

SHB 1156 - S COMM AMD

By Committee on Natural Resources & Parks

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

3 "**Sec. 1.** RCW 84.33.035 and 2011 c 101 s 2 are each amended to read
4 as follows:

5 Unless the context clearly requires otherwise, the definitions in
6 this section apply throughout this chapter.

7 (1) "Agricultural methods" means the cultivation of trees that are
8 grown on land prepared by intensive cultivation and tilling, such as
9 irrigating, plowing, or turning over the soil, and on which all
10 unwanted plant growth is controlled continuously for the exclusive
11 purpose of raising trees such as Christmas trees and short-rotation
12 hardwoods.

13 (2) "Average rate of inflation" means the annual rate of inflation
14 as determined by the department averaged over the period of time as
15 provided in RCW 84.33.220 (1) and (2). This rate must be published in
16 the state register by the department not later than January 1st of each
17 year for use in that assessment year.

18 (3) "Composite property tax rate" for a county means the total
19 amount of property taxes levied upon forest lands by all taxing
20 districts in the county other than the state, divided by the total
21 assessed value of all forest land in the county.

22 (4) "Contiguous" means land adjoining and touching other property
23 held by the same ownership. Land divided by a public road, but
24 otherwise an integral part of a timber growing and harvesting
25 operation, is considered contiguous. Solely for the purposes of this
26 subsection (4), "same ownership" has the same meaning as in RCW
27 84.34.020(6).

28 (5) "Forest land" is synonymous with "designated forest land" and
29 means any parcel of land that is (~~twenty~~) five or more acres or
30 multiple parcels of land that are contiguous and total (~~twenty~~) five

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

9 (6) "Harvested" means the time when in the ordinary course of
10 business the quantity of timber by species is first definitely
11 determined. The amount harvested must be determined by the Scribner
12 Decimal C Scale or other prevalent measuring practice adjusted to
13 arrive at substantially equivalent measurements, as approved by the
14 department.

15 (7) "Harvester" means every person who from the person's own land
16 or from the land of another under a right or license granted by lease
17 or contract, either directly or by contracting with others for the
18 necessary labor or mechanical services, fells, cuts, or takes timber
19 for sale or for commercial or industrial use. When the United States
20 or any instrumentality thereof, the state, including its departments
21 and institutions and political subdivisions, or any municipal
22 corporation therein so fells, cuts, or takes timber for sale or for
23 commercial or industrial use, the harvester is the first person other
24 than the United States or any instrumentality thereof, the state,
25 including its departments and institutions and political subdivisions,
26 or any municipal corporation therein, who acquires title to or a
27 possessory interest in the timber. The term "harvester" does not
28 include persons performing under contract the necessary labor or
29 mechanical services for a harvester.

30 (8) "Harvesting and marketing costs" means only those costs
31 directly associated with harvesting the timber from the land and
32 delivering it to the buyer and may include the costs of disposing of
33 logging residues. Any other costs that are not directly and
34 exclusively related to harvesting and marketing of the timber, such as
35 costs of permanent roads or costs of reforesting the land following
36 harvest, are not harvesting and marketing costs.

37 (9) "Incidental use" means a use of designated forest land that is
38 compatible with its purpose for growing and harvesting timber. An

1 incidental use may include a gravel pit, a shed or land used to store
2 machinery or equipment used in conjunction with the timber enterprise,
3 and any other use that does not interfere with or indicate that the
4 forest land is no longer primarily being used to grow and harvest
5 timber.

6 (10) "Local government" means any city, town, county, water-sewer
7 district, public utility district, port district, irrigation district,
8 flood control district, or any other municipal corporation, quasi-
9 municipal corporation, or other political subdivision authorized to
10 levy special benefit assessments for sanitary or storm sewerage
11 systems, domestic water supply or distribution systems, or road
12 construction or improvement purposes.

13 (11) "Local improvement district" means any local improvement
14 district, utility local improvement district, local utility district,
15 road improvement district, or any similar unit created by a local
16 government for the purpose of levying special benefit assessments
17 against property specially benefitted by improvements relating to the
18 districts.

19 (12) "Owner" means the party or parties having the fee interest in
20 land, except where land is subject to a real estate contract "owner"
21 means the contract vendee.

22 (13) "Primarily" or "primary use" means the existing use of the
23 land is so prevalent that when the characteristic use of the land is
24 evaluated any other use appears to be conflicting or nonrelated.

25 (14) "Short-rotation hardwoods" means hardwood trees, such as but
26 not limited to hybrid cottonwoods, cultivated by agricultural methods
27 in growing cycles shorter than fifteen years.

28 (15) "Small harvester" means every person who from his or her own
29 land or from the land of another under a right or license granted by
30 lease or contract, either directly or by contracting with others for
31 the necessary labor or mechanical services, fells, cuts, or takes
32 timber for sale or for commercial or industrial use in an amount not
33 exceeding two million board feet in a calendar year. When the United
34 States or any instrumentality thereof, the state, including its
35 departments and institutions and political subdivisions, or any
36 municipal corporation therein so fells, cuts, or takes timber for sale
37 or for commercial or industrial use, not exceeding these amounts, the
38 small harvester is the first person other than the United States or any

1 instrumentality thereof, the state, including its departments and
2 institutions and political subdivisions, or any municipal corporation
3 therein, who acquires title to or a possessory interest in the timber.
4 Small harvester does not include persons performing under contract the
5 necessary labor or mechanical services for a harvester, and it does not
6 include the harvesters of Christmas trees or short-rotation hardwoods.

