



Timber Land

Program Summary

Chapter 84.34 RCW provides property tax relief for properties that meet certain use requirements. *Timber land* means land in contiguous ownership of five or more acres that is devoted primarily to the growth and commercial harvest of forest crops. If there is a residence on the parcel, a minimum one-acre building site is excluded from classification and it must be at least six acres in total area to qualify for this program. Lands within 200' of the high tide line do not qualify and are not considered part of the minimum qualifying acreage. Twenty-acre and larger parcels may qualify for the Designated Forest Land classification (Chapter 84.33 RCW).

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, timber land assessed values average about \$125 per acre.

Application Requirements

Applications may be obtained from and filed with the Assessor. A Pre-Application Meeting is required prior to filing the application. The applicant needs to submit a Pre-Application Meeting Request. The application may be for an entire parcel or any portion thereof. A legal description and a timber management plan (see back) are required. All owners must sign the application. There is a \$300 application fee. Complete applications received on or before December 31 are processed during the next calendar year for the following year's taxes.

Review Process

Applications are reviewed by the assessor's office and by the county (or city) planning department. Following public hearing, applications are approved or denied by the Board of County Commissioners and, if in a city, by the city council. Denial may be appealed in Superior Court. Upon approval, an Open Space Taxation Agreement will be sent to the applicant, who may accept or reject the agreement. The signed agreement is recorded with the county auditor, recording fees may apply.

Removal of Classification

Classification will be removed, and a compensating tax imposed, upon the occurrence of any of the following:

- Owner's request: The request for withdrawal must be made in writing and signed by all owners. Forms for withdrawal are available from the assessor. Compensating tax may be due, including a 20% penalty.
- Change of use: Determination is made by Kitsap County that the property is no longer primarily devoted to the use for which it was classified. Removal of classification due to change of use will cause a 20% penalty to be added to the compensating tax.
- Sale or transfer of property, and the new owner does not wish to continue classification: Compensating tax must be collected before the conveyance is recorded.

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Transfer of Ownership

A new owner may request to continue classification by signing the Notice of Continuance on the real estate excise tax affidavit. 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

Compensating Tax

Compensating tax equals the difference between the tax paid under timber classification and the tax at true and fair market value for the current year and the last seven years, plus interest at 1% per month. An additional 20% penalty may also be imposed in certain circumstances. Compensating tax is not collected under the following conditions:

1. Transfer to a government entity in exchange for other land within the state
2. Land is taken by power of eminent domain or transferred in anticipation of the exercise of such power
3. A natural disaster changes the use of the property
4. Official action by the state, county, or city disallows the present use of such land
5. Transfer of land to a church when such land would qualify for a property tax exemption pursuant to RCW 84.36.020
6. Acquisition of property interests by public agencies for the purpose of preserving open space lands
7. Creation, sale or transfer of a fee interest or conservation easement for the riparian open space program

Compensating tax becomes due 30 days following notification of the owner, and is subject to additional interest of 1% per month after the due date.

Timber Management Plan/Site Plan

Applications for classification as timber 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 ten-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 Management Plans* also provides useful information for the development of a timber management plan.

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