

HOUSE BILL REPORT

SSB 6216

As Passed House:

March 2, 2004

Title: An act relating to defining timber land to include certain incidental uses.

Brief Description: Defining timber land to include certain incidental uses.

Sponsors: By Senate Committee on Natural Resources, Energy & Water (originally sponsored by Senators Rasmussen, Swecker, Doumit and Hargrove).

Brief History:

Committee Activity:

Agriculture & Natural Resources: 2/18/04, 2/20/04 [DP].

Floor Activity:

Passed House: 3/2/04, 94-0.

Brief Summary of Substitute Bill

- Includes land that is dedicated to incidental uses compatible with the growing and harvesting of timber in the term "timber land" for the purposes of calculating the land's current use.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass. Signed by 11 members: Representatives Linville, Chair; Rockefeller, Vice Chair; Schoesler, Ranking Minority Member; Kristiansen, Assistant Ranking Minority Member; Eickmeyer, Grant, Hunt, McDermott, Orcutt, Quall and Sump.

Staff: Jason Callahan (786-7117).

Background:

Property taxes are generally calculated based on the assessed value of the property's highest and best use. However, some property taxes in the state are instead based on an assessment of a property's current use, regardless if that use is the highest and best use for that property. Properties that are assessed on the current use include timber and forest land, open spaces, and agricultural land.

Certain forested land is eligible to be enrolled in a program that assesses the current value of timber lands. These lands must be at least 20 acres in size and be devoted primarily to the growing and harvesting of timber. In order to satisfy the 20 acre threshold, up to 10 percent of the property's size may be dedicated to uses that are incidental to timber production. These incidental uses include gravel pits, storage sheds for timber harvesting equipment, and other uses that do not interfere with the growing of timber.

Commercial timber land that is less than 20 acres is still eligible to enjoy current use assessments under an assessment program designed for open spaces and agriculture. To be eligible under this program, the forested land must be between five and 20 acres. However, for the purposes of calculating total area under this program, the landowner is not permitted to include the portions of his or her property that are dedicated to uses incidental to the growing and harvesting of timber.

Summary of Bill:

A landowner may include land that is dedicated to incidental uses that are compatible with the growing and harvesting of timber when calculating whether a property is large enough to be assessed on its current use. This land may also include appurtenances necessary for the production, preparation, and sale of the timber grown on the land. Up to 10 percent of the land may be used for these incidental uses; however, the land may not include a residential homesite.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill creates consistency between the two tax programs that apply to timber land. Both programs have the same goals, and simplicity is created if they are harmonized. The bill will lower the costs to both the landowner and the county government. Allowing the small forested parcels to be treated like large forested parcels helps landowners keep their property in forestry.

Testimony Against: None.

Persons Testifying: Senator Rasmussen, prime sponsor; Patricia Costello, Washington Association of County Assessors; Michelle Hagen, Washington Association of County Officials; and Mike Ryherd, Northwest Ecosystems Alliance.

Persons Signed In To Testify But Not Testifying: None.