

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1733

Chapter 255, Laws of 2009

61st Legislature
2009 Regular Session

PROPERTY TAXES--CURRENT USE VALUATION PROGRAMS

EFFECTIVE DATE: 07/26/09

Passed by the House March 6, 2009
Yeas 95 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 13, 2009
Yeas 47 Nays 0

BRAD OWEN

President of the Senate

Approved April 28, 2009, 4:14 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1733** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

April 29, 2009

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1733

Passed Legislature - 2009 Regular Session

State of Washington 61st Legislature 2009 Regular Session

By House Finance (originally sponsored by Representatives Goodman, Blake, Springer, Eddy, Dunshee, Rolfes, and Kessler)

READ FIRST TIME 03/02/09.

1 AN ACT Relating to the property tax current use valuation programs;
2 and amending RCW 84.34.020, 84.34.108, and 84.33.140.

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

4 **Sec. 1.** RCW 84.34.020 and 2005 c 57 s 1 are each amended to read
5 as follows:

6 As used in this chapter, unless a different meaning is required by
7 the context:

8 (1) "Open space land" means (a) any land area so designated by an
9 official comprehensive land use plan adopted by any city or county and
10 zoned accordingly, or (b) any land area, the preservation of which in
11 its present use would (i) conserve and enhance natural or scenic
12 resources, or (ii) protect streams or water supply, or (iii) promote
13 conservation of soils, wetlands, beaches or tidal marshes, or (iv)
14 enhance the value to the public of abutting or neighboring parks,
15 forests, wildlife preserves, nature reservations or sanctuaries or
16 other open space, or (v) enhance recreation opportunities, or (vi)
17 preserve historic sites, or (vii) preserve visual quality along
18 highway, road, and street corridors or scenic vistas, or (viii) retain
19 in its natural state tracts of land not less than one acre situated in

1 an urban area and open to public use on such conditions as may be
2 reasonably required by the legislative body granting the open space
3 classification, or (c) any land meeting the definition of farm and
4 agricultural conservation land under subsection (8) of this section.
5 As a condition of granting open space classification, the legislative
6 body may not require public access on land classified under (b)(iii) of
7 this subsection for the purpose of promoting conservation of wetlands.

8 (2) "Farm and agricultural land" means:

9 (a) Any parcel of land that is twenty or more acres or multiple
10 parcels of land that are contiguous and total twenty or more acres:

11 (i) Devoted primarily to the production of livestock or
12 agricultural commodities for commercial purposes;

13 (ii) Enrolled in the federal conservation reserve program or its
14 successor administered by the United States department of agriculture;
15 or

16 (iii) Other similar commercial activities as may be established by
17 rule;

18 (b)(i) Any parcel of land that is five acres or more but less than
19 twenty acres devoted primarily to agricultural uses, which has produced
20 a gross income from agricultural uses equivalent to, as of January 1,
21 1993:

22 (A) One hundred dollars or more per acre per year for three of the
23 five calendar years preceding the date of application for
24 classification under this chapter for all parcels of land that are
25 classified under this subsection or all parcels of land for which an
26 application for classification under this subsection is made with the
27 granting authority prior to January 1, 1993; and

28 (B) On or after January 1, 1993, two hundred dollars or more per
29 acre per year for three of the five calendar years preceding the date
30 of application for classification under this chapter;

31 (ii) For the purposes of (b)(i) of this subsection, "gross income
32 from agricultural uses" includes, but is not limited to, the wholesale
33 value of agricultural products donated to nonprofit food banks or
34 feeding programs;

35 (c) Any parcel of land of less than five acres devoted primarily to
36 agricultural uses which has produced a gross income as of January 1,
37 1993, of:

1 (i) One thousand dollars or more per year for three of the five
2 calendar years preceding the date of application for classification
3 under this chapter for all parcels of land that are classified under
4 this subsection or all parcels of land for which an application for
5 classification under this subsection is made with the granting
6 authority prior to January 1, 1993; and

7 (ii) On or after January 1, 1993, fifteen hundred dollars or more
8 per year for three of the five calendar years preceding the date of
9 application for classification under this chapter.

