

**SHB 2502 - H AMD 993**

By Representative Hansen

**ADOPTED 02/10/2012**

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 84.33.140 and 2009 c 354 s 2, 2009 c 255 s 3, and  
4 2009 c 246 s 2 are each reenacted and amended to read as follows:

5 (1) When land has been designated as forest land under RCW  
6 84.33.130, a notation of the designation (~~shall~~) must be made each  
7 year upon the assessment and tax rolls. A copy of the notice of  
8 approval together with the legal description or assessor's parcel  
9 numbers for the land (~~shall~~) must, at the expense of the applicant,  
10 be filed by the assessor in the same manner as deeds are recorded.

11 (2) In preparing the assessment roll as of January 1, 2002, for  
12 taxes payable in 2003 and each January 1st thereafter, the assessor  
13 (~~shall~~) must list each parcel of designated forest land at a value  
14 with respect to the grade and class provided in this subsection and  
15 adjusted as provided in subsection (3) of this section. The assessor  
16 (~~shall~~) must compute the assessed value of the land using the same  
17 assessment ratio applied generally in computing the assessed value of  
18 other property in the county. Values for the several grades of bare  
19 forest land (~~shall be~~) are as follows:

20	LAND	OPERABILITY	VALUES
21	GRADE	CLASS	PER ACRE
22		1	\$234
23	1	2	229
24		3	217
25		4	157
26		1	198
27	2	2	190
28		3	183

1		4	132
2		1	154
3	3	2	149
4		3	148
5		4	113
6		1	117
7	4	2	114
8		3	113
9		4	86
10		1	85
11	5	2	78
12		3	77
13		4	52
14		1	43
15	6	2	39
16		3	39
17		4	37
18		1	21
19	7	2	21
20		3	20
21		4	20
22	8		1

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

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

35 (b) Divide the aggregate value of all timber harvested within the  
36 state between July 1, 1995, and June 30, 2000, by the aggregate harvest

1 volume for the same period, as determined from the harvester excise tax  
2 returns filed with the department under RCW 84.33.074; and

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

7 (4) For the adjustments to be made on or before December 31, 2002,  
8 and each succeeding year thereafter, the same procedure described in  
9 subsection (3) of this section (~~shall~~) must be followed using  
10 harvester excise tax returns filed under RCW 84.33.074. However, this  
11 adjustment (~~shall~~) must be made to the prior year's adjusted value,  
12 and the five-year periods for calculating average harvested timber  
13 values (~~shall~~) must be successively one year more recent.

14 (5) Land graded, assessed, and valued as forest land (~~shall~~) must  
15 continue to be so graded, assessed, and valued until removal of  
16 designation by the assessor upon the occurrence of any of the  
17 following:

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

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

21 (c) Sale or transfer of all or a portion of the land to a new  
22 owner, unless the new owner has signed a notice of forest land  
23 designation continuance, except transfer to an owner who is an heir or  
24 devisee of a deceased owner, (~~shall~~) does not, by itself, result in  
25 removal of designation. The signed notice of continuance (~~shall~~)  
26 must be attached to the real estate excise tax affidavit provided for  
27 in RCW 82.45.150. The notice of continuance (~~shall~~) must be on a  
28 form prepared by the department. If the notice of continuance is not  
29 signed by the new owner and attached to the real estate excise tax  
30 affidavit, all compensating taxes calculated under subsection (11) of  
31 this section (~~shall-become~~) are due and payable by the seller or  
32 transferor at time of sale. The auditor (~~shall~~) may not accept an  
33 instrument of conveyance regarding designated forest land for filing or  
34 recording unless the new owner has signed the notice of continuance or  
35 the compensating tax has been paid, as evidenced by the real estate  
36 excise tax stamp affixed thereto by the treasurer. The seller,  
37 transferor, or new owner may appeal the new assessed valuation  
38 calculated under subsection (11) of this section to the county board of

1 equalization in accordance with the provisions of RCW 84.40.038.  
2 Jurisdiction is hereby conferred on the county board of equalization to  
3 hear these appeals;

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

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

20 (ii) The owner has failed to comply with a final administrative or  
21 judicial order with respect to a violation of the restocking, forest  
22 management, fire protection, insect and disease control, and forest  
23 debris provisions of Title 76 RCW or any applicable rules under Title  
24 76 RCW; 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 (6) Land (~~shall~~) may not be removed from designation if there is  
28 a governmental restriction that prohibits, in whole or in part, the  
29 owner from harvesting timber from the owner's designated forest land.  
30 If only a portion of the parcel is impacted by governmental  
31 restrictions of this nature, the restrictions cannot be used as a basis  
32 to remove the remainder of the forest land from designation under this  
33 chapter. For the purposes of this section, "governmental restrictions"  
34 includes: (a) Any law, regulation, rule, ordinance, program, or other  
35 action adopted or taken by a federal, state, county, city, or other  
36 governmental entity; or (b) the land's zoning or its presence within an  
37 urban growth area designated under RCW 36.70A.110.

