursuing the other.

12 **Sec. 9.** RCW 82.45.090 and 1991 c 327 s 6 are each amended to read  
13 as follows:

14 The tax imposed by this chapter shall be paid to and collected by  
15 the treasurer of the county ~~((within))~~ in which the property conveyed  
16 is located ~~((the real property which was sold, said))~~. In collecting  
17 the tax the treasurer ~~((acting))~~ shall act as agent for the state. The  
18 county treasurer shall cause a stamp evidencing satisfaction of the  
19 lien to be affixed to the instrument of ~~((sale or))~~ conveyance prior to  
20 its recording or to the real estate excise tax affidavit in the case of  
21 sales of used mobile homes ~~((sales))~~ and used floating homes ~~((sales))~~.  
22 A receipt issued by the county treasurer for the payment of the tax  
23 imposed under this chapter shall be evidence of the satisfaction of the  
24 lien imposed hereunder and may be recorded in the manner prescribed for  
25 recording satisfactions of mortgages. No instrument ~~((of sale or~~  
26 ~~conveyance))~~ evidencing a ~~((sale))~~ conveyance subject to the tax shall  
27 be accepted by the county auditor for filing or recording until the tax  
28 ~~((shall have))~~ has been paid and the ~~((stamp affixed thereto))~~

1 instrument has been stamped; in case the tax is not due on the  
2 (~~transfer~~) conveyance, the instrument shall not be so accepted until  
3 suitable notation of such fact has been made on the instrument by the  
4 treasurer.

5 **Sec. 10.** RCW 82.45.100 and 1988 c 286 s 5 are each amended to read  
6 as follows:

7 (1) The tax imposed under this chapter is due and payable  
8 immediately at the time of (~~sale~~) conveyance, and if not paid within  
9 thirty days thereafter shall bear interest at the rate of one percent  
10 per month from the time of (~~sale~~) conveyance until the date of  
11 payment.

12 (2) In addition to the interest described in subsection (1) of this  
13 section, if the payment of any tax is not received by the county  
14 treasurer within thirty days of the date due, there shall be assessed  
15 a penalty of five percent of the amount of the tax; if the tax is not  
16 received within sixty days of the date due, there shall be assessed a  
17 total penalty of ten percent of the amount of the tax; and if the tax  
18 is not received within ninety days of the date due, there shall be  
19 assessed a total penalty of twenty percent of the amount of the tax.  
20 The payment of the penalty described in this subsection shall be  
21 collectible from the (~~seller~~) transferor only, and RCW 82.45.070 does  
22 not apply to the penalties described in this subsection.

23 (3) If upon examination of any affidavits or from other information  
24 obtained by the department or its agents it appears that all or a  
25 portion of the tax is unpaid, the department shall assess against the  
26 (~~taxpayer~~) transferor the additional amount found to be due plus  
27 interest and penalties as provided in subsections (1) and (2) of this  
28 section. If the department finds that all or any part of the  
29 deficiency resulted from an intent to evade the tax payable under this

1 chapter, an additional penalty of fifty percent of the additional tax  
2 found to be due shall be added.

3 (4) No assessment or refund may be made by the department more than  
4 four years after the date of ~~((sale))~~ conveyance except upon a showing  
5 of fraud or of misrepresentation of a material fact by the ~~((taxpayer))~~  
6 transferor or a failure by the ~~((taxpayer))~~ transferor to record  
7 documentation of a ~~((sale))~~ conveyance or otherwise report the ~~((sale))~~  
8 conveyance to the county treasurer.

9 (5) Penalties collected pursuant to subsection (2) of this section  
10 shall be deposited in the housing trust fund as described in chapter  
11 43.185 RCW.

12 **Sec. 11.** RCW 82.45.150 and 1981 c 167 s 1 are each amended to read  
13 as follows:

14 All of chapter 82.32 RCW, except RCW 82.32.030, 82.32.040,  
15 82.32.050, 82.32.140, and 82.32.270 and except for the penalties and  
16 the limitations thereon imposed by RCW 82.32.090, applies to the tax  
17 imposed by this chapter, in addition to any other provisions of law for  
18 the payment and enforcement of the tax imposed by this chapter. The  
19 department of revenue shall by rule provide for the effective  
20 administration of this chapter. The rules shall ~~((also include a~~  
21 ~~manual which defines transactions which are taxable under))~~ prescribe  
22 and furnish a real estate transfer tax affidavit form to be used by  
23 each county in the collection and reporting of the tax imposed by this  
24 chapter. The department of revenue shall annually conduct audits of  
25 transactions and affidavits filed under this chapter.

26 **Sec. 12.** RCW 82.46.010 and 1990 1st ex.s. c 17 s 36 are each  
27 amended to read as follows:

1 (1) The governing body of any county or any city may impose an  
2 excise tax on each ((sale)) conveyance of real property in the  
3 unincorporated areas of the county for the county tax and in the  
4 corporate limits of the city for the city tax at a rate not exceeding  
5 one-quarter of one percent of the ((selling price)) taxable value as  
6 defined in RCW 82.45.030. The revenues from this tax shall be used by  
7 the respective jurisdictions for local capital improvements, including  
8 those listed in RCW 35.43.040.

