
SENATE BILL 5983

State of Washington

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By Senators Lias, Goehner, and Nobles

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1 AN ACT Relating to exempting land classified under current use
2 that is sold or transferred to a governmental entity from additional
3 tax in certain circumstances; amending RCW 84.34.108; and creating a
4 new section.

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

6 **Sec. 1.** RCW 84.34.108 and 2025 c 138 s 3 are each amended to
7 read as follows:

8 (1) When land has once been classified under this chapter, a
9 notation of the classification must be made each year upon the
10 assessment and tax rolls and the land must be valued pursuant to RCW
11 84.34.060 or 84.34.065 until removal of all or a portion of the
12 classification by the assessor upon occurrence of any of the
13 following:

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

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

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

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

26 (ii) The granting authority, upon request of an assessor, must
27 provide reasonable assistance to the assessor in making a
28 determination whether the land continues to meet the qualifications
29 of RCW 84.34.020 (1) or (3). The assistance must be provided within
30 30 days of receipt of the request.

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

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

34 (ii) The creation, sale, or transfer of a fee interest or a
35 conservation easement for the riparian open space program under RCW
36 76.09.040.

37 (b) Land classified as farm and agricultural land under RCW
38 84.34.020 upon which an existing appurtenance is located may not be
39 removed from classification as a result of minor upgrades and
40 alterations to the appurtenance such as the addition of a cement pad,

1 plumbing, or electrical, or limited compatible uses including
2 educational and recreational farming programs, events such as
3 seasonal farm festivals, and celebratory gatherings such as weddings,
4 unless:

5 (i) Retaining the classification of such land would exceed the 20
6 percent incidental use limitation provided in the definition of
7 incidental use in RCW 84.34.020; or

8 (ii) The structure no longer meets the definition of appurtenance
9 under RCW 84.34.020.

10 (c) For the purpose of this subsection (2), "existing
11 appurtenance" does not include a newly constructed structure, or
12 major redevelopment of an existing structure.

13 (3) Within 30 days after the removal of all or a portion of the
14 land from current use classification under subsection (1) of this
15 section, the assessor must notify the owner in writing, setting forth
16 the reasons for the removal. The seller, transferor, or owner may
17 appeal the removal to the county board of equalization in accordance
18 with the provisions of RCW 84.40.038. The removal notice must explain
19 the steps needed to appeal the removal decision, including when a
20 notice of appeal must be filed, where the forms may be obtained, and
21 how to contact the county board of equalization.

22 (4) Unless the removal is reversed on appeal, the assessor must
23 revalue the affected land with reference to its true and fair value
24 on January 1st of the year of removal from classification. Both the
25 assessed valuation before and after the removal of classification
26 must be listed and taxes must be allocated according to that part of
27 the year to which each assessed valuation applies. Except as provided
28 in subsection (6) of this section, an additional tax, applicable
29 interest, and penalty must be imposed, which are due and payable to
30 the treasurer 30 days after the owner is notified of the amount of
31 the additional tax, applicable interest, and penalty. As soon as
32 possible, the assessor must compute the amount of additional tax,
33 applicable interest, and penalty and the treasurer must mail notice
34 to the owner of the amount thereof and the date on which payment is
35 due. The amount of the additional tax, applicable interest, and
36 penalty must be determined as follows:

37 (a) The amount of additional tax is:

38 (i) Except as provided in (a)(ii) of this subsection, equal to
39 the difference between the property tax paid as "open space land,"
40 "farm and agricultural land," or "timberland" and the amount of

1 property tax otherwise due and payable for the seven years last past
2 had the land not been so classified;

3 (ii) For removals, or withdrawals, of classified farm and
4 agricultural land on or after September 1, 2025, equal to the
5 difference between the property tax paid as farm and agricultural and
6 the amount of property tax otherwise due and payable for the four
7 years last past had the land not been so classified;

8 (b) The amount of applicable interest is equal to the interest
9 upon the amounts of the additional tax paid at the same statutory
10 rate charged on delinquent property taxes from the dates on which the
11 additional tax could have been paid without penalty if the land had
12 been assessed at a value without regard to this chapter;

13 (c) The amount of the penalty is as provided in RCW 84.34.080.
14 The penalty may not be imposed if the removal satisfies the
15 conditions of RCW 84.34.070.