1 (7) The assessor (~~shall have~~) has the option of requiring an  
2 owner of forest land to file a timber management plan with the assessor  
3 upon the occurrence of one of the following:

4 (a) An application for designation as forest land is submitted; or

5 (b) Designated forest land is sold or transferred and a notice of  
6 continuance, described in subsection (5)(c) of this section, is signed.

7 (8) If land is removed from designation because of any of the  
8 circumstances listed in subsection (5)(a) through (c) of this section,  
9 the removal (~~shall apply~~) applies only to the land affected. If land  
10 is removed from designation because of subsection (5)(d) of this  
11 section, the removal (~~shall apply~~) applies only to the actual area of  
12 land that is no longer primarily devoted to the growing and harvesting  
13 of timber, without regard to any other land that may have been included  
14 in the application and approved for designation, as long as the  
15 remaining designated forest land meets the definition of forest land  
16 contained in RCW 84.33.035.

17 (9) Within thirty days after the removal of designation as forest  
18 land, the assessor (~~shall~~) must notify the owner in writing, setting  
19 forth the reasons for the removal. The seller, transferor, or owner  
20 may appeal the removal to the county board of equalization in  
21 accordance with the provisions of RCW 84.40.038.

22 (10) Unless the removal is reversed on appeal a copy of the notice  
23 of removal with a notation of the action, if any, upon appeal, together  
24 with the legal description or assessor's parcel numbers for the land  
25 removed from designation (~~shall~~) must, at the expense of the  
26 applicant, be filed by the assessor in the same manner as deeds are  
27 recorded and a notation of removal from designation (~~shall~~) must  
28 immediately be made upon the assessment and tax rolls. The assessor  
29 (~~shall~~) must revalue the land to be removed with reference to its  
30 true and fair value as of January 1st of the year of removal from  
31 designation. Both the assessed value before and after the removal of  
32 designation (~~shall~~) must be listed. Taxes based on the value of the  
33 land as forest land (~~shall be~~) are assessed and payable up until the  
34 date of removal and taxes based on the true and fair value of the land  
35 (~~shall be~~) are assessed and payable from the date of removal from  
36 designation.

37 (11) Except as provided in subsection (5)(c), (13), or (14) of this  
38 section, a compensating tax (~~shall be~~) is imposed on land removed

1 from designation as forest land. The compensating tax (~~shall be~~) is  
2 due and payable to the treasurer thirty days after the owner is  
3 notified of the amount of this tax. As soon as possible after the land  
4 is removed from designation, the assessor (~~shall~~) must compute the  
5 amount of compensating tax and mail a notice to the owner of the amount  
6 of compensating tax owed and the date on which payment of this tax is  
7 due. The amount of compensating tax (~~shall be~~) is equal to the  
8 difference between the amount of tax last levied on the land as  
9 designated forest land and an amount equal to the new assessed value of  
10 the land multiplied by the dollar rate of the last levy extended  
11 against the land, multiplied by a number, in no event greater than  
12 nine, equal to the number of years for which the land was designated as  
13 forest land, plus compensating taxes on the land at forest land values  
14 up until the date of removal and the prorated taxes on the land at true  
15 and fair value from the date of removal to the end of the current tax  
16 year.

17 (12) Compensating tax, together with applicable interest thereon,  
18 (~~shall~~) becomes a lien on the land, which (~~shall attach~~) attaches  
19 at the time the land is removed from designation as forest land and  
20 (~~shall have~~) has priority (~~to~~) and (~~shall~~) must be fully paid and  
21 satisfied before any recognizance, mortgage, judgment, debt,  
22 obligation, or responsibility to or with which the land may become  
23 charged or liable. The lien may be foreclosed upon expiration of the  
24 same period after delinquency and in the same manner provided by law  
25 for foreclosure of liens for delinquent real property taxes as provided  
26 in RCW 84.64.050. Any compensating tax unpaid on its due date  
27 (~~shall~~) will thereupon become delinquent. From the date of  
28 delinquency until paid, interest (~~shall be~~) is charged at the same  
29 rate applied by law to delinquent ad valorem property taxes.