7 (16) "Special benefit assessments" means special assessments levied
8 or capable of being levied in any local improvement district or
9 otherwise levied or capable of being levied by a local government to
10 pay for all or part of the costs of a local improvement and which may
11 be levied only for the special benefits to be realized by property by
12 reason of that local improvement.

13 (17) "Stumpage value of timber" means the appropriate stumpage
14 value shown on tables prepared by the department under RCW 84.33.091.
15 However, for timber harvested from public land and sold under a
16 competitive bidding process, stumpage value means the actual amount
17 paid to the seller in cash or other consideration. The stumpage value
18 of timber from public land does not include harvesting and marketing
19 costs if the timber from public land is harvested by, or under contract
20 for, the United States or any instrumentality of the United States, the
21 state, including its departments and institutions and political
22 subdivisions, or any municipal corporation therein. Whenever payment
23 for the stumpage includes considerations other than cash, the value is
24 the fair market value of the other consideration. If the other
25 consideration is permanent roads, the value of the roads must be the
26 appraised value as appraised by the seller.

27 (18) "Timber" means forest trees, standing or down, on privately or
28 publicly owned land, and except as provided in RCW 84.33.170 includes
29 Christmas trees and short-rotation hardwoods.

30 (19) "Timber assessed value" for a county means the sum of: (a)
31 The total stumpage value of timber harvested from publicly owned land
32 in the county multiplied by the public timber ratio, plus; (b) the
33 total stumpage value of timber harvested from privately owned land in
34 the county multiplied by the private timber ratio. The numerator of
35 the public timber ratio is the rate of tax imposed by the county under
36 RCW 84.33.051 on public timber harvests for the year of the
37 calculation. The numerator of the private timber ratio is the rate of
38 tax imposed by the county under RCW 84.33.051 on private timber

1 harvests for the year of the calculation. The denominator of the
2 private timber ratio and the public timber ratio is the composite
3 property tax rate for the county for taxes due in the year of the
4 calculation, expressed as a percentage of assessed value. The
5 department must use the stumpage value of timber harvested during the
6 most recent four calendar quarters for which the information is
7 available. The department must calculate the timber assessed value for
8 each county before October 1st of each year.

9 (20) "Timber assessed value" for a taxing district means the timber
10 assessed value for the county multiplied by a ratio. The numerator of
11 the ratio is the total assessed value of forest land in the taxing
12 district. The denominator is the total assessed value of forest land
13 in the county. As used in this section, "assessed value of forest
14 land" means the assessed value of forest land for taxes due in the year
15 the timber assessed value for the county is calculated plus an
16 additional value for public forest land. The additional value for
17 public forest land is the product of the number of acres of public
18 forest land that are available for timber harvesting determined under
19 RCW 84.33.089 and the average assessed value per acre of private forest
20 land in the county.

21 (21) "Timber management plan" means a plan prepared by a trained
22 forester, or any other person with adequate knowledge of timber
23 management practices, concerning the use of the land to grow and
24 harvest timber. Such a plan (~~includes~~) may include:

25 (a) A legal description of the forest land;

26 (b) A statement that the forest land is held in contiguous
27 ownership of (~~twenty~~) five or more acres and is primarily devoted to
28 and used to grow and harvest timber;

29 (c) A brief description of the timber on the forest land or, if the
30 timber on the land has been harvested, the owner's plan to restock the
31 land with timber;

32 (d) A statement about whether the forest land is also used to graze
33 livestock;

34 (e) A statement about whether the land has been used in compliance
35 with the restocking, forest management, fire protection, insect and
36 disease control, and forest debris provisions of Title 76 RCW; and

37 (f) If the land has been recently harvested or supports a growth of

1 brush and noncommercial type timber, a description of the owner's plan
2 to restock the forest land within three years.

3 **Sec. 2.** RCW 84.33.130 and 2003 c 170 s 4 are each amended to read
4 as follows:

5 (1)(a)(i) Notwithstanding any other provision of law, lands that
6 were assessed as classified forest land before July 22, 2001, (~~shall~~
7 ~~be~~) or as timber land under chapter 84.34 RCW before the merger date
8 adopted by the county under section 5 of this act, are designated
9 forest land for the purposes of this chapter.

10 (ii) The owners of (~~previously classified forest~~) land (~~shall~~)
11 subject to the requirements of (a)(i) of this subsection are not (~~be~~)
12 required to apply for designation under this chapter. (~~As of July 22,~~
13 2001,) The land and timber on such land (~~shall~~) must be assessed and
14 taxed in accordance with the provisions of this chapter as of the date
15 the land is designated forest land under (a)(i) of this subsection.

16 (b) If a county legislative authority opts under section 5 of this
17 act to merge its timber land classification with the designated forest
18 land program of the county, the following provisions apply beginning on
19 the adopted merger date:

20 (i) The date the property was classified as timber land is
21 considered to be the date the property was designated as forest land
22 under this chapter;

23 (ii) The county assessor must notify each owner of timber land of
24 the merger by certified mail; and

25 (iii) For any forest land subject to the provisions of (b)(i) of
26 this subsection that is then removed from designation, only
27 compensating tax will be collected as a result of the removal in
28 accordance with RCW 84.33.140(12), unless otherwise provided by law.

