



Designated Forest Land

Kitsap County Assessor's Office
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Program Summary

State law provides for certain forest land to be assessed at its current use, rather than its highest and best use (market value). **Designated Forest Land must be at least 5 acres primarily devoted to the growth and harvest of timber.** If there is a residence on the parcel, a minimum of 1 acre must be excluded from the classification and will remain fully taxable.

Property must have a merchantable stand of timber or adequate stocking. Stocking levels and/or reforestation must be in accordance with *WAC 222-34-010*. Land within two hundred feet of saltwater cannot be included in the forest land classification

Application Requirements

Applications are obtained from and filed with the assessor's office. The application may be for an entire parcel or any portion thereof. If a residence exists on the property, a minimum one-acre home site is excluded from classification and cannot be included in the 5-acre minimum requirement.

There is no application fee. However, if approved, recording fees will be required.

Applications received on or before December 31st will be processed during the next calendar year for the following year's tax.

A Timber Management Plan is required. A Timber Management Plan is prepared by a trained forester, or any other person with adequate knowledge of timber management practices, concerning the use of the land to grow and harvest timber. To view the criteria for Timber Management Plans, please see the Department of Revenue's publication *Guidelines for Timber Management Plans*.

Applications are reviewed by the assessor's office. The review includes a site visit. Applications are approved or denied by July 1st of the following year.

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.

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Removal from Designation

Removal from designation will be initiated and compensating taxes added for any one of the following reasons:

- Owner's request: The request for withdrawal must be made in writing and signed by all owners and is irrevocable. Forms for withdrawal are available from the Assessor.
- Change of use: Determination is made by Kitsap County that the land is no longer primarily devoted to the growth and harvest of timber; or restocking has not occurred to the extent or within the time specified for designation.
- Sale or transfer of property, and the new owner does not wish to continue classification: The exemption must be removed and compensating (back) tax must be collected before the conveyance can be recorded (more information below).

Transfer of Ownership

If the grantee/buyer requests to continue the designation all buyers must sign a Notice of Continuance before the conveyance can be recorded or filed. The Assessor's Office must sign the Real Estate Excise Tax Affidavit before the sale will be processed. The Assessor has 15 days from the date all documentation is received, to determine whether the land will continue to qualify. The new owners also assume all tax liability accrued by the previous owner, including liability related to this classification.

If the buyer does not want to continue in the designation than the seller must have the property removed from the exemption program prior to the conveyance. Compensating tax will be due at the time of sale and is the responsibility of the seller.

Compensating Tax

In most cases, when property is removed from designated forest land 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 tax 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 Chapter 84.33.140(13) RCW.