

## CHAPTER 214.

[ S. B. 160. ]

## PROPERTY TAXES—REFORESTATION LANDS.

AN ACT relating to revenue and taxation; providing for the assessment and taxation of reforestation lands; amending sections 84.28.005, 84.28.010, and 84.28.020, chapter 15, Laws of 1961 and RCW 84.28.005, 84.28.010 and 84.28.020; amending section 84.28.050, chapter 15, Laws of 1961 and RCW 84.28.050; amending sections 84.28.060, 84.28.080, 84.28.090, 84.28.100, 84.28.110, 84.28.140, and 84.28.160, chapter 15, Laws of 1961, and RCW 84.28.060, 84.28.080, 84.28.090, 84.28.100, 84.28.110, 84.28.140, and 84.28.160; adding new sections to chapter 15, Laws of 1961 and to chapter 84.28 RCW; and repealing section 84.28.130, chapter 15, Laws of 1961 and RCW 84.28.130.

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. Section 84.28.005, chapter 15, Laws of 1961 and RCW 84.28.005 are each amended to read as follows:

Public welfare demands that steps be taken to encourage reforestation and to protect and promote the growth of new forests on lands chiefly valuable for that purpose in order that they may be restored to the economic and industrial life of the state. To accomplish that end it is necessary that a system of taxation and assessment be devised for such lands, which will encourage the growth of new and immature forests on lands chiefly valuable for that purpose, and which will enable the owners thereof to bear the burden of taxation on such lands over the period of years necessary to produce forests of commercial value. Therefore, the state of Washington, through its legislature, hereby exercising its police and sovereign power, declares and enacts that all logged-off or selectively harvested lands and all unforested lands chiefly valuable for the production and growth of forests and all lands growing immature forests and forests of no commercial value

Reforestation  
lands, taxing  
of. Purpose.

shall not be assessed or taxed at a rate which will discourage or hamper the growth of forests on such lands, but shall be assessed and taxed at such rate and in such manner that owners of such lands may be encouraged to reforest, protect and grow forests of commercial value on such lands.

New section.

SEC. 2. There is added to chapter 15, Laws of 1961 and to chapter 84.28 RCW a new section to read as follows:

Reforestation lands, taxing of. Definitions.

For the purposes of this chapter:

- (1) "Department" shall mean the state department of natural resources;
- (2) "Commission" shall mean the state tax commission.
- (3) The term selectively harvested lands as used in this act shall mean lands devoted to reforestation as set forth and defined in Article 7, Section 1 of the Constitution of the state of Washington, as amended.

RCW 84.28.010 amended.

SEC. 3. Section 84.28.010, chapter 15, Laws of 1961 and RCW 84.28.010 are each amended to read as follows:

Lands to be classified.

All lands lying west of the summit of the Cascade range of mountains which are unforested or upon which the forest crop is not mature in merchantable quantities and which by reason of location, topography and geological formation are chiefly valuable for the purpose of developing and growing forests may be classified as reforestation lands as hereinafter provided, and shall thereupon be taxed and assessed as in this chapter provided, and not otherwise.

All lands lying east of the summit of the Cascade range of mountains which by reason of location, topography and geological formation are chiefly valuable for and devoted to the growing of forests may be classified as reforestation lands as hereinafter provided and shall thereupon be taxed and assessed as in this chapter provided, and not otherwise, and

such lands may include lands upon which a present forest crop is being grown, which have been logged off in whole or selectively harvested leaving a residual stand and making provision for the continuous production of forest products consistent with sound forestry practices.

No land shall be classified as reforestation land hereunder which was valued and assessed for its forest growth on the 1930 tax rolls, without approval of the board of county commissioners of the county in which said land is located, or until after said lands have been cut over and the timber cut and removed in western Washington, or which have been logged off in whole or selectively harvested in eastern Washington as provided in the two preceding paragraphs set forth in this section.

SEC. 4. Section 84.28.020, chapter 15, Laws of 1961 and RCW 84.28.020 are each amended to read as follows:

RCW 84.28.020 amended.