9 After July 1, 1990, revenues generated from the tax imposed under  
10 this subsection in counties and cities that are required or choose to  
11 plan under RCW 36.70A.040 shall be used primarily for financing capital  
12 projects specified in a capital facilities plan element of a  
13 comprehensive plan and housing relocation assistance under RCW  
14 59.18.440 and 59.18.450. However, revenues (a) pledged by such  
15 counties and cities to debt retirement prior to July 1, 1990, may  
16 continue to be used for that purpose until all outstanding debt is  
17 retired, or (b) committed prior to July 1, 1990, by such counties or  
18 cities to a capital project may continue to be used for that purpose  
19 until the project is completed.

20 (2) In lieu of imposing the tax authorized in RCW 82.14.030(2), the  
21 governing body of any county or any city may impose an additional  
22 excise tax on each ((sale)) conveyance of real property in the  
23 unincorporated areas of the county for the county tax and in the  
24 corporate limits of the city for the city tax at a rate not exceeding  
25 one-half of one percent of the ((selling price)) taxable value as  
26 defined in RCW 82.45.030.

27 (3) Taxes imposed under this section shall be collected from  
28 persons who are taxable by the state under chapter 82.45 RCW upon the  
29 occurrence of any taxable event within the unincorporated areas of the  
30 county or within the corporate limits of the city, as the case may be.

1 (4) Taxes imposed under this section shall comply with all  
2 applicable rules, regulations, laws, and court decisions regarding real  
3 estate excise taxes as imposed by the state under chapter 82.45 RCW.

4 (5) As used in this section, "city" means any city or town.

5 **Sec. 13.** RCW 82.46.035 and 1991 sp.s. c 32 s 33 are each amended  
6 to read as follows:

7 (1) The governing body of any county or any city that plans under  
8 RCW 36.70A.040(1) may impose an additional excise tax on each ((sale))  
9 conveyance of real property in the unincorporated areas of the county  
10 for the county tax and in the corporate limits of the city for the city  
11 tax at a rate not exceeding one-quarter of one percent of the ((selling  
12 price)) taxable value as defined in RCW 82.45.030. Any county choosing  
13 to plan under RCW 36.70A.040(2) and any city within such a county may  
14 only adopt an ordinance imposing the excise tax authorized by this  
15 section if the ordinance is first authorized by a proposition approved  
16 by a majority of the voters of the taxing district voting on the  
17 proposition at a general election held within the district or at a  
18 special election within the taxing district called by the district for  
19 the purpose of submitting such proposition to the voters.

20 (2) Revenues generated from the tax imposed under subsection (1) of  
21 this section shall be used by such counties and cities solely for  
22 financing capital projects specified in a capital facilities plan  
23 element of a comprehensive plan.

24 (3) Revenues generated by the tax imposed by this section shall be  
25 deposited in a separate account.

26 (4) As used in this section, "city" means any city or town.

27 (5) When the governor files a notice of noncompliance under RCW  
28 36.70A.340 with the secretary of state and the appropriate county or  
29 city, the county or city's authority to impose the additional excise

1 tax under this section shall be temporarily rescinded until the  
2 governor files a subsequent notice rescinding the notice of  
3 noncompliance.

4 **Sec. 14.** RCW 82.46.040 and 1990 1st ex.s. c 17 s 39 and 1990 1st  
5 ex.s. c 5 s 4 are each reenacted and amended to read as follows:

6 Any tax imposed under this chapter (~~(or RCW 82.46.070)~~) and any  
7 interest or penalties thereon is a specific lien upon each piece of  
8 real property (~~(sold)~~) conveyed from the time of (~~(sale)~~) conveyance  
9 until the tax is paid, which lien may be enforced in the manner  
10 prescribed for the foreclosure of mortgages.

11 **Sec. 15.** RCW 82.46.050 and 1990 1st ex.s. c 17 s 40 are each  
12 amended to read as follows:

13 The taxes levied under this chapter are the obligation of the  
14 (~~(seller)~~) transferor and may be enforced through an action of debt  
15 against the (~~(seller)~~) transferor or in the manner prescribed for the  
16 foreclosure of mortgages. Resort to one course of enforcement is not  
17 an election not to pursue the other.