10 Parcels of land described in (b)(i)(A) and (c)(i) of this subsection
11 shall, upon any transfer of the property excluding a transfer to a
12 surviving spouse, be subject to the limits of (b)(i)(B) and (c)(ii) of
13 this subsection;

14 (d) Any lands including incidental uses as are compatible with
15 agricultural purposes, including wetlands preservation, provided such
16 incidental use does not exceed twenty percent of the classified land
17 and the land on which appurtenances necessary to the production,
18 preparation, or sale of the agricultural products exist in conjunction
19 with the lands producing such products. Agricultural lands shall also
20 include any parcel of land of one to five acres, which is not
21 contiguous, but which otherwise constitutes an integral part of farming
22 operations being conducted on land qualifying under this section as
23 "farm and agricultural lands"; (~~or~~)

24 (e) The land on which housing for employees and the principal place
25 of residence of the farm operator or owner of land classified pursuant
26 to (a) of this subsection is sited if: The housing or residence is on
27 or contiguous to the classified parcel; and the use of the housing or
28 the residence is integral to the use of the classified land for
29 agricultural purposes; or

30 (f) Any land that is used primarily for equestrian related
31 activities for which a charge is made, including, but not limited to,
32 stabling, training, riding, clinics, schooling, shows, or grazing for
33 feed and that otherwise meet the requirements of (a), (b), or (c) of
34 this subsection.

35 (3) "Timber land" means any parcel of land that is five or more
36 acres or multiple parcels of land that are contiguous and total five or
37 more acres which is or are devoted primarily to the growth and harvest
38 of timber for commercial purposes. Timber land means the land only and

1 does not include a residential homesite. The term includes land used
2 for incidental uses that are compatible with the growing and harvesting
3 of timber but no more than ten percent of the land may be used for such
4 incidental uses. It also includes the land on which appurtenances
5 necessary for the production, preparation, or sale of the timber
6 products exist in conjunction with land producing these products.

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

9 (5) "Owner" means the party or parties having the fee interest in
10 land, except that where land is subject to real estate contract "owner"
11 shall mean the contract vendee.

12 (6) "Contiguous" means land adjoining and touching other property
13 held by the same ownership. Land divided by a public road, but
14 otherwise an integral part of a farming operation, shall be considered
15 contiguous.

16 (7) "Granting authority" means the appropriate agency or official
17 who acts on an application for classification of land pursuant to this
18 chapter.

19 (8) "Farm and agricultural conservation land" means either:

20 (a) Land that was previously classified under subsection (2) of
21 this section, that no longer meets the criteria of subsection (2) of
22 this section, and that is reclassified under subsection (1) of this
23 section; or

24 (b) Land that is traditional farmland that is not classified under
25 chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a
26 use inconsistent with agricultural uses, and that has a high potential
27 for returning to commercial agriculture.

28 **Sec. 2.** RCW 84.34.108 and 2007 c 54 s 25 are each amended to read
29 as follows:

30 (1) When land has once been classified under this chapter, a
31 notation of the classification shall be made each year upon the
32 assessment and tax rolls and the land shall be valued pursuant to RCW
33 84.34.060 or 84.34.065 until removal of all or a portion of the
34 classification by the assessor upon occurrence of any of the following:

35 (a) Receipt of notice from the owner to remove all or a portion of
36 the classification;

1 (b) Sale or transfer to an ownership, except a transfer that
2 resulted from a default in loan payments made to or secured by a
3 governmental agency that intends to or is required by law or regulation
4 to resell the property for the same use as before, making all or a
5 portion of the land exempt from ad valorem taxation;

