

refuse and to contract with a company for that purpose. Outside of cities and towns certificates of public convenience and necessity are issued to operators by the state. These relationships are not made clear since there is no precise meaning to the phrase "extend public solid waste collection", as used in section 5. If section 5 is applied within a city it may well convert a standard contract for garbage service into one with a guaranteed settlement procedure requiring the city to buy equipment it may not need or use along with goodwill, etc., which may be of no value to the city. If section 5 is applied to areas outside of a city then that territory is being served by a bonafide certificate holder and his property may not now be taken from him without just compensation under law.

Veto  
Message

Consequently, section 5 is unnecessary outside of cities and towns because the parties are protected under law already and there does not appear to be any clear justification for its application within cities and towns.

For these reasons, I have vetoed section 5. The remainder of Senate Bill 52 is approved."

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CHAPTER 294

[Substitute Senate Bill No. 849]

TAXATION OF TIMBER AND FOREST LANDS

AN ACT Relating to revenue and taxation of timber and forest lands; amending section 28A.41.130, chapter 223, Laws of 1969 ex. sess. as amended by section 2, chapter 138, Laws of 1969 and RCW 28A.41.130; adding new sections to chapter 15, Laws of 1961 and to Titles 82 and 84 RCW; adding a new section to chapter 15, Laws of 1961 and to chapter 82.04 RCW; creating a new chapter in Title 84 RCW; creating new sections; repealing sections 4 and 5, chapter 249, Laws of 1963 and RCW 84.40.034 and 84.40.035; providing effective dates; and declaring an emergency.

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

NEW SECTION. Section 1. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

As a result of the study and analysis of systems of taxation of standing timber and forest lands by the forest tax committee pursuant to Senate Concurrent Resolution No. 30 of the 41st session

of the legislature, and the recommendations of the committee based thereon, the legislature hereby finds that:

(1) The public welfare requires that this state's system for taxation of timber and forest lands be modernized to assure the citizens of this state and its future generations the advantages to be derived from the continuous production of timber and forest products from the significant area of privately owned forests in this state. It is this state's policy to encourage forestry and restocking and reforestation of such forests so that present and future generations will enjoy the benefits which forest areas provide in enhancing water supply, in minimizing soil erosion, storm and flood damage to persons or property, in providing a habitat for wild game, in providing scenic and recreational spaces, in maintaining land areas whose forests contribute to the natural ecological equilibrium, and in providing employment and profits to its citizens and raw materials for products needed by everyone.

(2) The combination of variations in quantities, qualities and locations of timber and forest lands, the fact that market areas for timber products are nation-wide and world-wide and the unique long term nature of investment costs and risks associated with growing timber, all make exceedingly difficult the function of valuing and assessing timber and forest lands.

(3) The existing ad valorem property tax system is unsatisfactory for taxation of standing timber and forest land and will significantly frustrate, to an ever increasing degree with the passage of time, the perpetual enjoyment of the benefits enumerated above.

(4) For these reasons it is desirable, in exercise of the powers to promote the general welfare and to impose taxes; that

(a) the ad valorem system for taxing timber be modified and discontinued in stages over a three year period during which such system will be replaced by one under which timber will be taxed on the basis of stumpage value at the time of harvest, and

(b) forest land remain under the ad valorem taxation system but be taxed only as provided in this 1971 amendatory act.

NEW SECTION. Sec. 2. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

Lands not heretofore so classified, which are primarily devoted to and used for growing and harvesting timber are hereby classified as lands devoted to reforestation and such lands and timber shall be taxed in accordance with the provisions of this 1971 amendatory act.

NEW SECTION. Sec. 3. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

For purposes of this chapter:

(1) "Timber county" means any county within which timber is located.

(2) "Timber" means forest trees, standing or down, on privately owned land, and except as provided in section 17 of this 1971 amendatory act includes Christmas trees.

NEW SECTION. Sec. 4. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

Commencing as of January 1, 1972 with respect to taxes payable in 1973, except as provided in section 5 of this act, timber shall be exempt from ad valorem taxation.