30 (13) The compensating tax specified in subsection (11) of this  
31 section (~~shall~~) may not be imposed if the removal of designation  
32 under subsection (5) of this section resulted solely from:

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

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

1 (c) A donation of fee title, development rights, or the right to  
2 harvest timber, to a government agency or organization qualified under  
3 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those  
4 sections, or the sale or transfer of fee title to a governmental entity  
5 or a nonprofit nature conservancy corporation, as defined in RCW  
6 64.04.130, exclusively for the protection and conservation of lands  
7 recommended for state natural area preserve purposes by the natural  
8 heritage council and natural heritage plan as defined in chapter 79.70  
9 RCW or approved for state natural resources conservation area purposes  
10 as defined in chapter 79.71 RCW. At such time as the land is not used  
11 for the purposes enumerated, the compensating tax specified in  
12 subsection (11) of this section (~~shall be~~) is imposed upon the  
13 current owner;

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

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

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

21 (g) The creation, sale, or transfer of a conservation easement of  
22 private forest lands within unconfined channel migration zones or  
23 containing critical habitat for threatened or endangered species under  
24 RCW 76.09.040;

25 (h) The sale or transfer of land within two years after the death  
26 of the owner of at least a fifty percent interest in the land if the  
27 land has been assessed and valued as classified forest land, designated  
28 as forest land under this chapter, or classified under chapter 84.34  
29 RCW continuously since 1993. The date of death shown on a death  
30 certificate is the date used for the purposes of this subsection  
31 (13)(h); or

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

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

8 (14) In a county with a population of more than six hundred  
9 thousand inhabitants or in a county with a population of at least two  
10 hundred forty-five thousand inhabitants that borders Puget Sound as  
11 defined in RCW 90.71.010, the compensating tax specified in subsection  
12 (11) of this section (~~shall~~) may not be imposed if the removal of  
13 designation as forest land under subsection (5) of this section  
14 resulted solely from:

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

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

24 **Sec. 2.** RCW 84.33.145 and 2009 c 354 s 4 are each amended to read  
25 as follows:

26 (1) If no later than thirty days after removal of designation the  
27 owner applies for classification under RCW 84.34.020 (1), (2), or (3),  
28 then the designated forest land (~~shall~~) may not be considered removed  
29 from designation for purposes of the compensating tax under RCW  
30 84.33.140 until the application for current use classification under  
31 chapter 84.34 RCW is denied or the property is removed from  
32 classification under RCW 84.34.108. Upon removal of classification  
33 under RCW 84.34.108, the amount of compensating tax due under this  
34 chapter (~~shall be~~) is equal to:

35 (a) The difference, if any, between the amount of tax last levied  
36 on the land as designated forest land and an amount equal to the new



1 assessed valuation of the land when removed from classification under  
2 RCW 84.34.108 multiplied by the dollar rate of the last levy extended  
3 against the land, multiplied by

4 (b) A number equal to:

5 (i) The number of years the land was designated under this chapter,  
6 if the total number of years the land was designated under this chapter  
7 and classified under chapter 84.34 RCW is less than ten; or

8 (ii) Ten minus the number of years the land was classified under  
9 chapter 84.34 RCW, if the total number of years the land was designated  
10 under this chapter and classified under chapter 84.34 RCW is at least  
11 ten.

12 (2) Nothing in this section authorizes the continued designation  
13 under this chapter or defers or reduces the compensating tax imposed  
14 upon forest land not transferred to classification under subsection (1)  
15 of this section which does not meet the definition of forest land under  
16 RCW 84.33.035. Nothing in this section affects the additional tax  
17 imposed under RCW 84.34.108.

18 (3) In a county with a population of more than six hundred thousand  
19 inhabitants or in a county with a population of at least two hundred  
20 forty-five thousand inhabitants that borders Puget Sound as defined in  
21 RCW 90.71.010, no amount of compensating tax is due under this section  
22 if the removal from classification under RCW 84.34.108 results from a  
23 transfer of property described in RCW 84.34.108(6)."

24 Correct the title.

EFFECT: Extends the exception for payment of compensating tax on  
designated forest land (DFL) sold or transferred for the purpose of  
conserving open space only to Kitsap and Thurston counties. Also  
extends the exception for payment of compensation tax to removals from  
forest land designation when the land has been transferred from DFL to  
open space and then removed to Kitsap and Thurston counties. Removes  
conforming exceptions added to the designated forest land  
classification from the open space classification including removals  
due to natural disasters, transfers of land to a church, or removals  
after enactment of a statutory exemption.

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