29 (2) An owner of land desiring that it be designated as forest land
30 and valued under RCW 84.33.140 as of January 1st of any year (~~shall~~)
31 must submit an application to the assessor of the county in which the
32 land is located before January 1st of that year. The application
33 (~~shall~~) must be accompanied by a reasonable processing fee when the
34 county legislative authority has established the requirement for such
35 a fee.

36 (3) No application of designation is required when publicly owned
37 forest land is exchanged for privately owned forest land designated

1 under this chapter. The land exchanged and received by an owner
2 subject to ad valorem taxation (~~shall be~~) is automatically granted
3 designation under this chapter if the following conditions are met:

4 (a) The land will be used to grow and harvest timber; and

5 (b) The owner of the land submits a document to the assessor's
6 office that explains the details of the forest land exchange within
7 sixty days of the closing date of the exchange. However, if the owner
8 fails to submit information regarding the exchange by the end of this
9 sixty-day period, the owner must file an application for designation as
10 forest land under this chapter and the regular application process will
11 be followed.

12 (4) The application (~~shall~~) must be made upon forms prepared by
13 the department and supplied by the assessor, and (~~shall~~) must include
14 the following:

15 (a) A legal description of, or assessor's parcel numbers for, all
16 land the applicant desires to be designated as forest land;

17 (b) The date or dates of acquisition of the land;

18 (c) A brief description of the timber on the land, or if the timber
19 has been harvested, the owner's plan for restocking;

20 (d) A copy of the timber management plan, if one exists, for the
21 land prepared by a trained forester or any other person with adequate
22 knowledge of timber management practices;

23 (e) If a timber management plan exists, an explanation of the
24 nature and extent to which the management plan has been implemented;

25 (f) Whether the land is used for grazing;

26 (g) Whether the land has been subdivided or a plat has been filed
27 with respect to the land;

28 (h) Whether the land and the applicant are in compliance with the
29 restocking, forest management, fire protection, insect and disease
30 control, and forest debris provisions of Title 76 RCW or any applicable
31 rules under Title 76 RCW;

32 (i) Whether the land is subject to forest fire protection
33 assessments under RCW 76.04.610;

34 (j) Whether the land is subject to a lease, option, or other right
35 that permits it to be used for any purpose other than growing and
36 harvesting timber;

37 (k) A summary of the past experience and activity of the applicant
38 in growing and harvesting timber;

1 (l) A summary of current and continuing activity of the applicant
2 in growing and harvesting timber;

3 (m) A statement that the applicant is aware of the potential tax
4 liability involved when the land ceases to be designated as forest
5 land;

6 (n) An affirmation that the statements contained in the application
7 are true and that the land described in the application meets the
8 definition of forest land in RCW 84.33.035; and

9 (o) A description and/or drawing showing what areas of land for
10 which designation is sought are used for incidental uses compatible
11 with the definition of forest land in RCW 84.33.035.

12 (5) The assessor (~~shall~~) must afford the applicant an opportunity
13 to be heard if the applicant so requests.

14 (6) The assessor (~~shall~~) must act upon the application with due
15 regard to all relevant evidence and without any one or more items of
16 evidence necessarily being determinative, except that the application
17 may be denied for one of the following reasons, without regard to other
18 items:

19 (a) The land does not contain a "merchantable stand of timber" as
20 defined in chapter 76.09 RCW and applicable rules. This reason (~~shall~~
21 ~~not~~) alone (~~be~~) is not sufficient to deny the application (i) if the
22 land has been recently harvested or supports a growth of brush or
23 noncommercial type timber, and the application includes a plan for
24 restocking within three years or a longer period necessitated by
25 unavailability of seed or seedlings, or (ii) if only isolated areas
26 within the land do not meet the minimum standards due to rock
27 outcroppings, swamps, unproductive soil or other natural conditions;

28 (b) The applicant, with respect to the land, has failed to comply
29 with a final administrative or judicial order with respect to a
30 violation of the restocking, forest management, fire protection, insect
31 and disease control, and forest debris provisions of Title 76 RCW or
32 any applicable rules under Title 76 RCW; or

33 (c) The land abuts a body of salt water and lies between the line
34 of ordinary high tide and a line paralleling the ordinary high tide
35 line and two hundred feet horizontally landward from the high tide
36 line. However, if the assessor determines that a higher and better use
37 exists for the land but this use would not be permitted or economically

1 feasible by virtue of any federal, state, or local law or regulation,
2 the land (~~shall~~) must be assessed and valued under RCW 84.33.140
3 without being designated as forest land.

4 (7) The application (~~shall be~~) is deemed to have been approved
5 unless, prior to (~~May~~) July 1st of the year after the application was
6 mailed or delivered to the assessor, the assessor notifies the
7 applicant in writing of the extent to which the application is denied.

8 (8) An owner who receives notice that his or her application has
9 been denied, in whole or in part, may appeal the denial to the county
10 board of equalization in accordance with the provisions of RCW
11 84.40.038.