NEW SECTION. Sec. 5. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

(1) In preparing the assessment roll as of January 1, 1971 for taxes payable in 1972, the assessor of each timber county shall list all timber within such county on January 1, 1971 at the 1970 timber value. For each year commencing with 1972, the assessor of each timber county shall prepare a timber roll, which shall be separate and apart from the assessment roll, listing all timber within such county on January 1, 1972 at values determined as follows:

(a) For the five years commencing with 1972, the value shall be the 1970 timber value;

(b) For each succeeding five year period, the first of which commences on January 1, 1977, the value shall be such 1970 timber value increased or decreased in proportion to the percentage change, if any, which has occurred between the last year of the preceding five year period and 1973 in the average stumpage value per unit of measure of all timber harvested in such county. Such percentage change shall be determined by the department of revenue on the basis of information contained in the excise tax returns filed pursuant to section 7 of this act.

(2) As used in subsection (1) of this section, "1970 timber value" means the value for timber calculated in the same manner and using the same values and valuation factors actually used by such assessor in determining the value of timber for the January 1, 1970 assessment roll, except that if a revised schedule of such values and valuation factors was applied to some but not all timber in a county for the January 1, 1970 assessment roll, such revised schedule shall be used by the assessor for any timber revalued for the 1971 or 1972 assessment rolls, and except that if the value of timber in any county on January 1, 1970 was not separately determined and shown on such assessment roll, 1970 timber value shall mean the value reconstructed from available records and information in accordance with rules to be prescribed by the department of revenue.

(3) The assessor of each timber county shall add to the assessment roll showing values of property as of January 1 of the

years listed below, an "assessed valuation" of the portion, indicated below opposite each such year, of the value of timber as shown on the timber roll for such year. Such assessed valuation shall be calculated by multiplying such portion of the timber roll by the assessment ratio applied generally by such assessor in computing the assessed valuation of other property in his county. The millage rates, calculated pursuant to section 6 of this act for each taxing district within which there was timber on January 1 of such year, shall be extended against such "assessed valuation" of timber within such district as well as against the assessed value of all other property within such district as shown on such assessment roll.

<u>YEAR</u>	<u>PORTION OF TIMBER ROLL</u>
1972	75%
1973	45%
1974 and thereafter	None

NEW SECTION. Sec. 6. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

In each year commencing with 1972 and ending with 1980, solely for the purpose of determining, calculating and fixing, pursuant to chapter 84.52 RCW, the millage rates for all regular and excess levies for the state and each timber county and taxing district lying wholly or partially in such county within which there was timber on January 1 of such year, the assessor of such timber county shall, for each such district, add to the amount of the "assessed valuation of the property" of all property other than timber the product of:

(a) The portion indicated below for each year of the value of timber therein as shown on the timber roll prepared in accordance with section 5 of this act for such year; and

(b) The assessment ratio applied generally by such assessor in computing the assessed value of other property in his county:

<u>YEAR</u>	<u>PORTION OF TIMBER ROLL</u>
1972 through 1977	100%
1978	75%
1979	50%
1980	25%
1981 and thereafter	None

NEW SECTION. Sec. 7. There is added to chapter 15, Laws of 1961 and to chapter 82.04 RCW a new section to read as follows:

(1) Upon every person engaging within this state in business as a harvester of timber; as to such persons the amount of tax with respect to such business shall be equal to the stumpage value of timber harvested for sale or for commercial or industrial use multiplied by the appropriate rate as follows:

(a) For timber harvested between October 1, 1972 and September 30, 1973 inclusive, the rate shall be one and two-tenths percent;

(b) For timber harvested between October 1, 1973 and September 30, 1974 inclusive, the rate shall be determined and fixed by the first session of the legislature commencing on or after January 1, 1972, whether regular or extraordinary, in accordance with the purposes and intent of section 18 of this 1971 amendatory act.

(c) For timber harvested on or after October 1, 1974, the rate shall be determined and fixed by the first session of the legislature commencing on or after January 1, 1972, whether regular or extraordinary, in accordance with the purposes and intent of section 18 of this 1971 amendatory act.

(2) For purposes of this section:

(a) "Harvester" means every person who from his own privately owned land or from the privately owned land of another under a right or license granted by lease or contract, either directly or by contracting with others for the necessary labor or mechanical services fells, cuts or takes timber for sale or for commercial or industrial use. It does not include persons performing under contract the necessary labor or mechanical services for a harvester.

(b) "Timber" means forest trees, standing or down on privately owned land, and except as provided in section 17 of this 1971 amendatory act includes Christmas trees.