The owner of any lands eligible for classification under this chapter may apply in writing to the department of natural resources for the classification of any such lands as reforestation lands. The application shall contain a list of such lands by county, giving the legal description thereof by government legal subdivision, in tracts not smaller than a forty acre tract or government lot. At the time of filing the application with the department, the owner shall also file a copy thereof with the assessor of each county wherein such lands are situated along with a list of such lands described in the application. Within one hundred and twenty days following the filing of the application, a hearing on the proposed classification shall be held by the department at the court house in the county seat in each county of the state wherein any lands proposed for classification are situated. Notice of the hearing shall be given by the department by publication of a notice in at

Classification procedure—  
Review by tax commission.

Reforestation  
lands, taxing  
of. Classifica-  
tion procedure  
—Review by  
tax commis-  
sion.

least two issues of a newspaper published and having general circulation in the county wherein such hearing is to be held. The notice shall specify the time, place and general purpose of the hearing and shall advise that a list of the lands proposed for classification as reforestation lands, with the legal description and the names of the owners, has been filed with the county assessor. The last publication of such notice shall be at least fifteen days prior to the date fixed for the hearing. The department shall, on or before the date of the last publication of the notice, mail a copy thereof to the applicant, the county commissioners and the county assessor. At the hearing, the department shall hear objections to, and arguments for and against the proposed classification as to all, or any particular lands described on the list. Following the hearing the department shall reconsider the proposed list and classification and shall strike from the list any lands it determines are not suitable as reforestation lands and shall forward a list of such rejected lands to the land owner. The department shall, within thirty days following the conclusion of the hearing, file with the state tax commission and forward to the land owner and assessor a list of the lands by the respective counties determined by it to be qualified for classification as reforestation lands, with description by government legal subdivisions, and names and addresses of respective owners.

The commission shall hold said list for a period of two weeks, during which time any taxpayer, or the county assessor, of the county in which the lands are located shall be entitled to file written objections with it to the classification as reforestation lands of any particular lands on such list. If any objection is filed the commission shall within thirty days after the receipt of the objection fix a date and hold a hearing thereon, and shall in writing notify

the objector, the department, the assessor and the owner of the lands of the date fixed for the hearing and send a copy of the written objections to the department, land owner and assessor. At the hearing the commission shall hear and consider evidence offered by the department, owner, assessor or objector as to the nature and character of such lands, and from such evidence shall determine whether the lands shall be classified as reforestation lands; and if the commission determines that the lands are not suitable for reforestation and should not be classified as reforestation lands, it shall cause such lands to be stricken from the list. If no objections are filed to the classification of any lands on such list or if objections are filed and after hearing are overruled, the commission shall forthwith enter an order approving the list as filed; and if, following a hearing on objections to classification as to any particular lands on the list, the commission determines that the particular lands are not properly classified as reforestation lands, it shall within thirty days after the close of the hearing enter an order to that effect and shall strike such lands from the list, and enter an order approving the list with such lands stricken therefrom. Upon entry of the order the commission shall, within a period of ten days, at its expense, cause a certified copy thereof, together with the approved list to be recorded in the office of the auditor of the county in which the lands are situated, and shall forward one certified copy thereof, together with the approved list, to the assessor of the county wherein the lands are situated, one copy to the department, and one copy of its order to the owner, with a list only of lands in which he has an interest; and thereupon the lands described on such list shall be classified as reforestation lands.

RCW 84.28.050 amended.

SEC. 5. Section 84.28.050, chapter 15, Laws of 1961 and RCW 84.28.050 are each amended to read as follows:

Reforestation lands, taxing of. Removal from classification—Petition of department or county assessor—Hearing.

