



Designated Forest Land

Program Summary

Chapter 84.33 RCW provides that land of 20 or more contiguous acres primarily devoted to and used for growing and harvesting timber may be assessed, for purposes of property tax collection, based on the current use of the land. However, if there is a residence on the parcel, a minimum 1 acre building site is excluded from the classification. Smaller parcels may be eligible for the timber land classification.

Basis of Assessment

The Department of Revenue annually provides the assessor with a schedule of per-acre values, by "land grade." Land grades are a composite of soil type and utility. The assessor determines the land grades of the subject property by referring to land grade maps provided by the Department of Natural Resources. In Kitsap County, forest land assessed values average about \$125 per acre.

Application Requirements

Applications may be obtained from and filed with the Assessor by December 31. There is no application fee. However, recording fees will be required. If approved, assessment as designated forest land would begin the year following the year in which the application is made, and would apply to taxes payable in the year following the first year of assessment as forest land. For example, an application received before December 31, 2011 would be processed for the 2012 assessment roll, which is the basis for taxes payable in 2013.

Applications will not be approved for property that does not have a merchantable stand of timber or adequate stocking. Land within two hundred feet of salt water cannot be included in the forest land classification. The application must include a Timber Management Plan, which provides a detailed description of the property and the timber on the property, and a schedule for growing and harvesting the timber, more information below.

Timber Management Plan/Site Plan

Applications for classification as designated forest land must include a Timber Management Plan. The plan should describe the current status of the property and how it will be managed, and should include a growth stimulus program as well as a planned harvest program. A 10 year management schedule for fertilization, brush control, commercial thinning, harvest (clear-cutting and/or selective logging), and replanting (including site preparation, spacing, and amount per acre) must also be included. A site plan must be provided which illustrates topography, access, location of various timber types, harvest schedule, and all buildings on the property. The Department of Natural Resources or a professional forest consultant can provide assistance with the plans.

The Department of Revenue publication *Guidelines for Forest Land Management Plans* also provides useful information for the development of a timber management plan.

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Removal from Designation

Removal from designation will be initiated if:

- The owner submits a written request to remove designation,
- The land is sold or transferred to an ownership making it exempt from *ad valorem* taxation,
- All or a portion of the land is transferred to a new owner and the new owner does not wish to continue the classification; or
- The Assessor determines, after giving the owner written notice and an opportunity to be heard, that the land is no longer primarily used for and devoted to growing and harvesting timber; the owner has failed to comply with a final order with respect to a violation of the provisions of Title 76 RCW; or restocking has not occurred to the extent or within the time specified in the application for designation

Removal of designation for the first three reasons above will apply only to the land affected, provided that any remaining land meets the definition of forest land in RCW 84.33.100.

Compensating Tax

In most cases, whenever property is removed from forest land designation compensating tax becomes due. Compensating tax is calculated by multiplying the difference between the current fair market value and the current forest land value, times the current levy rate, times the number of years in the program (not to exceed ten).

A complete list of exceptions to compensating tax can be found in RCW 84.33.140(13). For example, compensating tax is not imposed if the removal of designation resulted solely from:

1. A transfer to a government entity in exchange for other forest land within the State of Washington;
2. A taking through the exercise of the power of eminent domain, or a sale or transfer in anticipation of the exercise of such power;
3. Creation, sale or transfer of forest riparian easements under RCW 76.13.120;
4. The sale or transfer of land within two years after the death of the owner if the land has been assessed and valued as forest land continuously since 1993. The date of death as shown on a death certificate is the date used for the purposes of this exception.
5. The discovery that the land was designated under this chapter in error through no fault of the owner.

Transfer of Ownership

A new owner may request to continue classification by signing and recording a Notice of Continuance at the time of transfer. All new owners must sign, and an updated timber management plan may be required. The new owners assume all tax liability accrued by the previous owner, including liability related to this classification.

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