(c) "Stumpage value of timber" means the appropriate stumpage value shown on tables to be prepared by the department of revenue pursuant to subsection (3) of this section.

(d) Timber shall be considered harvested at the time when in the ordinary course of business the quantity thereof by species is first definitely determined. The amount harvested shall be determined by the Scribner Decimal C Scale or other prevalent measuring practice adjusted to arrive at substantially equivalent measurements, as approved by the department of revenue.

(3) On or before July 1, 1972 and as necessary thereafter, the department of revenue shall designate areas containing timber having similar growing, harvesting and marketing conditions to be used as units for the preparation and application of stumpage values. Before September 1, 1972 for use during the fourth quarter of 1972 and all of 1973, and before December 1 of each year commencing with 1973, for use during the succeeding year, the department shall prepare tables of stumpage values of each species or subclassification of timber within such units, which values shall be the amount that each such species or subclassification would sell for at a voluntary sale made in the ordinary course of business for purposes of immediate harvest. Such stumpage values, expressed in terms of a dollar amount per thousand board feet or other unit measure, shall be determined from (a) gross proceeds from sales on the stump of similar timber of like quality and character at similar locations, and in similar

quantities, or from (b) gross proceeds from sales of logs adjusted to reflect only the portion of such proceeds attributable to value on the stump immediately prior to harvest, or from a combination of (a) and (b), and shall be determined in a manner which makes reasonable and adequate allowances for age, size, quality, costs of removal, accessibility to point of conversion, market conditions and all other relevant factors. Upon application from any person who plans to harvest damaged timber, the stumpage values for which have been materially reduced from the values shown in the applicable tables due to damage resulting from fire, blowdown, ice storm, flood or other sudden unforeseen cause, the department shall revise such tables for any area in which such timber is located and shall specify any additional accounting or other requirements to be complied with in reporting and paying such tax.

V- The area designations and stumpage value tables and any revisions thereof shall be subject to approval by the forest tax committee established pursuant to section 13 of this 1971 amendatory act. Tables of stumpage values shall be signed by the director or his designee and authenticated by the official seal of the department. A copy thereof shall be mailed to anyone who has submitted to the department a written request therefor.

(4) On or before October 31, 1972, with respect to stumpage values set by the department of revenue for the fourth quarter of 1972 and all of 1973, and on or before January 31 of each succeeding year commencing with 1974, with respect to stumpage values set by the department of revenue for such year, any harvester may appeal to the board of tax appeals for a revision of stumpage values for an area determined pursuant to subsection (3) of this section.

(5) There are hereby created in the state treasury a state timber tax fund A and a state timber tax fund B, separate and apart from the state general fund. The revenues from the tax imposed by subsection (1) of this section shall be deposited in state timber tax fund A and state timber tax fund B as follows:

<u>YEAR OF COLLECTION</u>	<u>FUND A</u>	<u>FUND B</u>
1973 through 1978	100%	0%
1979	75%	25%
1980	50%	50%
1981	25%	75%
1982 and thereafter	0%	100%

(6) In addition to the rates specified in subsection (1) of this section, there shall be imposed upon such persons a surtax at a rate of .5% of the stumpage value of timber as specified in such subsection (1) upon timber harvested between October 1, 1972 and December 31, 1974 inclusive. The revenues from such surtax shall be deposited in a separate fund designated the state timber reserve fund, which is hereby created in the state treasury separate and

apart from the state general fund. Such surtax shall be reimposed for one year upon timber harvested in any calendar year following any fourth quarter during which transfers from such reserve fund pursuant to subsection (3) of section 8 of this act reduce the balance in such fund to less than five hundred thousand dollars, but in no event shall such surtax be imposed in any year after 1980.

(7) The tax imposed under this section shall be computed with respect to timber harvested each calendar quarter and shall be due and payable in quarterly installments and remittance therefor shall be made on or before the last day of the month next succeeding the end of the quarterly period in which the tax accrued. The taxpayer on or before each such date shall make out a return, upon such forms and setting forth such information as the department of revenue may require, showing the amount of the tax for which he is liable for the preceding quarterly period, and shall sign and transmit the same to the department of revenue, together with a remittance for such amount.