6 (c) Sale or transfer of all or a portion of the land to a new
7 owner, unless the new owner has signed a notice of classification
8 continuance, except transfer to an owner who is an heir or devisee of
9 a deceased owner shall not, by itself, result in removal of
10 classification. The notice of continuance shall be on a form prepared
11 by the department. If the notice of continuance is not signed by the
12 new owner and attached to the real estate excise tax affidavit, all
13 additional taxes calculated pursuant to subsection (4) of this section
14 shall become due and payable by the seller or transferor at time of
15 sale. The auditor shall not accept an instrument of conveyance
16 regarding classified land for filing or recording unless the new owner
17 has signed the notice of continuance or the additional tax has been
18 paid, as evidenced by the real estate excise tax stamp affixed thereto
19 by the treasurer. The seller, transferor, or new owner may appeal the
20 new assessed valuation calculated under subsection (4) of this section
21 to the county board of equalization in accordance with the provisions
22 of RCW 84.40.038. Jurisdiction is hereby conferred on the county board
23 of equalization to hear these appeals;

24 (d) Determination by the assessor, after giving the owner written
25 notice and an opportunity to be heard, that all or a portion of the
26 land no longer meets the criteria for classification under this
27 chapter. The criteria for classification pursuant to this chapter
28 continue to apply after classification has been granted.

29 The granting authority, upon request of an assessor, shall provide
30 reasonable assistance to the assessor in making a determination whether
31 the land continues to meet the qualifications of RCW 84.34.020 (1) or
32 (3). The assistance shall be provided within thirty days of receipt of
33 the request.

34 (2) Land may not be removed from classification because of:

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

37 (b) The creation, sale, or transfer of a fee interest or a

1 conservation easement for the riparian open space program under RCW
2 76.09.040.

3 (3) Within thirty days after such removal of all or a portion of
4 the land from current use classification, the assessor shall notify the
5 owner in writing, setting forth the reasons for the removal. The
6 seller, transferor, or owner may appeal the removal to the county board
7 of equalization in accordance with the provisions of RCW 84.40.038.

8 (4) Unless the removal is reversed on appeal, the assessor shall
9 revalue the affected land with reference to its true and fair value on
10 January 1st of the year of removal from classification. Both the
11 assessed valuation before and after the removal of classification shall
12 be listed and taxes shall be allocated according to that part of the
13 year to which each assessed valuation applies. Except as provided in
14 subsection (6) of this section, an additional tax, applicable interest,
15 and penalty shall be imposed which shall be due and payable to the
16 treasurer thirty days after the owner is notified of the amount of the
17 additional tax. As soon as possible, the assessor shall compute the
18 amount of additional tax, applicable interest, and penalty and the
19 treasurer shall mail notice to the owner of the amount thereof and the
20 date on which payment is due. The amount of the additional tax,
21 applicable interest, and penalty shall be determined as follows:

22 (a) The amount of additional tax shall be equal to the difference
23 between the property tax paid as "open space land," "farm and
24 agricultural land," or "timber land" and the amount of property tax
25 otherwise due and payable for the seven years last past had the land
26 not been so classified;

27 (b) The amount of applicable interest shall be equal to the
28 interest upon the amounts of the additional tax paid at the same
29 statutory rate charged on delinquent property taxes from the dates on
30 which the additional tax could have been paid without penalty if the
31 land had been assessed at a value without regard to this chapter;

32 (c) The amount of the penalty shall be as provided in RCW
33 84.34.080. The penalty shall not be imposed if the removal satisfies
34 the conditions of RCW 84.34.070.

35 (5) Additional tax, applicable interest, and penalty, shall become
36 a lien on the land which shall attach at the time the land is removed
37 from classification under this chapter and shall have priority to and
38 shall be fully paid and satisfied before any recognizance, mortgage,

1 judgment, debt, obligation or responsibility to or with which the land
2 may become charged or liable. This lien may be foreclosed upon
3 expiration of the same period after delinquency and in the same manner
4 provided by law for foreclosure of liens for delinquent real property
5 taxes as provided in RCW 84.64.050. Any additional tax unpaid on its
6 due date shall thereupon become delinquent. From the date of
7 delinquency until paid, interest shall be charged at the same rate
8 applied by law to delinquent ad valorem property taxes.