Whenever the department or county assessor of the county in which classified lands are situated believes that any lands classified as reforestation lands are not being protected as provided by law, or the lands become more valuable for some other purpose, or are not being used primarily for forest crop production, the department or county assessor may petition the commission to remove such lands from classification as reforestation lands. The petition shall describe the lands by government legal subdivisions and shall set forth the name of the owner thereof, and the grounds and reasons for which such removal is sought. The commission shall within sixty days after filing of the petition fix a time and place and shall hold a hearing on the petition and shall mail a copy of the notice thereof, together with a copy of the petition, to the owner at his address as shown by the records of the county treasurer's office at least thirty days prior to the date set for the hearing. At the time and place fixed for the hearing the commission shall hold a hearing on the petition and shall receive evidence offered by the owner, the department or county assessor for and against the petition. Upon the conclusion of the hearing the commission shall within fifteen days thereafter determine whether such lands shall be removed from classification as reforestation lands, and shall enter an order accordingly. Within ten days after issuance of the order, one certified copy of such order shall be forwarded by the commission to the county assessor of the county in which the lands are situated, one to the owner and one to the department, and the commission shall, at its own expense, cause a certified copy of such order, together with a list of the lands

covered thereby, to be recorded in the office of the auditor of the county in which the lands are situated.

SEC. 6. Section 84.28.060, chapter 15, Laws of 1961 and RCW 84.28.060 are each amended to read as follows:

RCW 84.28.060  
amended.

Whenever any lands previously classified as reforestation lands shall be or become more valuable for some other purpose and twenty-five taxpayers of the county in which the lands are situated file a petition with the commission, alleging such to be the case, the commission shall fix a date for hearing on the petition and shall in writing notify the taxpayers by mailing notice thereof directed to the taxpayers at the address shown on the petition; and shall likewise, at least thirty days prior to the hearing date, notify the department, the assessor and the owners of the lands involved, by mailing a notice of the hearing with a copy of the petition to them directed to their respective addresses. At the hearing the petitioners, the department, the assessor and the owners shall be entitled to offer evidence bearing upon the question of the value of such lands for reforestation and other purposes. The commission from the evidence shall determine whether the lands are more valuable for some other purpose than for reforestation; and if it so determines it shall enter an order to that effect and thereupon the lands shall be removed from classification as reforestation lands. Upon entry of an order by the commission, as provided for in this section, the commission shall, at its own expense, cause a certified copy thereof, together with a list of the lands covered thereby, to be recorded in the office of the auditor of the county in which the lands are situated and a certified copy thereof shall also be mailed to the owner.

—Petition of  
taxpayers—  
Hearing.

SEC. 7. There is added to chapter 15, Laws of 1961 and to chapter 84.28 RCW a new section to read as follows:

New section.

Reforestation  
lands, taxing  
of. Removal  
from classifica-  
tion—Petition  
of owner.

The owner may at any time cause any of his lands classified under this chapter to be removed from such classification by filing written notice to that effect with the county assessor of the county in which such lands are situate, which notice shall describe the lands to be removed, giving the legal description thereof by government legal subdivision. Copy of such notice shall also be filed with the department, the commission and the county auditor of the county in which the lands are situated. Upon receipt from the county treasurer of evidence of payment of the yield taxes imposed by section 8 of this act, the commission shall issue an order removing said lands from classification, and such lands shall thereby be removed from classification as reforestation lands as of the first day of January next following the date of issuance of such order, and shall cease to be assessed and taxed as such and shall be free from any lien for unpaid taxes due or assessable under this chapter except as provided in section 8 of this act.

New section.

SEC. 8. There is added to chapter 15, Laws of 1961 and to chapter 84.28 RCW a new section to read as follows:

Taxation upon  
removal of  
land from  
classification—  
Effective date  
of classifica-  
tion and re-  
moval orders.

Whenever any land is removed from classification as reforestation land it shall thereafter be assessed and taxed without regard to the provisions of this chapter, and there shall thereupon become due and owing to the county in which such land is situated the taxes set forth in this section.

Proviso.

(a) A yield tax equal to twelve and one-half percent of the value of the timber or forest crop remaining on the land, based upon full current stumpage rates fixed by the assessor: *Provided*, That whenever, within a period of twelve years following the classification of any lands as reforestation lands, any such lands shall be removed from classification, the owner thereof shall be required to pay a yield tax



upon the timber of one percent for each year that has expired from the date of such classification until such removal from classification.