(8) The taxes imposed by this section shall be in addition to any taxes imposed upon the same persons pursuant to one or more of sections RCW 82.04.230 to 82.04.290, inclusive, and RCW 82.04.440, and none of such sections shall be construed to modify or interact with this section in any way, except RCW 82.04.450 and 82.04.490 shall not apply to the taxes imposed by this section.

(9) Any harvester incurring less than ten dollars tax liability under this section in any calendar quarter shall be excused from the payment of such tax, but may be required by the department of revenue to file a return even though no tax may be due.

(10) Subsection (1) of this section is enacted to be fully effective commencing upon the effective date of this 1971 amendatory act, even though all rates of tax are not specified. The forest tax committee established pursuant to section 18 of this 1971 amendatory act shall, as its first priority and in addition to its other responsibilities, develop a recommendation with respect to rates for presentation to the first session of the legislature commencing on or after January 1, 1972, whether regular or extraordinary.

NEW SECTION. Sec. 8. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

(1) On or before December 15 of each year commencing with 1972 and ending with 1980, the assessor of each timber county shall deliver to the treasurer of such county and to the department of revenue a schedule setting forth for each taxing district or portion thereof lying within such county:

(a) The value of timber as shown on the timber roll for such year;

(b) The aggregate millage rate calculated pursuant to section

6 of this act and actually utilized the immediately preceding October in extending property taxes upon the tax rolls for collection in the following year;

(c) A "timber factor" which is the product of such aggregate millage rate and the appropriate portion listed below of the timber roll for such year ((a) above):

<u>YEAR</u>	<u>PORTION OF TIMBER ROLL</u>
1972	25%
1973	55%
1974 through 1977	100%
1978	75%
1979	50%
1980	25%

On or before December 31 of each year commencing with 1972 and ending with 1980, the department of revenue shall determine the proportion that each taxing district's timber factor bears to the sum of the timber factors for all taxing districts in the state, and shall deliver a list to the assessor and the treasurer of each timber county and to the state treasurer showing the factor and proportion for each taxing district.

(2) On the tenth day of the second month of each calendar quarter, commencing February 10, 1973 and ending November 10, 1981, the state treasurer shall pay to the treasurer of each timber county for the account of each taxing district such district's proportion (determined in December of the preceding year pursuant to subsection (1) of this section) of the amount in state timber tax fund A collected upon timber harvested in the preceding calendar quarter, but in no event shall any quarterly payment to a taxing district, when added to the payments made to such district the previous quarters of the same year, exceed the timber factor for such district determined in December of the preceding year. The balance in state timber tax fund A, if any, after the distribution to taxing districts on November 10 each year commencing with 1973 and ending with 1981, shall be transferred to the state timber reserve fund.

(3) If the balance in state timber tax fund A immediately prior to such November 10 distribution to taxing districts is not sufficient to permit a payment which, when added to the payments made to any taxing district the previous quarters of the same year, will equal the timber factor for such district determined in December of the preceding year, the necessary additional amount shall be transferred from the state timber reserve fund to state timber tax fund A.

(4) The balance, if any, in the state timber reserve fund after the final transfer, if any, to or from state timber tax fund A in November of 1981, shall be transferred to state timber tax fund B



on December 31, 1981, and one-fourth of such balance shall be distributed in each quarter of 1982 in the manner set forth in subsection (6) of this section.

(5) On or before December 31 of each year commencing with 1978, the department of revenue shall deliver to the treasurer of each timber county a schedule setting forth for each taxing district or portion thereof lying within such county:

(a) The average of the aggregate value of all timber harvested within such district in each of the immediately preceding five years as determined from the excise tax returns filed with the department of revenue;

(b) The aggregate millage rate calculated pursuant to section 6 of this act and chapter 84.52 RCW and actually utilized the immediately preceding October in extending property taxes upon the tax rolls for collection the following year;

(c) A "harvest factor" which is the product of such five year average and such aggregate millage rate;

(d) The proportion that each taxing district's harvest factor bears to the sum of the harvest factors for all taxing districts in the state.

(6) On the tenth day of the second month of each calendar quarter commencing February 10, 1979, the state treasurer shall pay to the treasurer of each timber county for the account of each taxing district such district's proportion (determined in December of the preceding year pursuant to subsection (5) of this section) of the amount in state timber tax fund B collected upon timber harvested in the preceding calendar quarter.