9 (6) The additional tax, applicable interest, and penalty specified
10 in subsection (4) of this section shall not be imposed if the removal
11 of classification pursuant to subsection (1) of this section resulted
12 solely from:

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

15 (b)(i) A taking through the exercise of the power of eminent
16 domain, or (ii) sale or transfer to an entity having the power of
17 eminent domain in anticipation of the exercise of such power, said
18 entity having manifested its intent in writing or by other official
19 action;

20 (c) A natural disaster such as a flood, windstorm, earthquake, or
21 other such calamity rather than by virtue of the act of the landowner
22 changing the use of the property;

23 (d) Official action by an agency of the state of Washington or by
24 the county or city within which the land is located which disallows the
25 present use of the land;

26 (e) Transfer of land to a church when the land would qualify for
27 exemption pursuant to RCW 84.36.020;

28 (f) Acquisition of property interests by state agencies or agencies
29 or organizations qualified under RCW 84.34.210 and 64.04.130 for the
30 purposes enumerated in those sections. At such time as these property
31 interests are not used for the purposes enumerated in RCW 84.34.210 and
32 64.04.130 the additional tax specified in subsection (4) of this
33 section shall be imposed;

34 (g) Removal of land classified as farm and agricultural land under
35 RCW 84.34.020(2)(e);

36 (h) Removal of land from classification after enactment of a
37 statutory exemption that qualifies the land for exemption and receipt
38 of notice from the owner to remove the land from classification;

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

3 (j) The creation, sale, or transfer of a fee interest or a
4 conservation easement for the riparian open space program under RCW
5 76.09.040; (~~(e)~~)

6 (k) The sale or transfer of land within two years after the death
7 of the owner of at least a fifty percent interest in the land if the
8 land has been assessed and valued as classified forest land, designated
9 as forest land under chapter 84.33 RCW, or classified under this
10 chapter continuously since 1993. The date of death shown on a death
11 certificate is the date used for the purposes of this subsection
12 (6)(k); or

13 (1)(i) The discovery that the land was classified under this
14 chapter in error through no fault of the owner. For purposes of this
15 subsection (6)(1), "fault" means a knowingly false or misleading
16 statement, or other act or omission not in good faith, that contributed
17 to the approval of classification under this chapter or the failure of
18 the assessor to remove the land from classification under this chapter.

19 (ii) For purposes of this subsection (6), the discovery that land
20 was classified under this chapter in error through no fault of the
21 owner is not the sole reason for removal of classification pursuant to
22 subsection (1) of this section if an independent basis for removal
23 exists. Examples of an independent basis for removal include the owner
24 changing the use of the land or failing to meet any applicable income
25 criteria required for classification under this chapter.

26 **Sec. 3.** RCW 84.33.140 and 2007 c 54 s 24 are each amended to read
27 as follows:

28 (1) When land has been designated as forest land under RCW
29 84.33.130, a notation of the designation shall be made each year upon
30 the assessment and tax rolls. A copy of the notice of approval
31 together with the legal description or assessor's parcel numbers for
32 the land shall, at the expense of the applicant, be filed by the
33 assessor in the same manner as deeds are recorded.

34 (2) In preparing the assessment roll as of January 1, 2002, for
35 taxes payable in 2003 and each January 1st thereafter, the assessor
36 shall list each parcel of designated forest land at a value with
37 respect to the grade and class provided in this subsection and adjusted

1 as provided in subsection (3) of this section. The assessor shall
 2 compute the assessed value of the land using the same assessment ratio
 3 applied generally in computing the assessed value of other property in
 4 the county. Values for the several grades of bare forest land shall be
 5 as follows:

6	LAND	OPERABILITY	VALUES
7	GRADE	CLASS	PER ACRE
8		1	\$234
9	1	2	229
10		3	217
11		4	157
12		1	198
13	2	2	190
14		3	183
15		4	132
16		1	154
17	3	2	149
18		3	148
19		4	113
20		1	117
21	4	2	114
22		3	113
23		4	86
24		1	85
25	5	2	78
26		3	77
27		4	52
28		1	43
29	6	2	39
30		3	39
31		4	37
32		1	21
33	7	2	21
34		3	20
35		4	20
36	8		1

1 (3) On or before December 31, 2001, the department shall adjust by
2 rule under chapter 34.05 RCW, the forest land values contained in
3 subsection (2) of this section in accordance with this subsection, and
4 shall certify the adjusted values to the assessor who will use these
5 values in preparing the assessment roll as of January 1, 2002. For the
6 adjustment to be made on or before December 31, 2001, for use in the
7 2002 assessment year, the department shall:

8 (a) Divide the aggregate value of all timber harvested within the
9 state between July 1, 1996, and June 30, 2001, by the aggregate harvest
10 volume for the same period, as determined from the harvester excise tax
11 returns filed with the department under RCW 84.33.074; and

12 (b) Divide the aggregate value of all timber harvested within the
13 state between July 1, 1995, and June 30, 2000, by the aggregate harvest
14 volume for the same period, as determined from the harvester excise tax
15 returns filed with the department under RCW 84.33.074; and

16 (c) Adjust the forest land values contained in subsection (2) of
17 this section by a percentage equal to one-half of the percentage change
18 in the average values of harvested timber reflected by comparing the
19 resultant values calculated under (a) and (b) of this subsection.

20 (4) For the adjustments to be made on or before December 31, 2002,
21 and each succeeding year thereafter, the same procedure described in
22 subsection (3) of this section shall be followed using harvester excise
23 tax returns filed under RCW 84.33.074. However, this adjustment shall
24 be made to the prior year's adjusted value, and the five-year periods
25 for calculating average harvested timber values shall be successively
26 one year more recent.

27 (5) Land graded, assessed, and valued as forest land shall continue
28 to be so graded, assessed, and valued until removal of designation by
29 the assessor upon the occurrence of any of the following:

30 (a) Receipt of notice from the owner to remove the designation;

31 (b) Sale or transfer to an ownership making the land exempt from ad
32 valorem taxation;

33 (c) Sale or transfer of all or a portion of the land to a new
34 owner, unless the new owner has signed a notice of forest land
35 designation continuance, except transfer to an owner who is an heir or
36 devisee of a deceased owner, shall not, by itself, result in removal of
37 designation. The signed notice of continuance shall be attached to the
38 real estate excise tax affidavit provided for in RCW 82.45.150. The

1 notice of continuance shall be on a form prepared by the department.
2 If the notice of continuance is not signed by the new owner and
3 attached to the real estate excise tax affidavit, all compensating
4 taxes calculated under subsection (11) of this section shall become due
5 and payable by the seller or transferor at time of sale. The auditor
6 shall not accept an instrument of conveyance regarding designated
7 forest land for filing or recording unless the new owner has signed the
8 notice of continuance or the compensating tax has been paid, as
9 evidenced by the real estate excise tax stamp affixed thereto by the
10 treasurer. The seller, transferor, or new owner may appeal the new
11 assessed valuation calculated under subsection (11) of this section to
12 the county board of equalization in accordance with the provisions of
13 RCW 84.40.038. Jurisdiction is hereby conferred on the county board of
14 equalization to hear these appeals;

15 (d) Determination by the assessor, after giving the owner written
16 notice and an opportunity to be heard, that:

17 (i) The land is no longer primarily devoted to and used for growing
18 and harvesting timber. However, land shall not be removed from
19 designation if a governmental agency, organization, or other recipient
20 identified in subsection (13) or (14) of this section as exempt from
21 the payment of compensating tax has manifested its intent in writing or
22 by other official action to acquire a property interest in the
23 designated forest land by means of a transaction that qualifies for an
24 exemption under subsection (13) or (14) of this section. The
25 governmental agency, organization, or recipient shall annually provide
26 the assessor of the county in which the land is located reasonable
27 evidence in writing of the intent to acquire the designated land as
28 long as the intent continues or within sixty days of a request by the
29 assessor. The assessor may not request this evidence more than once in
30 a calendar year;