18 **Sec. 16.** RCW 82.46.060 and 1990 1st ex.s. c 17 s 41 and 1990 1st  
19 ex.s. c 5 s 5 are each reenacted and amended to read as follows:

20 Any taxes imposed under this chapter (~~(or RCW 82.46.070)~~) ~~shall be~~  
21 ~~paid to and collected by the treasurer of the county within which is~~  
22 ~~located the real property which was~~ (~~(sold)~~) conveyed. The treasurer  
23 shall act as agent for any city within the county imposing the tax.  
24 The county treasurer shall cause a stamp evidencing satisfaction of the  
25 lien to be affixed to the instrument of sale or conveyance prior to its  
26 recording or to the real estate excise tax affidavit in the case of  
27 used mobile home (~~(sales)~~) conveyances. A receipt issued by the county

1 treasurer for the payment of the tax imposed under this chapter ((or  
2 RCW 82.46.070)) shall be evidence of the satisfaction of the lien  
3 imposed in RCW 82.46.040 and may be recorded in the manner prescribed  
4 for recording satisfactions of mortgages. No instrument of sale or  
5 conveyance evidencing a ((sale)) conveyance subject to the tax may be  
6 accepted by the county auditor for filing or recording until the tax is  
7 paid and the stamp affixed thereto; in case the tax is not due on the  
8 transfer, the instrument shall not be accepted until suitable notation  
9 of this fact is made on the instrument by the treasurer.

10 **Sec. 17.** RCW 82.46.070 and 1990 1st ex.s. c 5 s 3 are each amended  
11 to read as follows:

12 (1) Subject to subsection (2) of this section, the legislative  
13 authority of any county may impose an additional excise tax on each  
14 ((sale)) conveyance of real property in the county at a rate not to  
15 exceed one percent of the ((selling price)) taxable value as defined in  
16 RCW 82.45.030. The proceeds of the tax shall be used exclusively for  
17 the acquisition and maintenance of conservation areas.

18 The taxes imposed under this subsection shall be imposed in the  
19 same manner and on the same occurrences, and are subject to the same  
20 conditions, as the taxes under chapter 82.45 RCW, except:

21 (a) The tax shall be the obligation of the ((purchaser))  
22 transferee; and

23 (b) The tax does not apply to the acquisition of conservation areas  
24 by the county.

25 The county may enforce the obligation through an action of debt  
26 against the ((purchaser)) transferee or may foreclose the lien on the  
27 property in the same manner prescribed for the foreclosure of  
28 mortgages.



1 The tax shall take effect thirty days after the election at which  
2 the taxes are authorized.

3 (2) No tax may be imposed under subsection (1) of this section  
4 unless approved by a majority of the voters of the county voting  
5 thereon for a specified period and maximum rate after:

6 (a) The adoption of a resolution by the county legislative  
7 authority of the county proposing this action; or

8 (b) The filing of a petition proposing this action with the county  
9 auditor, which petition is signed by county voters at least equal in  
10 number to ten percent of the total number of voters in the county who  
11 voted at the last preceding general election.

12 The ballot proposition shall be submitted to the voters of the  
13 county at the next general election occurring at least sixty days after  
14 a petition is filed, or at any special election prior to this general  
15 election that has been called for such purpose by the county  
16 legislative authority.

17 (3) A plan for the expenditure of the excise tax proceeds shall be  
18 prepared by the county legislative authority at least sixty days before  
19 the election if the proposal is initiated by resolution of the county  
20 legislative authority, or within six months after the tax has been  
21 authorized by the voters if the proposal is initiated by petition.  
22 Prior to the adoption of this plan, the elected officials of cities  
23 located within the county shall be consulted and a public hearing shall  
24 be held to obtain public input. The proceeds of this excise tax must  
25 be expended in conformance with this plan.

26 (4) As used in this section, "conservation area" has the meaning  
27 given under RCW 36.32.570.

28 **Sec. 18.** RCW 84.26.080 and 1986 c 221 s 6 are each amended to read  
29 as follows:

1 (1) When property has once been classified and valued as eligible  
2 historic property, it shall remain so classified and be granted the  
3 special valuation provided by RCW 84.26.070 for ten years or until the  
4 property is disqualified by:

5 (a) Notice by the owner to the assessor to remove the special  
6 valuation;

7 (b) Sale or transfer to an ownership making it exempt from property  
8 taxation; or

9 (c) Removal of the special valuation by the assessor upon  
10 determination by the local review board that the property no longer  
11 qualifies as historic property or that the owner has failed to comply  
12 with the conditions established under RCW 84.26.050.

13 (2) The sale or transfer to a new owner or transfer by reason of  
14 death of a former owner to a new owner does not disqualify the property  
15 from the special valuation provided by RCW 84.26.070 if:

16 (a) The property continues to qualify as historic property; and

17 (b) The new owner files a notice of compliance with the assessor of  
18 the county in which the property is located. Notice of compliance  
19 forms shall be prescribed by the state department of revenue and  
20 supplied by the county assessor. The notice shall contain a statement  
21 that the new owner is aware of the special valuation and of the  
22 potential tax liability involved when the property ceases to be valued  
23 as historic property under this chapter. The signed notice of  
24 compliance shall be attached to the real estate (~~excise~~) transfer tax  
25 affidavit provided for in RCW (~~82.45.120~~) 82.45.150. If the notice  
26 of compliance is not signed by the new owner and attached to the real  
27 estate excise tax affidavit, all additional taxes calculated pursuant  
28 to RCW 84.26.090 shall become due and payable by the seller or  
29 transferor at time of sale. The county auditor shall not accept an  
30 instrument of conveyance of specially valued historic property for

1 filing or recording unless the new owner has signed the notice of  
2 compliance or the additional tax has been paid.