12 **Sec. 3.** RCW 84.33.140 and 2013 2nd sp.s. c 11 s 13 are each
13 amended to read as follows:

14 (1) When land has been designated as forest land under RCW
15 84.33.130, a notation of the designation must be made each year upon
16 the assessment and tax rolls. A copy of the notice of approval
17 together with the legal description or assessor's parcel numbers for
18 the land must, at the expense of the applicant, be filed by the
19 assessor in the same manner as deeds are recorded.

20 (2) In preparing the assessment roll as of January 1, 2002, for
21 taxes payable in 2003 and each January 1st thereafter, the assessor
22 must list each parcel of designated forest land at a value with respect
23 to the grade and class provided in this subsection and adjusted as
24 provided in subsection (3) of this section. The assessor must compute
25 the assessed value of the land using the same assessment ratio applied
26 generally in computing the assessed value of other property in the
27 county. Values for the several grades of bare forest land are as
28 follows:

29	LAND	OPERABILITY	VALUES
30	GRADE	CLASS	PER ACRE
31		1	\$234
32	1	2	229
33		3	217
34		4	157
35		1	198

1		2	2	190
2			3	183
3			4	132
4			1	154
5		3	2	149
6			3	148
7			4	113
8			1	117
9		4	2	114
10			3	113
11			4	86
12			1	85
13		5	2	78
14			3	77
15			4	52
16			1	43
17		6	2	39
18			3	39
19			4	37
20			1	21
21		7	2	21
22			3	20
23			4	20
24		8		1

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

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

36 (b) Divide the aggregate value of all timber harvested within the

1 state between July 1, 1995, and June 30, 2000, by the aggregate harvest
2 volume for the same period, as determined from the harvester excise tax
3 returns filed with the department under RCW 84.33.074; and

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

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

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

18 (a) Receipt of notice of request to withdraw land classified under
19 RCW 84.34.020(3) within two years before the date of the merger under
20 section 5 of this act. Land previously classified under chapter 84.34
21 RCW will be removed under the provisions of this chapter when two
22 assessment years have passed following receipt of the notice as
23 described in RCW 84.34.070(1);

24 (b) Receipt of notice from the owner to remove the designation;

25 ((+b)) (c) Sale or transfer to an ownership making the land exempt
26 from ad valorem taxation;

27 ((+e)) (d) Sale or transfer of all or a portion of the land to a
28 new owner, unless the new owner has signed a notice of forest land
29 designation continuance, except transfer to an owner who is an heir or
30 devisee of a deceased owner, does not, by itself, result in removal of
31 designation. The signed notice of continuance must be attached to the
32 real estate excise tax affidavit provided for in RCW 82.45.150. The
33 notice of continuance must be on a form prepared by the department. If
34 the notice of continuance is not signed by the new owner and attached
35 to the real estate excise tax affidavit, all compensating taxes
36 calculated under subsection (11) of this section are due and payable by
37 the seller or transferor at time of sale. The auditor may not accept
38 an instrument of conveyance regarding designated forest land for filing

1 or recording unless the new owner has signed the notice of continuance
2 or the compensating tax has been paid, as evidenced by the real estate
3 excise tax stamp affixed thereto by the treasurer. The seller,
4 transferor, or new owner may appeal the new assessed valuation
5 calculated under subsection (11) of this section to the county board of
6 equalization in accordance with the provisions of RCW 84.40.038.
7 Jurisdiction is hereby conferred on the county board of equalization to
8 hear these appeals;

9 ((~~d~~)) (e) Determination by the assessor, after giving the owner
10 written notice and an opportunity to be heard, that:

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

25 (ii) The owner has failed to comply with a final administrative or
26 judicial order with respect to a violation of the restocking, forest
27 management, fire protection, insect and disease control, and forest
28 debris provisions of Title 76 RCW or any applicable rules under Title
29 76 RCW; or

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

32 (6) Land may not be removed from designation if there is a
33 governmental restriction that prohibits, in whole or in part, the owner
34 from harvesting timber from the owner's designated forest land. If
35 only a portion of the parcel is impacted by governmental restrictions
36 of this nature, the restrictions cannot be used as a basis to remove
37 the remainder of the forest land from designation under this chapter.
38 For the purposes of this section, "governmental restrictions" includes:

1 (a) Any law, regulation, rule, ordinance, program, or other action
2 adopted or taken by a federal, state, county, city, or other
3 governmental entity; or (b) the land's zoning or its presence within an
4 urban growth area designated under RCW 36.70A.110.

5 (7) The assessor has the option of requiring an owner of forest
6 land to file a timber management plan with the assessor upon the
7 occurrence of one of the following:

8 (a) An application for designation as forest land is submitted;
9 (~~(e)~~)

10 (b) Designated forest land is sold or transferred and a notice of
11 continuance, described in subsection (5)(~~(e)~~)(d) of this section, is
12 signed; or

13 (c) The assessor has reason to believe that forest land sized less
14 than twenty acres is no longer primarily devoted to and used for
15 growing and harvesting timber. The assessor may require a timber
16 management plan to assist with determining continuing eligibility as
17 designated forest land.

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

28 (9) Within thirty days after the removal of designation as forest
29 land, the assessor must 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 must, 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 must immediately be made upon the

1 assessment and tax rolls. The assessor must 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 must be listed. Taxes based on
5 the value of the land as forest land are assessed and payable up until
6 the date of removal and taxes based on the true and fair value of the
7 land are assessed and payable from the date of removal from
8 designation.