(b) A sum of money equivalent to the amount, if any, by which the tax paid on the land and forest crop because of classification under this chapter is less than the tax paid during the same period on similar land and forest crop that was not classified.

The assessor shall prepare a roll of lands to be removed from classification and shall extend against such lands the taxes computed as provided in this section, and shall forthwith transmit to the county treasurer a record of such taxes; and the county treasurer shall thereupon enter the amount of such taxes upon his records against such lands and their owner; and such taxes shall thereupon become a lien against such lands and timber and also against any forest material that may be cut thereon and against any other real or personal property owned by such owner. Such taxes shall become delinquent on the fifteenth day of March next following the effective date of the commission's order. The lien of such taxes shall be superior, and shall be enforceable, in the same manner and to the same effect as provided in RCW 84.28.140 for collection of yield taxes on materials removed from classified lands: *Provided*, That payment of such taxes shall be a condition precedent to issuance of an order removing lands from classification pursuant to provisions of section 7 of this act: *Provided further*, That an order classifying lands or removing lands from classification shall not be retroactive, but the effective date of such order shall not be earlier than the first day of January next following the date of issuance of such order.

Proviso.

Proviso.

SEC. 9. Section 84.28.080, chapter 15, Laws of 1961 and RCW 84.28.080 are each amended to read as follows:

RCW 84.28.080 amended.

Whenever the department or the commission shall

Court review.

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lands, taxing  
of. Court  
review.

enter an order or decision with respect to classification or declassification of forest lands under this chapter, the owner of such lands, the department, the county assessor of the county in which such lands are located, or the taxpayers in a case arising under RCW 84.28.060, may, within thirty days following the entry of such order or decision, appeal to the superior court of the county within which such lands are situated for a review of the order or decision of the department or of the commission. The appeal shall be perfected in the same manner as is provided by law for appeals from decisions of the commission. Upon such appeal, the superior court shall sit without a jury, shall receive evidence de novo and shall determine the correct classification of the lands involved in accordance with the requirements of this chapter. The decision of the superior court shall be subject to appeal and review in the supreme court in the same manner and by the same procedure as appeals are taken and perfected to that court in civil actions at law. Upon appeal from any order or decisions of the department or the commission and pending the dismissal or final determination of such appeal, the lands involved shall be assessed and taxed in the same manner as they were assessed and taxed prior to the effective date of such order or decision.

RCW 84.28.090  
amended.

SEC. 10. Section 84.28.090, chapter 15, Laws of 1961 and RCW 84.28.090 are each amended to read as follows:

Basis of as-  
sessment  
prescribed.

All lands classified as reforestation lands as provided in this chapter and lying west of the summit of the Cascade range of mountains in the state of Washington shall, after the date of such classification, be assessed for purposes of taxation at two dollars per acre, which is hereby declared to be the assessed value thereof; and all lands so classified lying east of the summit of the Cascade range of

mountains shall be assessed for purposes of taxation at one dollar per acre, which is hereby declared to be the assessed value thereof. The above values shall apply as the actual basis for taxation of such lands, without regard to any percentages of value which may apply for taxation of other classes of property; and the taxation of such lands on the basis herein provided shall be separate and distinct from and in addition to the cost of protecting such lands from fire as provided under the laws of Washington.

SEC. 11. Section 84.28.100, chapter 15, Laws of 1961 and RCW 84.28.100 are each amended to read as follows:

RCW 84.28.100  
amended.