3 (3) When the property ceases to qualify for the special valuation  
4 the owner shall immediately notify the state or local review board.

5 (4) Before the additional tax or penalty imposed by RCW 84.26.090  
6 is levied, in the case of disqualification, the assessor shall notify  
7 the taxpayer by mail, return receipt requested, of the  
8 disqualification.

9 NEW SECTION. **Sec. 19.** (1) Any ordinance adopted by the  
10 governing body of any county, city, or town that is in effect on May  
11 31, 1992, and that imposes a tax authorized by RCW 82.46.010 shall,  
12 without further act of the governing body, be considered effective to  
13 impose the tax authorized under section 12 of this act, until such time  
14 as the ordinance is otherwise amended or repealed.

15 (2) Any ordinance adopted by the governing body of any county,  
16 city, or town that is in effect on May 31, 1992, and that imposes a tax  
17 as authorized by RCW 82.46.035 shall, without further act of the  
18 governing body or the voters of the county, city, or town adopting the  
19 ordinance, be considered effective to impose the tax authorized by  
20 section 13 of this act, until such time as the ordinance is otherwise  
21 amended or repealed.

22 (3) Any ordinance adopted by the legislative authority of any  
23 county, city, or town that is in effect on May 31, 1992, and that  
24 imposes a tax as authorized by RCW 82.46.070 shall, without further act  
25 of the legislative authority or the voters of the county, city, or town  
26 adopting the ordinance, be considered effective to impose the tax  
27 authorized by section 17 of this act, until such time as the ordinance  
28 is otherwise amended or repealed.

1       **Sec. 20.** RCW 84.33.120 and 1986 c 238 s 1 are each amended to read  
2 as follows:

3       (1) In preparing the assessment rolls as of January 1, 1982, for  
4 taxes payable in 1983 and each January 1st thereafter, the assessor  
5 shall list each parcel of forest land at a value with respect to the  
6 grade and class provided in this subsection and adjusted as provided in  
7 subsection (2) of this section and shall compute the assessed value of  
8 the land by using the same assessment ratio he applies generally in  
9 computing the assessed value of other property in his county. Values  
10 for the several grades of bare forest land shall be as follows.

11	LAND	OPERABILITY	VALUES
12	GRADE	CLASS	PER ACRE
13	-----		
14		1	\$141
15	1	2	136
16		3	131
17		4	95
18	-----		
19		1	118
20	2	2	114
21		3	110
22		4	80
23	-----		
24		1	93
25	3	2	90
26		3	87
27		4	66
28	-----		
29		1	70

1	4	2	68
2		3	66
3		4	52
4	-----		
5		1	51
6	5	2	48
7		3	46
8		4	31
9	-----		
10		1	26
11	6	2	25
12		3	25
13		4	23
14	-----		
15		1	12
16	7	2	12
17		3	11
18		4	11
19	-----		
20	8		1
21	-----		

22 (2) On or before December 31, 1981, the department shall adjust, by  
23 rule under chapter 34.05 RCW, the forest land values contained in  
24 subsection (1) of this section in accordance with this subsection, and  
25 shall certify these adjusted values to the county assessor for his use  
26 in preparing the assessment rolls as of January 1, 1982. For the  
27 adjustment to be made on or before December 31, 1981, for use in the  
28 1982 assessment year, the department shall:

1 (a) Divide the aggregate value of all timber harvested within the  
2 state between July 1, 1976, and June 30, 1981, by the aggregate harvest  
3 volume for the same period, as determined from the harvester excise tax  
4 returns filed with the department under RCW 82.04.291 and 84.33.071;  
5 and

6 (b) Divide the aggregate value of all timber harvested within the  
7 state between July 1, 1975, and June 30, 1980, by the aggregate harvest  
8 volume for the same period, as determined from the harvester excise tax  
9 returns filed with the department under RCW 82.04.291 and 84.33.071;  
10 and

11 (c) Adjust the forest land values contained in subsection (1) of  
12 this section by a percentage equal to one-half of the percentage change  
13 in the average values of harvested timber reflected by comparing the  
14 resultant values calculated under (a) and (b) of this subsection.

15 For the adjustments to be made on or before December 31, 1982, and  
16 each succeeding year thereafter, the same procedure shall be followed  
17 as described in this subsection utilizing harvester excise tax returns  
18 filed under RCW 82.04.291 and this chapter except that this adjustment  
19 shall be made to the prior year's adjusted value, and the five-year  
20 periods for calculating average harvested timber values shall be  
21 successively one year more recent.

