Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Finance Committee

SB 5994

Brief Description: Preserving timber tax distributions for school districts with recent school district levy failures.

Sponsors: Senators Cortes, Frame, Lovelett and Shewmake.

Brief Summary of Bill

- Extends timber tax revenue distributions to school districts without qualifying levies in a given calendar year, if the district had qualifying levies in effect in either of the previous two calendar years.

Hearing Date: 2/19/26

Staff: Rachelle Harris (786-7137).

Background:

Timber tax.
The timber tax is an excise tax imposed on timber in lieu of property tax. The tax rate is 5 percent on the stumpage value when harvested. The tax is paid by the owner of the timber. One percent goes to the state general fund, with the remaining 4 percent being distributed to the county where the timber is harvested. Following receipt, counties must distribute the funds to taxing districts according to a tiered system. The distribution amounts depend on each district's levy rate for the current year as well as the district's timber assessed value (TAV) and the actual amount of timber excise taxes collected.

First, funds go to districts that have debt service from excess levies used for capital purposes. The distribution amount equals the district's TAV times the excess levy rate for the current calendar year.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Next, school districts receive funds equal to the greater of one-half of the district's TAV or 80 percent of the timber roll of such district in calendar year 1983, multiplied by the district's excess levy rate for the current calendar year.

Any remaining funds are distributed to each taxing district generally in proportion to the TAV of each district.

Summary of Bill:

Timber tax revenue distributions are extended to school districts without qualifying levies in a given calendar year, if the district had qualifying levies in effect in either of the previous two calendar years. The highest levy rate in effect during the two previous calendar years must be used to calculate timber tax distributions.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.