NEW SECTION. Sec. 9. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

For the purpose of calculating the limit of indebtedness which may be incurred by any taxing district, the value of the taxable property of any taxing district, as that term is used in chapter 39.36 RCW and any other statutes governing limitation of indebtedness of taxing districts, shall include the value of timber as shown from time to time on the timber roll prepared in accordance with section 5 of this act.

NEW SECTION. Sec. 10. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

As used in sections 11 through 15 of this act:

(1) "Forest land" is synonymous with timberland and means all land in any contiguous ownership of twenty or more acres which is primarily devoted to and used for growing and harvesting timber and means the land only.

(2) "Owner" means the party or parties having the fee interest in land, except where land is subject to a real estate contract

"owner" means the contract vendee.

NEW SECTION. Sec. 11. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

V- On or before September 1, 1971, subject to approval by the forest tax committee established pursuant to section 18 of this act, the department of revenue shall promulgate rules in accordance with chapter 34.04 RCW setting forth criteria and procedures for grading forest land on the basis of its quality, accessibility and topography. Three general quality classes shall be established which shall be "good", "average" and "poor". Within each of the three general quality classes, four classes of accessibility and topography shall be established which shall be "favorable", "average", "difficult" and "inoperable". On or before March 1, 1972 each assessor shall grade all forest land within his county, in accordance with such rules. Land not initially so graded but later designated as forest land pursuant to subsection (3) of section 12 of this act or section 13 of this act, or otherwise determined to be forest land, shall be graded in accordance with such rules.

NEW SECTION. Sec. 12. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

V- (1) On or before March 1, 1972 and January 1 of each year commencing with 1973, subject to approval by the forest tax committee established pursuant to section 18 of this act and after compliance with the procedures set forth in chapter 34.04 RCW for adoption of rules, the department of revenue shall determine the true and fair value of each grade of forest land and shall certify such values to the county assessors. Such values shall be determined on the basis that the only use of the land is for growing and harvesting timber, and other potential uses shall not be considered in fixing such values.

(2) In preparing the assessment rolls as of January 1, 1971 for taxes payable in 1972, the assessor shall list each parcel of forest land at a value not to exceed the value used on the 1970 assessment roll for such land. In preparing the assessment roll for 1972 and each year thereafter, the assessor shall enter as the true and fair value of each parcel of forest land the appropriate grade value certified to him by the department of revenue, and he shall compute the assessed value of such land by using the same assessment ratio he applies generally in computing the assessed value of other property in his county.

(3) In any year commencing with 1972, an owner of land which is assessed and valued by the assessor other than pursuant to the procedures set forth in section 11 of this 1971 amendatory act and subsections (1) and (2) of this section, and which has, in the immediately preceding year, been assessed and valued by the assessor

as forest land, may appeal to the county board of equalization by filing an application with the board in the manner prescribed in subsection (2) of section 13 of this 1971 amendatory act. The county board shall afford the applicant an opportunity to be heard if the application so requests and shall act upon the application with due regard to all relevant evidence without any one or more items of evidence necessarily being determinative.

(4) The assessor may in any year commencing with 1972 discontinue assessing and valuing pursuant to the procedures set forth in section 11 of this 1971 amendatory act and subsections (1) and (2) of this section any land, except designated forest land, for which a higher and better use exists than growing and harvesting timber. The owner of such land shall thereupon have the right to apply for designation of such land as forest land pursuant to subsection (3) of this section or section 13 of this 1971 amendatory act.

NEW SECTION. Sec. 13. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

(1) An owner of land desiring that it be designated as forest land and valued pursuant to section 12 of this act as of January 1 of any year commencing with 1972 shall make application to the county assessor before such January 1.

(2) The application shall be made upon forms prepared by the department of revenue and supplied by the county assessor, and shall include the following:

(a) A legal description of or assessor's tax lot numbers for all land the applicant desires to be designated as forest land;

(b) The date or dates of acquisition of such land;

(c) A brief description of the timber on such land, or if the timber has been harvested, the owner's plan for restocking;

(d) Whether there is a forest management plan for such land;

(e) If so, the nature and extent of implementation of such plan;

(f) Whether such land is used for grazing;

(g) Whether such land has been subdivided or a plat filed with respect thereto;

(h) Whether a permit for cutting on such land has been granted pursuant to RCW 76.08.030;

(i) Whether such land is subject to fire patrol assessments pursuant to RCW 76.04.360;

(j) Whether such land is subject to a lease, option or other right which permits it to be used for any purpose other than growing and harvesting timber;

(k) A summary of the past experience and activity of the applicant in growing and harvesting timber;

(l) A summary of current and continuing activity of the applicant in growing and harvesting timber;

(m) A statement that the applicant is aware of the potential tax liability involved when such land ceases to be designated as forest land;

(n) An affirmation that the statements contained in the application are true.