22 (3) In preparing the assessment roll for 1972 and each year  
23 thereafter, the assessor shall enter as the true and fair value of each  
24 parcel of forest land the appropriate grade value certified to him by  
25 the department of revenue, and he shall compute the assessed value of  
26 such land by using the same assessment ratio he applies generally in  
27 computing the assessed value of other property in his county. In  
28 preparing the assessment roll for 1975 and each year thereafter, the  
29 assessor shall assess and value as classified forest land all forest  
30 land that is not then designated pursuant to RCW 84.33.120(4) or

1 84.33.130 and shall make a notation of such classification upon the  
2 assessment and tax rolls. On or before January 15 of the first year in  
3 which such notation is made, the assessor shall mail notice by  
4 certified mail to the owner that such land has been classified as  
5 forest land and is subject to the compensating tax imposed by this  
6 section. If the owner desires not to have such land assessed and  
7 valued as classified forest land, he shall give the assessor written  
8 notice thereof on or before March 31 of such year and the assessor  
9 shall remove from the assessment and tax rolls the classification  
10 notation entered pursuant to this subsection, and shall thereafter  
11 assess and value such land in the manner provided by law other than  
12 this chapter 84.33 RCW.

13 (4) In any year commencing with 1972, an owner of land which is  
14 assessed and valued by the assessor other than pursuant to the  
15 procedures set forth in RCW 84.33.110 and this section, and which has,  
16 in the immediately preceding year, been assessed and valued by the  
17 assessor as forest land, may appeal to the county board of equalization  
18 by filing an application with the board in the manner prescribed in  
19 subsection (2) of RCW 84.33.130. The county board shall afford the  
20 applicant an opportunity to be heard if the application so requests and  
21 shall act upon the application in the manner prescribed in subsection  
22 (3) of RCW 84.33.130.

23 (5) Land that has been assessed and valued as classified forest  
24 land as of any year commencing with 1975 assessment year or earlier  
25 shall continue to be so assessed and valued until removal of  
26 classification by the assessor only upon the occurrence of one of the  
27 following events:

28 (a) Receipt of notice from the owner to remove such land from  
29 classification as forest land;

1 (b) Sale or transfer to an ownership making such land exempt from  
2 ad valorem taxation;

3 (c) Determination by the assessor, after giving the owner written  
4 notice and an opportunity to be heard, that, because of actions taken  
5 by the owner, such land is no longer primarily devoted to and used for  
6 growing and harvesting timber;

7 (d) Determination that a higher and better use exists for such land  
8 than growing and harvesting timber after giving the owner written  
9 notice and an opportunity to be heard;

10 (e) Sale or transfer of all or a portion of such land to a new  
11 owner, unless the new owner has signed a notice of forest land  
12 classification continuance. The signed notice of continuance shall be  
13 attached to the real estate (~~excise~~) transfer tax affidavit provided  
14 for in RCW (~~82.45.120~~) 82.45.150, as now or hereafter amended. The  
15 notice of continuance shall be on a form prepared by the department of  
16 revenue. If the notice of continuance is not signed by the new owner  
17 and attached to the real estate excise tax affidavit, all compensating  
18 taxes calculated pursuant to subsection (7) of this section shall  
19 become due and payable by the seller or transferor at time of sale.  
20 The county auditor shall not accept an instrument of conveyance of  
21 classified forest land for filing or recording unless the new owner has  
22 signed the notice of continuance or the compensating tax has been paid.  
23 The seller, transferor, or new owner may appeal the new assessed  
24 valuation calculated under subsection (7) of this section to the county  
25 board of equalization. Jurisdiction is hereby conferred on the county  
26 board of equalization to hear these appeals.

27 The assessor shall remove classification pursuant to subsections  
28 (c) or (d) above prior to September 30 of the year prior to the  
29 assessment year for which termination of classification is to be  
30 effective. Removal of classification as forest land upon occurrence of



1 subsection (a), (b), (d), or (e) above shall apply only to the land  
2 affected, and upon occurrence of subsection (c) shall apply only to the  
3 actual area of land no longer primarily devoted to and used for growing  
4 and harvesting timber: PROVIDED, That any remaining classified forest  
5 land meets necessary definitions of forest land pursuant to RCW  
6 84.33.100 as now or hereafter amended.

7 (6) Within thirty days after such removal of classification as  
8 forest land, the assessor shall notify the owner in writing setting  
9 forth the reasons for such removal. The owner of such land shall  
10 thereupon have the right to apply for designation of such land as  
11 forest land pursuant to subsection (4) of this section or RCW  
12 84.33.130. The seller, transferor, or owner may appeal such removal to  
13 the county board of equalization.

14 (7) Unless the owner successfully applies for designation of such  
15 land or unless the removal is reversed on appeal, notation of removal  
16 from classification shall immediately be made upon the assessment and  
17 tax rolls, and commencing on January 1 of the year following the year  
18 in which the assessor made such notation, such land shall be assessed  
19 on the same basis as real property is assessed generally in that  
20 county. Except as provided in subsections (5)(e) and (9) of this  
21 section and unless the assessor shall not have mailed notice of  
22 classification pursuant to subsection (3) of this section, a  
23 compensating tax shall be imposed which shall be due and payable to the  
24 county treasurer thirty days after the owner is notified of the amount  
25 of the compensating tax. As soon as possible, the assessor shall  
26 compute the amount of such compensating tax and mail notice to the  
27 owner of the amount thereof and the date on which payment is due. The  
28 amount of such compensating tax shall be equal to:

29 (a) The difference, if any, between the amount of tax last levied  
30 on such land as forest land and an amount equal to the new assessed

1 valuation of such land multiplied by the dollar rate of the last levy  
2 extended against such land, multiplied by

3 (b) A number, in no event greater than ten, equal to the number of  
4 years, commencing with assessment year 1975, for which such land was  
5 assessed and valued as forest land.