16 (5) Additional tax, applicable interest, and penalty become a
17 lien on the land. The lien attaches at the time the land is removed
18 from classification under this chapter and has priority to and must
19 be fully paid and satisfied before any recognizance, mortgage,
20 judgment, debt, obligation, or responsibility to or with which the
21 land may become charged or liable. This lien may be foreclosed upon
22 expiration of the same period after delinquency and in the same
23 manner provided by law for foreclosure of liens for delinquent real
24 property taxes as provided in RCW 84.64.050. Any additional tax
25 unpaid on the due date is delinquent as of the due date. From the
26 date of delinquency until paid, interest must be charged at the same
27 rate applied by law to delinquent ad valorem property taxes.

28 (6) The additional tax, applicable interest, and penalty
29 specified in subsection (4) of this section may not be imposed if the
30 removal of classification pursuant to subsection (1) of this section
31 resulted solely from:

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

34 (b) (i) A taking through the exercise of the power of eminent
35 domain, or (ii) sale or transfer to an entity having the power of
36 eminent domain in anticipation of the exercise of such power, said
37 entity having manifested its intent in writing or by other official
38 action;

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

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

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

9 (f) Acquisition of property interests by state agencies or
10 agencies or organizations qualified under RCW 84.34.210 and 64.04.130
11 for the purposes enumerated in those sections. At such time as these
12 property interests are not used for the purposes enumerated in RCW
13 84.34.210 and 64.04.130 the additional tax specified in subsection
14 (4) of this section must be imposed;

15 (g) Removal of land classified as farm and agricultural land
16 under RCW 84.34.020(2)(f);

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

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

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

26 (k) The sale or transfer of land within two years after the death
27 of the owner of at least a 50 percent interest in the land if the
28 land has been assessed and valued as classified forestland,
29 designated as forestland under chapter 84.33 RCW, or classified under
30 this chapter continuously since 1993. The date of death shown on a
31 death certificate is the date used for the purposes of this
32 subsection (6)(k);

33 (l)(i) The discovery that the land was classified under this
34 chapter in error through no fault of the owner. For purposes of this
35 subsection (6)(l), "fault" means a knowingly false or misleading
36 statement, or other act or omission not in good faith, that
37 contributed to the approval of classification under this chapter or
38 the failure of the assessor to remove the land from classification
39 under this chapter.

1 (ii) For purposes of this subsection (6), the discovery that land
2 was classified under this chapter in error through no fault of the
3 owner is not the sole reason for removal of classification pursuant
4 to subsection (1) of this section if an independent basis for removal
5 exists. Examples of an independent basis for removal include the
6 owner changing the use of the land or failing to meet any applicable
7 income criteria required for classification under this chapter;
8 (~~or~~)

9 (m) The sale or transfer to a governmental entity if the
10 governmental entity manages the land in the same manner as designated
11 forestland under chapter 84.33 RCW, or as property classified as
12 timberland under this chapter, and the governmental entity provides
13 the county assessor with a timber management plan or a notice of
14 intent to manage the land as required under this subsection (6)(m).
15 The governmental entity must provide an updated timberland or
16 forestland management plan to the county assessor at least once every
17 revaluation cycle. The county is authorized to collect a fee from the
18 governmental entity for the filing of the forestland or timberland
19 management plan in accordance with the county's fee schedule. When
20 the land is not managed as required under this subsection (6)(m), or
21 when the governmental entity sells or transfers the land at any time,
22 the additional tax specified in subsection (4) of this section is due
23 from the current government owner, unless the change in use of the
24 land, sale or transfer, meets one of the other exceptions in this
25 subsection (6); or

26 (n) The sale or transfer of classified land to a governmental
27 entity if:

28 (i) The purpose of the sale or transfer is to meet conditions set
29 forth by the governmental entity that enable the landowner to develop
30 classified property; and

31 (ii) The combined acreage of both the land removed from
32 classification as a result of development, and the land removed as a
33 result of the sale or transfer to the governmental entity, does not
34 exceed 20 percent of the total acres of classified land immediately
35 before the land removals.

36 NEW SECTION. Sec. 2. RCW 82.32.805 and 82.32.808 do not apply
37 to this act.

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