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

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

1 (13) The compensating tax specified in subsection (11) of this
2 section may 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, or for acquisition and management as
19 a community forest trust as defined in chapter 79.155 RCW. At such
20 time as the land is not used for the purposes enumerated, the
21 compensating tax specified in subsection (11) of this section is
22 imposed upon the current owner;

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

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

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

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

34 (h) The sale or transfer of land within two years after the death
35 of the owner of at least a fifty percent interest in the land if the
36 land has been assessed and valued as classified forest land, designated
37 as forest land under this chapter, or classified under chapter 84.34

1 RCW continuously since 1993. The date of death shown on a death
2 certificate is the date used for the purposes of this subsection
3 (13)(h); or

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

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

17 (14) In a county with a population of more than six hundred
18 thousand inhabitants or in a county with a population of at least two
19 hundred forty-five thousand inhabitants that borders Puget Sound as
20 defined in RCW 90.71.010, the compensating tax specified in subsection
21 (11) of this section may not be imposed if the removal of designation
22 as forest land under subsection (5) of this section resulted solely
23 from:

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

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

33 **Sec. 4.** RCW 84.33.145 and 2012 c 170 s 2 are each amended to read
34 as follows:

35 (1) If no later than thirty days after removal of designation under
36 this chapter the owner applies for classification under:

37 (a) RCW 84.34.020(1)((, (2), or (3), then));

1 (b) RCW 84.34.020(2); or

2 (c) RCW 84.34.020(3), unless the timber land classification and
3 designated forest land program are merged under section 5 of this act,
4 then, for the purposes of (a), (b), or (c) of this subsection, the
5 designated forest land may not be considered removed from designation
6 for purposes of the compensating tax under RCW 84.33.140 until the
7 application for current use classification under chapter 84.34 RCW is
8 denied or the property is removed from classification under RCW
9 84.34.108.

10 (2) Upon removal of classification under RCW 84.34.108, the amount
11 of compensating tax due under this chapter is equal to:

12 (a) The difference, if any, between the amount of tax last levied
13 on the land as designated forest land and an amount equal to the new
14 assessed valuation of the land when removed from classification under
15 RCW 84.34.108 multiplied by the dollar rate of the last levy extended
16 against the land, multiplied by

17 (b) A number equal to:

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

21 (ii) Ten minus the number of years the land was classified under
22 chapter 84.34 RCW, if the total number of years the land was designated
23 under this chapter and classified under chapter 84.34 RCW is at least
24 ten.

25 ~~((+2))~~ (3) Nothing in this section authorizes the continued
26 designation under this chapter or defers or reduces the compensating
27 tax imposed upon forest land not transferred to classification under
28 subsection (1) of this section ~~((which))~~ that does not meet the
29 definition of forest land under RCW 84.33.035. Nothing in this section
30 affects the additional tax imposed under RCW 84.34.108.

31 ~~((+3))~~ (4) In a county with a population of more than six hundred
32 thousand inhabitants or in a county with a population of at least two
33 hundred forty-five thousand inhabitants that borders Puget Sound as
34 defined in RCW 90.71.010, no amount of compensating tax is due under
35 this section if the removal from classification under RCW 84.34.108
36 results from a transfer of property described in RCW 84.34.108(6).

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.34 RCW
2 to read as follows:

3 (1) A county legislative authority may opt to merge its timber land
4 classification with its designated forest land program. To merge the
5 programs, the authority must enact an ordinance that:

6 (a) Terminates the timber land classification; and

7 (b) Declares that the land that had been classified as timber land
8 is designated forest land under chapter 84.33 RCW.

9 (2) After a county timber land program is terminated:

10 (a) Land that had been classified as timber land within the county
11 is deemed to be designated forest land under the provisions of RCW
12 84.33.130(1) and is no longer considered to be classified timber land
13 for the purposes of this chapter; and

14 (b) Any agreement prepared by the granting authority when an
15 application was approved classifying land as timber land is terminated
16 and no longer in effect.

17 (3) A county must notify the department after taking action under
18 this section. The department must maintain a list of all counties that
19 have provided this notice on their agency internet web site.

20 **Sec. 6.** RCW 84.34.030 and 1989 c 378 s 10 are each amended to read
21 as follows:

22 (1) An owner of ((agricultural)) land desiring current use
23 classification under ((subsection (2) of)) RCW 84.34.020 ((shall)) must
24 make application as follows:

25 (a) Application for classification under RCW 84.34.020(2) must be
26 made to the county assessor upon forms prepared by the state department
27 of revenue and supplied by the county assessor. ~~((An owner of open~~
28 ~~space or timber land desiring current use))~~

29 (b) Application for classification under ((subsections (1) and (3)
30 of)):

31 (i) RCW 84.34.020 ((shall make application)) (1); or

32 (ii) RCW 84.34.020(3), unless the timber land classification and
33 designated forest land program are merged under section 5 of this act
34 must be made, for (b)(i) or (ii) of this subsection, to the county
35 legislative authority upon forms prepared by the state department of
36 revenue and supplied by the county assessor.