6 (8) Compensating tax, together with applicable interest thereon,  
7 shall become a lien on such land which shall attach at the time such  
8 land is removed from classification as forest land and shall have  
9 priority to and shall be fully paid and satisfied before any  
10 recognizance, mortgage, judgment, debt, obligation or responsibility to  
11 or with which such land may become charged or liable. Such lien may be  
12 foreclosed upon expiration of the same period after delinquency and in  
13 the same manner provided by law for foreclosure of liens for delinquent  
14 real property taxes as provided in RCW 84.64.050. Any compensating tax  
15 unpaid on its due date shall thereupon become delinquent. From the  
16 date of delinquency until paid, interest shall be charged at the same  
17 rate applied by law to delinquent ad valorem property taxes.

18 (9) The compensating tax specified in subsection (7) of this  
19 section shall not be imposed if the removal of classification as forest  
20 land pursuant to subsection (5) of this section resulted solely from:

21 (a) Transfer to a government entity in exchange for other forest  
22 land located within the state of Washington;

23 (b) A taking through the exercise of the power of eminent domain,  
24 or sale or transfer to an entity having the power of eminent domain in  
25 anticipation of the exercise of such power;

26 (c) Sale or transfer of land within two years after the death of  
27 the owner of at least a fifty percent interest in such land;

28 (d) A donation of development rights, or the right to harvest  
29 timber, to a government agency or organization qualified under RCW  
30 84.34.210 and 64.04.130 for the purposes enumerated in those sections

1 or the sale or transfer of fee title to a governmental entity or  
2 nonprofit nature conservancy corporation, as defined in RCW 64.04.130,  
3 exclusively for the protection and conservation of lands recommended  
4 for state natural area preserve purposes by the natural heritage  
5 council and natural heritage plan as defined in chapter 79.70 RCW:  
6 PROVIDED, That at such time as the land is not used for the purposes  
7 enumerated, the compensating tax specified in subsection (7) of this  
8 section shall be imposed upon the current owner.

9 (10) With respect to any land that has been designated prior to May  
10 6, 1974, pursuant to RCW 84.33.120(4) or 84.33.130, the assessor may,  
11 prior to January 1, 1975, on his own motion or pursuant to petition by  
12 the owner, change, without imposition of the compensating tax provided  
13 under RCW 84.33.140, the status of such designated land to classified  
14 forest land.

15 **Sec. 21.** RCW 84.33.140 and 1986 c 238 s 2 are each amended to read  
16 as follows:

17 (1) When land has been designated as forest land pursuant to RCW  
18 84.33.120(4) or 84.33.130, a notation of such designation shall be made  
19 each year upon the assessment and tax rolls, a copy of the notice of  
20 approval together with the legal description or assessor's tax lot  
21 numbers for such land shall, at the expense of the applicant, be filed  
22 by the assessor in the same manner as deeds are recorded, and such land  
23 shall be graded and valued pursuant to RCW 84.33.110 and 84.33.120  
24 until removal of such designation by the assessor upon occurrence of  
25 any of the following:

- 26 (a) Receipt of notice from the owner to remove such designation;  
27 (b) Sale or transfer to an ownership making such land exempt from  
28 ad valorem taxation;

1 (c) Sale or transfer of all or a portion of such land to a new  
2 owner, unless the new owner has signed a notice of forest land  
3 designation continuance. The signed notice of continuance shall be  
4 attached to the real estate (~~excise~~) transfer tax affidavit provided  
5 for in RCW (~~82.45.120~~) 82.45.150, as now or hereafter amended. The  
6 notice of continuance shall be on a form prepared by the department of  
7 revenue. If the notice of continuance is not signed by the new owner  
8 and attached to the real estate excise tax affidavit, all compensating  
9 taxes calculated pursuant to subsection (3) of this section shall  
10 become due and payable by the seller or transferor at time of sale.  
11 The county auditor shall not accept an instrument of conveyance of  
12 designated forest land for filing or recording unless the new owner has  
13 signed the notice of continuance or the compensating tax has been paid.  
14 The seller, transferor, or new owner may appeal the new assessed  
15 valuation calculated under subsection (3) of this section to the county  
16 board of equalization. Jurisdiction is hereby conferred on the county  
17 board of equalization to hear these appeals;

18 (d) Determination by the assessor, after giving the owner written  
19 notice and an opportunity to be heard, that (i) such land is no longer  
20 primarily devoted to and used for growing and harvesting timber, (ii)  
21 such owner has failed to comply with a final administrative or judicial  
22 order with respect to a violation of the restocking, forest management,  
23 fire protection, insect and disease control and forest debris  
24 provisions of Title 76 RCW or any applicable regulations thereunder, or  
25 (iii) restocking has not occurred to the extent or within the time  
26 specified in the application for designation of such land.