31 (ii) The owner has failed to comply with a final administrative or
32 judicial order with respect to a violation of the restocking, forest
33 management, fire protection, insect and disease control, and forest
34 debris provisions of Title 76 RCW or any applicable rules under Title
35 76 RCW; or

36 (iii) Restocking has not occurred to the extent or within the time
37 specified in the application for designation of such land.

1 (6) Land shall not be removed from designation if there is a
2 governmental restriction that prohibits, in whole or in part, the owner
3 from harvesting timber from the owner's designated forest land. If
4 only a portion of the parcel is impacted by governmental restrictions
5 of this nature, the restrictions cannot be used as a basis to remove
6 the remainder of the forest land from designation under this chapter.
7 For the purposes of this section, "governmental restrictions" includes:
8 (a) Any law, regulation, rule, ordinance, program, or other action
9 adopted or taken by a federal, state, county, city, or other
10 governmental entity; or (b) the land's zoning or its presence within an
11 urban growth area designated under RCW 36.70A.110.

12 (7) The assessor shall have the option of requiring an owner of
13 forest land to file a timber management plan with the assessor upon the
14 occurrence of one of the following:

- 15 (a) An application for designation as forest land is submitted; or
- 16 (b) Designated forest land is sold or transferred and a notice of
17 continuance, described in subsection (5)(c) of this section, is signed.

18 (8) If land is removed from designation because of any of the
19 circumstances listed in subsection (5)(a) through (c) of this section,
20 the removal shall apply only to the land affected. If land is removed
21 from designation because of subsection (5)(d) of this section, the
22 removal shall apply only to the actual area of land that is no longer
23 primarily devoted to the growing and harvesting of timber, without
24 regard to any other land that may have been included in the application
25 and approved for designation, as long as the remaining designated
26 forest land meets the definition of forest land contained in RCW
27 84.33.035.

28 (9) Within thirty days after the removal of designation as forest
29 land, the assessor shall notify the owner in writing, setting forth the
30 reasons for the removal. The seller, transferor, or owner may appeal
31 the removal to the county board of equalization in accordance with the
32 provisions of RCW 84.40.038.

33 (10) Unless the removal is reversed on appeal a copy of the notice
34 of removal with a notation of the action, if any, upon appeal, together
35 with the legal description or assessor's parcel numbers for the land
36 removed from designation shall, at the expense of the applicant, be
37 filed by the assessor in the same manner as deeds are recorded and a
38 notation of removal from designation shall immediately be made upon the

1 assessment and tax rolls. The assessor shall revalue the land to be
2 removed with reference to its true and fair value as of January 1st of
3 the year of removal from designation. Both the assessed value before
4 and after the removal of designation shall be listed. Taxes based on
5 the value of the land as forest land shall be assessed and payable up
6 until the date of removal and taxes based on the true and fair value of
7 the land shall be assessed and payable from the date of removal from
8 designation.

9 (11) Except as provided in subsection (5)(c), (13), or (14) of this
10 section, a compensating tax shall be imposed on land removed from
11 designation as forest land. The compensating tax shall be due and
12 payable to the treasurer thirty days after the owner is notified of the
13 amount of this tax. As soon as possible after the land is removed from
14 designation, the assessor shall compute the amount of compensating tax
15 and mail a notice to the owner of the amount of compensating tax owed
16 and the date on which payment of this tax is due. The amount of
17 compensating tax shall be equal to the difference between the amount of
18 tax last levied on the land as designated forest land and an amount
19 equal to the new assessed value of the land multiplied by the dollar
20 rate of the last levy extended against the land, multiplied by a
21 number, in no event greater than nine, equal to the number of years for
22 which the land was designated as forest land, plus compensating taxes
23 on the land at forest land values up until the date of removal and the
24 prorated taxes on the land at true and fair value from the date of
25 removal to the end of the current tax year.