The assessor shall afford the applicant an opportunity to be heard if the application so requests.

(3) The assessor shall act upon the application with due regard to all relevant evidence and without any one or more items of evidence necessarily being determinative. The application shall be deemed to have been approved unless, prior to May 1 of the year after such application was mailed or delivered to the assessor, he shall notify the applicant in writing of the extent to which the application is denied.

(4) An owner who receives notice pursuant to subsection (3) of this section that his application has been denied may appeal such denial to the county board of equalization.

NEW SECTION. Sec. 14. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

(1) When land has been designated as forest land pursuant to subsection (3) of section 12 of this act or section 13 of this act, a notation of such designation shall be made each year upon the assessment and tax rolls and such land shall be graded and valued pursuant to sections 11 and 12 of this act until removal of such designation by the assessor upon occurrence of any of the following:

(a) Receipt of notice from the owner to remove such designation;

(b) Passage of sixty days following the sale or transfer of such land to a new owner without receipt of an application pursuant to section 13 of this act from the new owner;

(c) Sale or transfer to an ownership making such land exempt from ad valorem taxation;

(d) Determination by the assessor, after giving the owner written notice and an opportunity to be heard, that such land is no longer primarily devoted to and used for growing and harvesting timber.

(2) Within thirty days after such removal of designation of forest land, the assessor shall notify the owner in writing, setting forth the reasons for such removal. The owner may appeal such removal to the county board of equalization.

(3) Unless the removal is reversed on appeal, commencing on January 1 of the year following the year in which the assessor mailed such notice, such land shall be assessed on the same basis as real

property is assessed generally in that county. Except as provided in subsection (5) of this section, a compensating tax shall be imposed which shall be due and payable to the county treasurer on or before April 30 of the following year. On or before May 31 following such assessment date, the assessor shall compute the amount of such compensating tax and mail notice to the owner of the amount thereof and the date on which payment is due. The amount of such compensating tax shall be equal to:

(a) The difference between the amount of tax last levied on such land as forest land and an amount equal to the new assessed valuation of such land multiplied by the millage rate of the last levy extended against such land, multiplied by

(b) A number, in no event greater than ten, equal to the number of years for which such land was designated as forest land.

(4) Any compensating tax unpaid on its due date shall thereupon become delinquent and together with applicable interest thereon, shall as of said date become a lien on such land which shall have priority to and shall be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation or responsibility to or with which such land may become charged or liable. Such lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes as provided in RCW 84.64.050. From the date of delinquency until paid, interest shall be charged at the same rate applied by law to delinquent ad valorem property taxes.

(5) The compensating tax specified in subsection (3) of this section shall not be imposed if the removal of designation pursuant to subsection (1) of this section resulted solely from:

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

(b) A taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of such power;

(c) Sale or transfer of land within two years after the death of the owner of at least a fifty percent interest in such land.

NEW SECTION. Sec. 15. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

The value of forest land entered on the assessment and tax rolls of any county shall include only the value of the land and shall not include any value attributable to any timber thereon.

NEW SECTION. Sec. 16. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

Land approved for classification pursuant to RCW 84.28.020 or RCW 84.32.030 prior to the effective date of this 1971 amendatory act

under chapter 84.28 RCW as reforestation lands or under chapter 84.32 RCW as forest lands, and the timber on such lands, shall be assessed and taxed in accordance with the applicable provision of those chapters and shall not be subject to this act. However, after the effective date of this 1971 amendatory act, no additional land shall be classified under chapter 84.28 or 84.32 RCW.