The owner or owners of lands classified and taxed as reforestation lands under this chapter, desiring to harvest any forest crop, or to remove or cause to be removed any forest growth therefrom shall in writing notify the county assessor of the county in which the lands are situated of such desire. The county assessor shall thereupon issue a permit authorizing the cutting and removal of such forest crop. The permit shall describe by legal subdivisions, or fractions thereof, areas on which cutting will be permitted. The permit shall expire at the end of each calendar year but shall be renewed for another year upon written application of the owner. The county assessor shall upon issuance of each original or renewal cutting permit estimate the stumpage rates upon the timber or forest crops to be harvested thereunder and shall forward a copy of the estimated stumpage rates along with the cutting permit to the permittee. Before any forest growth is cut or removed from such lands the permittee shall file with the county treasurer of the county in which such lands are situated a good and sufficient surety company bond payable to the county in form prescribed by the county prosecuting attorney, and which before filing shall be approved by the judge of the superior court of

Permit to  
remove forest  
crop—Esti-  
mated stump-  
age rates—  
Bond or  
deposit.

Reforestation  
lands, taxing  
of. Permit to  
remove forest  
crop—Bond  
or deposit.

such county, or make a cash deposit with such treasurer, in lieu of such bond, in such amount as the county assessor shall fix, the bond to be conditioned to pay to the county in question the yield tax to which the county will be entitled upon the cutting of the forest growth from such lands. In case a cash deposit is made in lieu of the bond the same shall be applied in payment of the yield tax provided in RCW 84.28.110, but such deposit shall not relieve an owner from payment of any additional amounts due for said yield tax nor of right of refund of any sum deposited in excess of the amount due on said tax. In event collection is made on the bond, either with or without suit, the amount collected shall be applied in payment of the yield tax due.

RCW 84.28.110  
amended.

SEC. 12. Section 84.28.110, chapter 15, Laws of 1961 and RCW 84.28.110 are each amended to read as follows:

Report of  
cutting—Yield  
tax—Rates—  
Action to re-  
cover tax.

Whenever the whole or any part of the forest crop shall be cut upon any lands classified and assessed as reforestation lands under the provisions of this chapter, the owner of such lands shall, on or before the fifteenth day of February of each year, report under oath to the assessor of the county in which such lands are located, the amount of such timber or other forest crop cut during the preceding twelve months, in units of measure in conformity with the usage for which the cutting was made, together with a description, by government legal subdivisions, of the lands upon which the same were cut. If no such report of cutting is made, or if the assessor shall believe the report to be inaccurate, incorrect or mistaken, the assessor may by such methods as shall be deemed advisable, determine the amount of timber or other forest product cut during such period. As soon as the report is filed, if the assessor is satisfied with the accuracy of the report, or if dissatisfied, as soon as the assessor shall

have determined the amount of timber or forest crop cut as herein provided, the assessor shall determine the full current stumpage rates for the timber or forest crop cut and shall thereupon compute, and there shall become due and payable from the owner, a yield tax equal to twelve and one-half percent of the market value of the timber or forest crop so cut, based upon the full current stumpage rates so fixed by the assessor: *Provided*, Whenever within the period of twelve years following the classification of any lands as reforestation lands, any forest material shall be cut on such lands, the owner thereof shall be required to pay a yield tax of one percent for each year that has expired from the date of such classification until such cutting: *Provided, further*, That no yield tax need be paid on any forest material cut for domestic use of the owner of such lands, or on materials necessarily used in harvesting the forest crop.

Whenever the owner is dissatisfied with the determination of the amount cut as made by the assessor, or with the full current stumpage rates as fixed by the assessor, and shall pay the tax based thereon under protest, such owner may maintain an action in the superior court of the county in which the lands are located for recovery of the amount of the tax paid in excess of what the owner alleges the tax would be if based upon a cutting or stumpage rate which the owner alleges to be correct. In any such action the county involved and the county assessor of the county, shall be joined as parties defendant, but in case a recovery is allowed, judgment shall be entered against the county only, to be charged against the funds to which the collected tax was paid. In such action the court shall determine, in accordance with the issues, the true and correct amount of timber and forest crop which has been cut, and if an issue in the case, the true and correct

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full current stumpage rates, and shall enter judgment accordingly, either dismissing the action, or allowing recovery based upon its determination of the amount of timber or forest crop cut and if in issue, the full current stumpage rate. The judgment of the superior court shall be subject to appeal to the supreme court in the same manner and by the same procedure as appeals are taken and perfected to that court in civil actions at law.

RCW 84.28.140  
amended.