26 (12) Compensating tax, together with applicable interest thereon,
27 shall become a lien on the land which shall attach at the time the land
28 is removed from designation as forest land and shall have priority to
29 and shall be fully paid and satisfied before any recognizance,
30 mortgage, judgment, debt, obligation, or responsibility to or with
31 which the land may become charged or liable. The lien may be
32 foreclosed upon expiration of the same period after delinquency and in
33 the same manner provided by law for foreclosure of liens for delinquent
34 real property taxes as provided in RCW 84.64.050. Any compensating tax
35 unpaid on its due date shall thereupon become delinquent. From the
36 date of delinquency until paid, interest shall be charged at the same
37 rate applied by law to delinquent ad valorem property taxes.

1 (13) The compensating tax specified in subsection (11) of this
2 section shall not be imposed if the removal of designation under
3 subsection (5) of this section resulted solely from:

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

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

9 (c) A donation of fee title, development rights, or the right to
10 harvest timber, to a government agency or organization qualified under
11 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those
12 sections, or the sale or transfer of fee title to a governmental entity
13 or a nonprofit nature conservancy corporation, as defined in RCW
14 64.04.130, exclusively for the protection and conservation of lands
15 recommended for state natural area preserve purposes by the natural
16 heritage council and natural heritage plan as defined in chapter 79.70
17 RCW or approved for state natural resources conservation area purposes
18 as defined in chapter 79.71 RCW. At such time as the land is not used
19 for the purposes enumerated, the compensating tax specified in
20 subsection (11) of this section shall be imposed upon the current
21 owner;

22 (d) The sale or transfer of fee title to the parks and recreation
23 commission for park and recreation purposes;

24 (e) Official action by an agency of the state of Washington or by
25 the county or city within which the land is located that disallows the
26 present use of the land;

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

29 (g) The creation, sale, or transfer of a fee interest or a
30 conservation easement for the riparian open space program under RCW
31 76.09.040; (~~or~~)

32 (h) The sale or transfer of land within two years after the death
33 of the owner of at least a fifty percent interest in the land if the
34 land has been assessed and valued as classified forest land, designated
35 as forest land under this chapter, or classified under chapter 84.34
36 RCW continuously since 1993. The date of death shown on a death
37 certificate is the date used for the purposes of this subsection
38 (13)(h); or

1 (i)(i) The discovery that the land was designated under this
2 chapter in error through no fault of the owner. For purposes of this
3 subsection (13)(i), "fault" means a knowingly false or misleading
4 statement, or other act or omission not in good faith, that contributed
5 to the approval of designation under this chapter or the failure of the
6 assessor to remove the land from designation under this chapter.

7 (ii) For purposes of this subsection (13), the discovery that land
8 was designated under this chapter in error through no fault of the
9 owner is not the sole reason for removal of designation under
10 subsection (5) of this section if an independent basis for removal
11 exists. An example of an independent basis for removal includes the
12 land no longer being devoted to and used for growing and harvesting
13 timber.

14 (14) In a county with a population of more than one million
15 inhabitants, the compensating tax specified in subsection (11) of this
16 section shall not be imposed if the removal of designation as forest
17 land under subsection (5) of this section resulted solely from:

18 (a) An action described in subsection (13) of this section; or

19 (b) A transfer of a property interest to a government entity, or to
20 a nonprofit historic preservation corporation or nonprofit nature
21 conservancy corporation, as defined in RCW 64.04.130, to protect or
22 enhance public resources, or to preserve, maintain, improve, restore,
23 limit the future use of, or otherwise to conserve for public use or
24 enjoyment, the property interest being transferred. At such time as
25 the property interest is not used for the purposes enumerated, the
26 compensating tax shall be imposed upon the current owner.

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