NEW SECTION. Sec. 17. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

Notwithstanding any provision of this chapter or section 7 of this 1971 amendatory act to the contrary, this chapter shall not exempt from the ad valorem tax nor subject to the excise tax imposed by section 7 of this act, Christmas trees which are grown on land which has been prepared by intensive cultivation and tilling, such as by plowing or turning over the soil, and on which all unwanted plant growth is controlled continuously for the exclusive purpose of raising such Christmas trees, and such land on which such Christmas trees stand shall not be taxed as provided in sections 10 through 15 of this act.

NEW SECTION. Sec. 18. There is added to chapter 15, Laws of 1961 and to Title 84 RCW a new section to read as follows:

(1) There is hereby created a committee to be known as the forest tax committee, which shall consist of eleven members: Two senators, one from each political party, to be appointed by the president of the senate; two representatives, one from each political party, to be appointed by the speaker of the house of representatives; two county assessors to be selected by the four appointed legislative members from a list of five assessors to be submitted by the Washington state association of county assessors; the director of the department of revenue or his designated representative; the commissioner of public lands or his designated representative; the superintendent of public instruction or his designated representative and two representatives of private timber or timber land owners throughout the state to be selected by the four appointed legislative members from a list of five such representative persons submitted by the Washington forest protection association. Members shall be appointed and selected on or before June 30 of every odd-numbered year to serve two year terms. Except for such designees as the director of the department of revenue or the commissioner of public lands might appoint, membership shall not be dependent upon continuance in elective office or other status that may be required for initial qualification as a member, and should any vacancy occur, it shall be filled in the same manner as for the original appointment. Certificates of appointment of members shall be filed by the legislative members so appointing in the office of the president of the senate and in the office of the speaker of the

house.

(2) The initial meeting of the forest tax committee each odd-numbered year shall be held within thirty days after the filing of all certificates of appointment, notice thereof to be given to the director of the department of revenue, and shall be called by the director of the department of revenue who shall act as temporary chairman. At such first meeting, the committee shall elect a chairman and a vice chairman. The chairman shall appoint a secretary and such other staff as the legislative members of the committee deem necessary.

(3) Except for the director of the department of revenue and the commissioner of public lands or their designees who shall receive expenses as provided in RCW 43.03.050 and 43.03.060, as now or hereafter amended, members of the committee shall receive allowances while attending meetings of the committee or while engaged in other committee business in the amount provided in RCW 44.04.120, as now or hereafter amended. All expenses incurred by the committee or the members thereof shall be paid upon voucher forms signed by the chairman of the committee. Vouchers shall be drawn upon funds appropriated generally by the legislature for legislative expenses or upon any special appropriation which may be provided by the legislature for the expenses of the committee.

(4) The duties and responsibilities of the committee shall include, without limitation, the following:

(a) A continuing review of the provisions of this 1971 amendatory act, including the tax rate provisions, and the implementation thereof to determine the need for any revision, and preparation of any needed legislation;

(b) Review of chapters 84.28, 84.32, 84.34 RCW and any other laws relating to taxation of timber and forest land, and preparation of legislation for introduction in the 1973 session of the legislature to integrate into this 1971 amendatory act the taxation of forest lands and timber classified and taxed under such laws;

(c) Supervision and control of the activities of any consultants retained by the committee for preparation of any special studies or reports;

(d) Preparation of a report summarizing committee actions and findings for submission to each regular session of the legislature.

Sec. 19. Section 28A.41.130, chapter 223, Laws of 1969 ex. sess. as amended by section 2, chapter 138, Laws of 1969 and RCW 28A.41.130 are each amended to read as follows:

From those funds made available by the legislature for the current use of the common schools, other than the proceeds of the state property tax, the state superintendent of public instruction shall distribute annually as provided in RCW 28A.48.010 to each

school district of the state operating a program approved by the state board of education, an amount which, when combined with the following revenues, will constitute an equal guarantee in dollars for each weighted student enrolled, based upon one full school year of one hundred eighty days:

(1) Eighty-five percent of the amount of revenues which would be produced by a levy of fourteen mills on the assessed valuation of taxable property within the school district adjusted to twenty-five percent of true and fair value thereof as determined by the state department of revenue's indicated county ratio: PROVIDED, That in each of the calendar years 1968 and 1969 the funds otherwise distributable under this section to any school district which is collecting property taxes based upon a levy of less than five-sixths of the maximum levy permissible for the district for such year under RCW 84.52.050 shall be reduced by an amount equal to the difference between the proceeds of the actual school district tax levy in the district and the proceeds which five-sixths of such maximum permissible levy for the district would produce irrespective of any delinquencies: PROVIDED, FURTHER, That the funds otherwise distributable under this section to any school district for any year other than the calendar years 1968 and 1969 shall be reduced by the difference between the proceeds from the actual school district tax levy in the district and the amount the maximum levy permissible for the district under RCW 84.52.050 would produce irrespective of any delinquencies; and