1 (2) The application (~~(shall)~~) must be accompanied by a reasonable
2 processing fee if (~~such~~) a processing fee is established by the city
3 or county legislative authority. (~~Said~~) The application (~~(shall)~~)
4 may require only such information reasonably necessary to properly
5 classify an area of land under this chapter with a notarized
6 verification of the truth thereof and (~~(shall)~~) must include a
7 statement that the applicant is aware of the potential tax liability
8 involved when (~~such~~) the land ceases to be (~~(designated)~~) classified
9 as open space, farm and agricultural or timber land. Applications must
10 be made during the calendar year preceding that in which (~~such~~)
11 classification is to begin.

12 (3) The assessor (~~(shall)~~) must make necessary information,
13 including copies of this chapter and applicable regulations, readily
14 available to interested parties, and (~~(shall)~~) must render reasonable
15 assistance to such parties upon request.

16 **Sec. 7.** RCW 84.34.041 and 2009 c 350 s 14 are each amended to read
17 as follows:

18 (1) An application for current use classification or
19 reclassification under RCW 84.34.020(3) (~~(shall)~~) must be made to the
20 county legislative authority.

21 (~~(1)~~) The application (~~(shall)~~) must be made upon forms prepared
22 by the department of revenue and supplied by the granting authority and
23 (~~(shall)~~) must include the following elements that constitute a timber
24 management plan:

25 (a) A legal description of, or assessor's parcel numbers for, all
26 land the applicant desires to be classified as timber land;

27 (b) The date or dates of acquisition of the land;

28 (c) A brief description of the timber on the land, or if the timber
29 has been harvested, the owner's plan for restocking;

30 (d) Whether there is a forest management plan for the land;

31 (e) If so, the nature and extent of implementation of the plan;

32 (f) Whether the land is used for grazing;

33 (g) Whether the land has been subdivided or a plat filed with
34 respect to the land;

35 (h) Whether the land and the applicant are in compliance with the
36 restocking, forest management, fire protection, insect and disease

1 control, weed control, and forest debris provisions of Title 76 RCW or
2 applicable rules under Title 76 RCW;

3 (i) Whether the land is subject to forest fire protection
4 assessments pursuant to RCW 76.04.610;

5 (j) Whether the land is subject to a lease, option, or other right
6 that permits it to be used for a purpose other than growing and
7 harvesting timber;

8 (k) A summary of the past experience and activity of the applicant
9 in growing and harvesting timber;

10 (l) A summary of current and continuing activity of the applicant
11 in growing and harvesting timber;

12 (m) A statement that the applicant is aware of the potential tax
13 liability involved when the land ceases to be classified as timber
14 land.

15 (2) An application made for classification of land under RCW
16 84.34.020(3) (~~shall~~) must be acted upon after a public hearing and
17 after notice of the hearing is given by one publication in a newspaper
18 of general circulation in the area at least ten days before the
19 hearing. Application for classification of land in an incorporated
20 area (~~shall~~) must be acted upon by: (a) A granting authority
21 composed of three members of the county legislative body and three
22 members of the city legislative body in which the land is located in a
23 meeting where members may be physically absent but participating
24 through telephonic connection; or (b) separate affirmative acts by both
25 the county and city legislative bodies where both bodies affirm the
26 entirety of an application without modification or both bodies affirm
27 an application with identical modifications.

28 (3) The granting authority (~~shall~~) must act upon the application
29 with due regard to all relevant evidence and without any one or more
30 items of evidence necessarily being determinative, except that the
31 application may be denied for one of the following reasons, without
32 regard to other items:

33 (a) The land does not contain a stand of timber as defined in
34 chapter 76.09 RCW and applicable rules, except this reason (~~shall~~
35 ~~not~~) alone (~~be~~) is not sufficient to deny the application (i) if the
36 land has been recently harvested or supports a growth of brush or
37 noncommercial type timber, and the application includes a plan for
38 restocking within three years or the longer period necessitated by

1 unavailability of seed or seedlings, or (ii) if only isolated areas
2 within the land do not meet minimum standards due to rock outcroppings,
3 swamps, unproductive soil, or other natural conditions;

4 (b) The applicant, with respect to the land, has failed to comply
5 with a final administrative or judicial order with respect to a
6 violation of the restocking, forest management, fire protection, insect
7 and disease control, weed control, and forest debris provisions of
8 Title 76 RCW or applicable rules under Title 76 RCW;

9 (c) The land abuts a body of salt water and lies between the line
10 of ordinary high tide and a line paralleling the ordinary high tide
11 line and two hundred feet horizontally landward from the high tide
12 line.

13 (4)(a) The timber management plan must be filed with the county
14 legislative authority either: ~~((a))~~ (i) When an application for
15 classification under this chapter is submitted; ~~((b))~~ (ii) when a
16 sale or transfer of timber land occurs and a notice of continuance is
17 signed; or ~~((c))~~ (iii) within sixty days of the date the application
18 for reclassification under this chapter or from designated forest land
19 is received. The application for reclassification ~~((shall))~~ must be
20 accepted, but ~~((shall))~~ may not be processed until the timber
21 management plan is received. If the timber management plan is not
22 received within sixty days of the date the application for
23 reclassification is received, the application for reclassification
24 ~~((shall))~~ must be denied.

25 (b) If circumstances require it, the county assessor may allow in
26 writing an extension of time for submitting a timber management plan
27 when an application for classification or reclassification or notice of
28 continuance is filed. When the assessor approves an extension of time
29 for filing the timber management plan, the county legislative authority
30 may delay processing an application until the timber management plan is
31 received. If the timber management plan is not received by the date
32 set by the assessor, the application or the notice of continuance
33 ~~((shall))~~ must be denied.