SEC. 13. Section 84.28.140, chapter 15, Laws of 1961 and RCW 84.28.140 are each amended to read as follows:

Collection of  
yield tax—  
Delinquency—  
Lien.

Upon receipt of a report of cutting or upon determination of the amount cut as provided in this chapter the county assessor shall assess and tax against the owner of such lands the amount of yield tax due on account of such cutting; and shall forthwith transmit to the county treasurer a record of such tax; and the county treasurer shall thereupon enter the amount of such yield tax on his records against such lands and their owner; and such yield tax shall thereupon become a lien against such lands and also against the forest material cut thereon and against any other real or personal property owned by such owner, which shall become delinquent unless paid on or before the fifteenth day of March following the date when such report is made, or should have been made. The lien of such tax shall be superior and paramount to all other liens, taxes, assessments and encumbrances, and if not paid before the same becomes delinquent, may be collected by seizure and sale of such forest material, or any other personal property of such owner, in the same manner as personal property is seized and sold for delinquent taxes under the general tax laws; and the lien of said tax against the lands from which such forest materials are cut, or any other real property of such owner, may be foreclosed and said lands sold, in the same

manner as liens for taxes are foreclosed and land sold for delinquent taxes under the general tax laws of the state. Said tax, if not otherwise collected, may be collected by means of an action instituted in the superior court of the county in which are situated the lands from which such forest materials are cut, against such owner by the prosecuting attorney in behalf of the county, in which the lands are situated from which such forest materials are cut. Any person, firm, or corporation buying any forest material on which the yield tax herein provided has not been paid shall be liable for the payment of said tax and the amount thereof may be collected from such person, firm or corporation by seizure and sale of any real or personal property belonging to such person, firm or corporation in the same manner in which real or personal property, respectively is seized and sold for delinquent taxes under the general tax laws of the state; and said tax, if not otherwise collected, may be collected by means of an action instituted in the superior court of the county in which are situated the lands from which such forest materials are cut, against such person, firm or corporation, by the prosecuting attorney in behalf of the county in which the lands are situated from which such forest materials are cut. All taxes collected under the provisions of this chapter shall be paid to the county treasurer of the county in which the lands are situated from which such forest materials are cut, and shall be paid into the same fund and distributed by the county treasurer in the same proportions as the general taxes on other property in the same taxing district are paid and distributed in the year in which such payment or collection is made.

SEC. 14. Section 84.28.160, chapter 15, Laws of 1961 and RCW 84.28.160 are each amended to read as follows:

RCW 84.28.160  
amended.

Reforestation lands, taxing of. Rules, regulations authorized.

The department and the commission, respectively, shall have power to make such rules and regulations as they shall deem necessary or advisable in the exercise of the powers and performance of the duties imposed upon them by this chapter.

Repeal.

SEC. 15. Section 84.28.130, chapter 15, Laws of 1961 and RCW 84.28.130 are each repealed.

Passed the Senate March 11, 1963.

Passed the House March 14, 1963.

Approved by the Governor March 26, 1963.

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CHAPTER 215.

[ S. B. 240. ]

STATE DEPARTMENT OF PERSONNEL—SERVICE FUND.

AN ACT relating to the state department of personnel; and amending section 28, chapter 1, Laws of 1961 and RCW 41.06.280.

*Be it enacted by the Legislature of the State of Washington:*

RCW 41.06.280 amended.

SECTION 1. Section 28, chapter 1, Laws of 1961 and RCW 41.06.280 are each amended to read as follows:

Department of personnel service fund—Created—Charges to agencies, payment—Use, disbursement.

There is hereby created a fund within the state treasury, designated as the "Department of Personnel Service Fund", to be used by the board as a revolving fund for the payment of salaries, wages and operations required for the administration of the provisions of this chapter. An amount not to exceed one percent of the approved allotments of salaries and wages for all positions in the classified service in each of the agencies subject to this chapter, except the institutions of higher learning and the department of highways, shall be charged to the operations appropriations of each agency and credited to the department of personnel service fund as