27 Removal of designation upon occurrence of any of subsections (a)  
28 through (c) above shall apply only to the land affected, and upon  
29 occurrence of subsection (d) shall apply only to the actual area of  
30 land no longer primarily devoted to and used for growing and harvesting

1 timber, without regard to other land that may have been included in the  
2 same application and approval for designation: PROVIDED, That any  
3 remaining designated forest land meets necessary definitions of forest  
4 land pursuant to RCW 84.33.100 as now or hereafter amended.

5 (2) Within thirty days after such removal of designation of forest  
6 land, the assessor shall notify the owner in writing, setting forth the  
7 reasons for such removal. The seller, transferor, or owner may appeal  
8 such removal to the county board of equalization.

9 (3) Unless the removal is reversed on appeal a copy of the notice  
10 of removal with notation of the action, if any, upon appeal, together  
11 with the legal description or assessor's tax lot numbers for the land  
12 removed from designation shall, at the expense of the applicant, be  
13 filed by the assessor in the same manner as deeds are recorded, and  
14 commencing on January 1 of the year following the year in which the  
15 assessor mailed such notice, such land shall be assessed on the same  
16 basis as real property is assessed generally in that county. Except as  
17 provided in subsection (5) of this section, a compensating tax shall be  
18 imposed which shall be due and payable to the county treasurer thirty  
19 days after the owner is notified of the amount of the compensating tax.  
20 As soon as possible, the assessor shall compute the amount of such  
21 compensating tax and mail notice to the owner of the amount thereof and  
22 the date on which payment is due. The amount of such compensating tax  
23 shall be equal to:

24 (a) The difference between the amount of tax last levied on such  
25 land as forest land and an amount equal to the new assessed valuation  
26 of such land multiplied by the dollar rate of the last levy extended  
27 against such land, multiplied by

28 (b) A number, in no event greater than ten, equal to the number of  
29 years for which such land was designated as forest land.

1 (4) Compensating tax, together with applicable interest thereon,  
2 shall become a lien on such land which shall attach at the time such  
3 land is removed from designation as forest land and shall have priority  
4 to and shall be fully paid and satisfied before any recognizance,  
5 mortgage, judgment, debt, obligation or responsibility to or with which  
6 such land may become charged or liable. Such lien may be foreclosed  
7 upon expiration of the same period after delinquency and in the same  
8 manner provided by law for foreclosure of liens for delinquent real  
9 property taxes as provided in RCW 84.64.050. Any compensating tax  
10 unpaid on its due date shall thereupon become delinquent. From the  
11 date of delinquency until paid, interest shall be charged at the same  
12 rate applied by law to delinquent ad valorem property taxes.

13 (5) The compensating tax specified in subsection (3) of this  
14 section shall not be imposed if the removal of designation pursuant to  
15 subsection (1) of this section resulted solely from:

16 (a) Transfer to a government entity in exchange for other forest  
17 land located within the state of Washington;

18 (b) A taking through the exercise of the power of eminent domain,  
19 or sale or transfer to an entity having the power of eminent domain in  
20 anticipation of the exercise of such power;

21 (c) Sale or transfer of land within two years after the death of  
22 the owner of at least a fifty percent interest in such land;

23 (d) A donation of development rights, or the right to harvest  
24 timber, to a government agency or organization qualified under RCW  
25 84.34.210 and 64.04.130 for the purposes enumerated in those sections  
26 or the sale or transfer of fee title to a governmental entity or  
27 nonprofit nature conservancy corporation, as defined in RCW 64.04.130,  
28 exclusively for the protection and conservation of lands recommended  
29 for state natural area preserve purposes by the natural heritage  
30 council and natural heritage plan as defined in chapter 79.70 RCW:

1 PROVIDED, That at such time as the land is not used for the purposes  
2 enumerated, the compensating tax specified in subsection (3) of this  
3 section shall be imposed upon the current owner.

4 **Sec. 22.** RCW 84.34.108 and 1989 c 378 s 35 are each amended to  
5 read as follows:

6 (1) When land has once been classified under this chapter, a  
7 notation of such designation shall be made each year upon the  
8 assessment and tax rolls and such land shall be valued pursuant to RCW  
9 84.34.060 or 84.34.065 until removal of all or a portion of such  
10 designation by the assessor upon occurrence of any of the following:

11 (a) Receipt of notice from the owner to remove all or a portion of  
12 such designation;

13 (b) Sale or transfer to an ownership making all or a portion of  
14 such land exempt from ad valorem taxation;