34 (c) The granting authority may approve the application with respect
35 to only part of the land that is described in the application, and if
36 any part of the application is denied, the applicant may withdraw the
37 entire application. The granting authority, in approving in part or

1 whole an application for land classified pursuant to RCW 84.34.020(3),
2 may also require that certain conditions be met.

3 (d) Granting or denial of an application for current use
4 classification is a legislative determination and (~~shall be~~) is
5 reviewable only for arbitrary and capricious actions. The granting
6 authority may not require the granting of easements for land classified
7 pursuant to RCW 84.34.020(3).

8 (e) The granting authority (~~shall~~) must approve or disapprove an
9 application made under this section within six months following the
10 date the application is received.

11 (5) No application may be approved under this section, and land may
12 not otherwise be classified or reclassified under RCW 84.34.020(3), if
13 the timber land classification and designated forest land program are
14 merged under section 5 of this act.

15 **Sec. 8.** RCW 84.34.070 and 1992 c 69 s 10 are each amended to read
16 as follows:

17 (1) When land has once been classified under this chapter, it
18 (~~shall~~) must remain under such classification and (~~shall~~) must not
19 be applied to other use except as provided by subsection (2) of this
20 section for at least ten years from the date of classification (~~and~~
21 ~~shall~~). It must continue under such classification until and unless
22 withdrawn from classification after notice of request for withdrawal
23 (~~shall be~~) is made by the owner. During any year after eight years
24 of the initial ten-year classification period have elapsed, notice of
25 request for withdrawal of all or a portion of the land may be given by
26 the owner to the assessor or assessors of the county or counties in
27 which (~~such~~) the land is situated. (~~In the event that~~) If a
28 portion of a parcel is removed from classification, the remaining
29 portion must meet the same requirements as did the entire parcel when
30 (~~such~~) the land was originally granted classification (~~pursuant to~~)
31 under this chapter unless the remaining parcel has different income
32 criteria. Within seven days the assessor (~~shall~~) must transmit one
33 copy of (~~such~~) the notice to the legislative body (~~which~~) that
34 originally approved the application. The assessor or assessors, as the
35 case may be, (~~shall~~) must, when two assessment years have elapsed
36 following the date of receipt of (~~such~~) the notice, withdraw (~~such~~)
37 the land from (~~such~~) the classification and the land (~~shall be~~) is

1 subject to the additional tax and applicable interest due under RCW
2 84.34.108. Agreement to tax according to use (~~shall~~) is not (~~be~~)
3 considered to be a contract and can be abrogated at any time by the
4 legislature in which event no additional tax or penalty (~~shall~~) may
5 be imposed.

6 (2)(a) The following reclassifications are not considered
7 withdrawals or removals and are not subject to additional tax under RCW
8 84.34.108:

9 (~~(a)~~) (i) Reclassification between lands under RCW 84.34.020 (2)
10 and (3);

11 (~~(b)~~) (ii) Reclassification of land classified under RCW
12 84.34.020 (2) or (3) or designated under chapter 84.33 RCW to open
13 space land under RCW 84.34.020(1);

14 (~~(c)~~) (iii) Reclassification of land classified under RCW
15 84.34.020 (2) or (3) to forest land (~~classified~~) designated under
16 chapter 84.33 RCW; and

17 (~~(d)~~) (iv) Reclassification of land classified as open space land
18 under RCW 84.34.020(1)(c) and reclassified to farm and agricultural
19 land under RCW 84.34.020(2) if the land had been previously classified
20 as farm and agricultural land under RCW 84.34.020(2).

21 (b) Designation as forest land under RCW 84.33.130(1) as a result
22 of a merger adopted under section 5 of this act is not considered a
23 withdrawal or removal and is not subject to additional tax under RCW
24 84.34.108.

25 (c) Any owner of land classified under RCW 84.34.020(3) who has
26 provided the assessor with a notice of request to withdrawal under
27 subsection (1) of this section within two years of the date of merger
28 as described in section 5 of this act, will have their land removed as
29 designated forest land under the provisions of chapter 84.33 RCW when
30 two assessment years have elapsed following the receipt of this notice.

31 (3) Applications for reclassification (~~shall be~~) are subject to
32 applicable provisions of RCW 84.34.037, 84.34.035, 84.34.041, and
33 chapter 84.33 RCW.

34 (4) The income criteria for land classified under RCW 84.34.020(2)
35 (b) and (c) may be deferred for land being reclassified from land
36 classified under RCW 84.34.020 (1)(c) or (3), or chapter 84.33 RCW into
37 RCW 84.34.020(2) (b) or (c) for a period of up to five years from the
38 date of reclassification.