15 (c) Sale or transfer of all or a portion of such land to a new  
16 owner, unless the new owner has signed a notice of classification  
17 continuance. The signed notice of continuance shall be attached to the  
18 real estate ((excise)) transfer tax affidavit provided for in RCW  
19 ((82.45.120)) 82.45.150, as now or hereafter amended. The notice of  
20 continuance shall be on a form prepared by the department of revenue.  
21 If the notice of continuance is not signed by the new owner and  
22 attached to the real estate excise tax affidavit, all additional taxes  
23 calculated pursuant to subsection (3) of this section shall become due  
24 and payable by the seller or transferor at time of sale. The county  
25 auditor shall not accept an instrument of conveyance of classified land  
26 for filing or recording unless the new owner has signed the notice of  
27 continuance or the additional tax has been paid. The seller,  
28 transferor, or new owner may appeal the new assessed valuation  
29 calculated under subsection (3) of this section to the county board of

1 equalization. Jurisdiction is hereby conferred on the county board of  
2 equalization to hear these appeals;

3 (d) Determination by the assessor, after giving the owner written  
4 notice and an opportunity to be heard, that all or a portion of such  
5 land is no longer primarily devoted to and used for the purposes under  
6 which it was granted classification.

7 (2) Within thirty days after such removal of all or a portion of  
8 such land from current use classification, the assessor shall notify  
9 the owner in writing, setting forth the reasons for such removal. The  
10 seller, transferor, or owner may appeal such removal to the county  
11 board of equalization.

12 (3) Unless the removal is reversed on appeal, the assessor shall  
13 revalue the affected land with reference to full market value on the  
14 date of removal from classification. Both the assessed valuation  
15 before and after the removal of classification shall be listed and  
16 taxes shall be allocated according to that part of the year to which  
17 each assessed valuation applies. Except as provided in subsection (5)  
18 of this section, an additional tax shall be imposed which shall be due  
19 and payable to the county treasurer thirty days after the owner is  
20 notified of the amount of the additional tax. As soon as possible, the  
21 assessor shall compute the amount of such an additional tax and the  
22 treasurer shall mail notice to the owner of the amount thereof and the  
23 date on which payment is due. The amount of such additional tax shall  
24 be equal to:

25 (a) The difference between the property tax paid as "open space  
26 land", "farm and agricultural land", or "timber land" and the amount of  
27 property tax otherwise due and payable for the seven years last past  
28 had the land not been so classified; plus

29 (b) Interest upon the amounts of such additional tax paid at the  
30 same statutory rate charged on delinquent property taxes from the dates



1 on which such additional tax could have been paid without penalty if  
2 the land had been assessed at a value without regard to this chapter.

3 (4) Additional tax, together with applicable interest thereon,  
4 shall become a lien on such land which shall attach at the time such  
5 land is removed from current use classification under this chapter and  
6 shall have priority to and shall be fully paid and satisfied before any  
7 recognizance, mortgage, judgment, debt, obligation or responsibility to  
8 or with which such land may become charged or liable. Such lien may be  
9 foreclosed upon expiration of the same period after delinquency and in  
10 the same manner provided by law for foreclosure of liens for delinquent  
11 real property taxes as provided in RCW 84.64.050 now or as hereafter  
12 amended. Any additional tax unpaid on its due date shall thereupon  
13 become delinquent. From the date of delinquency until paid, interest  
14 shall be charged at the same rate applied by law to delinquent ad  
15 valorem property taxes.

16 (5) The additional tax specified in subsection (3) of this section  
17 shall not be imposed if the removal of designation pursuant to  
18 subsection (1) of this section resulted solely from:

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

21 (b) A taking through the exercise of the power of eminent domain,  
22 or sale or transfer to an entity having the power of eminent domain in  
23 anticipation of the exercise of such power;

24 (c) Sale or transfer of land within two years after the death of  
25 the owner of at least a fifty percent interest in such land;

26 (d) A natural disaster such as a flood, windstorm, earthquake, or  
27 other such calamity rather than by virtue of the act of the landowner  
28 changing the use of such property;

1 (e) Official action by an agency of the state of Washington or by  
2 the county or city within which the land is located which disallows the  
3 present use of such land;

4 (f) Transfer to a church and such land would qualify for property  
5 tax exemption pursuant to RCW 84.36.020; or

6 (g) Acquisition of property interests by state agencies or agencies  
7 or organizations qualified under RCW 84.34.210 and 64.04.130 for the  
8 purposes enumerated in those sections: PROVIDED, That at such time as  
9 these property interests are not used for the purposes enumerated in  
10 RCW 84.34.210 and 64.04.130 the additional tax specified in subsection  
11 (3) of this section shall be imposed.

12 NEW SECTION. **Sec. 23.** The following acts or parts of acts are  
13 each repealed:

14 (1) RCW 82.45.035 and 1969 ex.s. c 223 s 28A.45.035;

15 (2) RCW 82.45.105 and 1969 ex.s. c 223 s 28A.45.105; and

16 (3) RCW 82.45.120 and 1981 c 167 s 5, 1980 c 134 s 1, & 1969 ex.s.  
17 c 223 s 28A.45.120.

18 NEW SECTION. **Sec. 24.** This act is necessary for the immediate  
19 preservation of the public peace, health, or safety, or support of the  
20 state government and its existing public institutions, and shall take  
21 effect June 1, 1992.