1 **Sec. 9.** RCW 84.34.330 and 1992 c 52 s 17 are each amended to read
2 as follows:

3 (1) Whenever farm and agricultural land or timber land has once
4 been exempted from special benefit assessments (~~(pursuant to)~~) under
5 RCW 84.34.320, and except as provided in subsection (2) of this
6 section, any withdrawal or removal from classification or change in use
7 from farm and agricultural land or timber land under chapter 84.34 RCW
8 (~~shall~~) results in the following:

9 ~~((1))~~ (a) If the bonds used to fund the improvement in the local
10 improvement district have not been completely retired, (~~such~~) the
11 land (~~shall~~) immediately becomes liable for: ~~((a))~~ (i) The amount
12 of the special benefit assessment listed in the notice provided for in
13 RCW 84.34.320; plus ~~((b))~~ (ii) interest on the amount determined in
14 ~~((1))~~ (a)(i) of this (~~section~~) subsection (1), compounded annually
15 at a rate equal to the average rate of inflation from the time the
16 initial notice is filed by the governmental entity (~~which~~) that
17 created the local improvement district as provided in RCW 84.34.320 to
18 the time the (~~owner withdraws such land~~) land is withdrawn or removed
19 from the exemption category provided by this chapter(~~or~~).

20 ~~((2))~~ (b) If the bonds used to fund the improvement in the local
21 improvement district have been completely retired, (~~such~~) the land
22 (~~shall~~) immediately becomes liable for: ~~((a))~~ (i) The amount of
23 the special benefit assessment listed in the notice provided for in RCW
24 84.34.320; plus ~~((b))~~ (ii) interest on the amount determined in
25 ~~((2)(a))~~ (b)(i) of this (~~section~~) subsection (1) compounded
26 annually at a rate equal to the average rate of inflation from the time
27 the initial notice is filed by the governmental entity (~~which~~) that
28 created the local improvement district as provided in RCW 84.34.320, to
29 the time the bonds used to fund the improvement have been retired; plus
30 ~~((c))~~ (iii) interest on the total amount determined in ~~((2)(a))~~
31 (b)(i) and ~~((b))~~ (ii) of this (~~section~~) subsection (1) at a simple
32 per annum rate equal to the average rate of inflation from the time the
33 bonds used to fund the improvement have been retired to the time the
34 (~~owner withdraws such lands~~) land is withdrawn or removed from the
35 exemption category provided by this chapter.

36 ~~((3))~~ (c) The amount payable (~~pursuant to~~) under this section
37 (~~shall~~) becomes due on the date (~~such~~) the land is withdrawn or
38 removed from its (~~current use~~) farm and agricultural land or timber

1 land classification and (~~shall be~~) is a lien on the land prior and
2 superior to any other lien whatsoever except for the lien for general
3 taxes, and (~~shall be~~) is enforceable in the same manner as the
4 collection of special benefit assessments are enforced by that local
5 government.

6 (2) Designation as forest land under RCW 84.33.130(1) as a result
7 of a merger of programs adopted under section 5 of this act is not
8 considered a withdrawal, removal, or a change in use under this
9 section.

10 **Sec. 10.** RCW 84.34.340 and 1992 c 52 s 18 are each amended to read
11 as follows:

12 (1) Whenever farm and agricultural land or timber land is withdrawn
13 or removed from its current use classification as farm and agricultural
14 land or timber land, except as provided in subsection (2) of this
15 section, the county assessor of the county in which (~~such~~) the land
16 is located (~~shall forthwith~~) must give written notice of (~~such~~) the
17 withdrawal or removal to the local government or its successor (~~which~~
18 had) that filed with the assessor the notice required by RCW
19 84.34.320. Upon receipt of the notice from the assessor, the local
20 government (~~shall~~) must mail a written statement to the owner of
21 (~~such~~) the land for the amounts payable as provided in RCW 84.34.330.
22 (~~Such~~) The amounts due (~~shall be~~) are delinquent if not paid within
23 one hundred (~~and~~) eighty days after the date of mailing of the
24 statement, and (~~shall be~~) are subject to the same interest,
25 penalties, lien priority, and enforcement procedures that are
26 applicable to delinquent assessments on the assessment roll from which
27 that land had been exempted, except that the rate of interest charged
28 (~~shall~~) may not exceed the rate provided in RCW 84.34.330.

29 (2) Designation as forest land under RCW 84.33.130(1) as a result
30 of a merger adopted under section 5 of this act is not considered a
31 withdrawal or removal under this section.

32 **Sec. 11.** RCW 84.34.370 and 1992 c 52 s 20 are each amended to read
33 as follows:

34 (1) Except as provided in subsection (2) of this section, whenever
35 a portion of a parcel of land (~~which~~) that was classified as farm and
36 agricultural or timber land (~~pursuant to~~) under this chapter is

1 withdrawn or removed from classification or there is a change in use,
2 and ((such)) the land has been exempted from any benefit assessments
3 ((pursuant to)) under RCW 84.34.320, the previously exempt benefit
4 assessments ((shall)) become due on only that portion of the land
5 ((which)) that is withdrawn, removed, or changed.

6 (2) Designation as forest land under RCW 84.33.130(1) as a result
7 of a merger of programs adopted under section 5 of this act is not
8 considered a withdrawal, removal, or a change in use under this
9 section."

SHB 1156 - S COMM AMD

By Committee on Natural Resources & Parks

10 On page 1, line 2 of the title, after "administration;" strike the
11 remainder of the title and insert "amending RCW 84.33.035, 84.33.130,
12 84.33.140, 84.33.145, 84.34.030, 84.34.041, 84.34.070, 84.34.330,
13 84.34.340, and 84.34.370; and adding a new section to chapter 84.34
14 RCW."

--- END ---