(2) The receipts from the one percent tax on real estate transactions which may be imposed pursuant to chapter 28A.45 RCW: PROVIDED, That the funds otherwise distributable under this section to any school district in any county which does not impose a tax in the full amount authorized by chapter 28A.45 RCW shall be reduced by five percent; and

(3) Eighty-five percent of the maximum receipts collectible from the high school district fund pursuant to chapter 28A.44 RCW; and

(4) Eighty-five percent of the receipts from public utility district funds distributed to school districts pursuant to RCW 54.28.090; and

(5) Eighty-five percent of the receipts from federal forest revenues distributed to school districts pursuant to RCW 36.33.110; and

(6) Eighty-five percent of the proportion of the receipts from the tax imposed pursuant to section 7 of this 1971 amendatory act upon harvesters of timber equal to the proportion that the millage rate for the regular property tax levy for such school district pursuant to RCW 84.52.050 bears to the aggregate millage rate for all



property tax levies for such school district, both regular and excess; and

(7) Eighty-five percent of such other available revenues as the superintendent of public instruction may deem appropriate for consideration in computing state equalization support.

NEW SECTION. Sec. 20. The following acts or parts of acts are each repealed:

(1) Section 4, chapter 249, Laws of 1963 and RCW 84.40.034; and

(2) Section 5, chapter 249, Laws of 1963 and RCW 84.40.035.

NEW SECTION. Sec. 21. Sections 1 through 6 and 8 through 18 shall constitute a new chapter in Title 84 RCW.

NEW SECTION. Sec. 22. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate May 7, 1971.

Passed the House May 6, 1971.

Approved by the Governor May 21, 1971 with the exception of three items which are vetoed.

Filed in Office of Secretary of State May 21, 1971.

Note: Governor's explanation of partial veto is as follows:

"...This bill constitutes a comprehensive new program for the taxation of timber and timber lands, by phasing out the taxation of timber under the property tax system and placing timber on an excise tax system based upon yield. The bill also provides that timber lands shall remain under the property tax system, but that the valuation of such lands shall be on the basis of their actual use, i.e., the growing and harvesting of timber.

Veto  
Message

The act further provides, with respect to the valuation of such lands and the timber thereon that responsibility for making the valuations will be in the Department of Revenue. However, it is also provided that the decisions of the department in carrying out its responsibility under the bill can become effective only upon approval of the forest tax committee established pursuant to section 18 of the bill.

I believe that the full responsibility for the valuation process should be solely with a department of the executive branch of government, and that the functions of the

forest tax committee, the majority of which will consist of legislators and representatives of the timber industry, should be limited to those specified in sections 7(10) and 18. Undoubtedly the committee will be in a position to give valuable advice to the department with respect to the valuation process, and I believe that the role of the committee in the valuation process should be limited to that function.

Veto  
Message

In addition it should be noted that the eligibility of members of the 42nd Legislature to serve as members of the forest tax committee is open to serious constitutional question without these vetoes; see Oceanographic Commission v. O'Brien, 74 Wn.2d 904 (1968).

For these reasons, I have vetoed those items of the bill which give the committee the approval function described above.

With the exception of these three items, Engrossed Substitute Senate Bill No. 849 is approved."

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CHAPTER 295

[Engrossed Senate Bill No. 108]

CRIMES--

CONCURRENT AND CONSECUTIVE SENTENCES

AN ACT Relating to crimes and punishment; and amending section 33, chapter 249, Laws of 1909 as amended by section 2, chapter 109, Laws of 1925 ex. sess. and RCW 9.92.080; and adding a new section.

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

Section 1. Section 33, chapter 249, Laws of 1909 as amended by section 2, chapter 109, Laws of 1925 ex. sess. and RCW 9.92.080 are each amended to read as follows:

((Whenever a person shall be convicted of two or more offenses before sentence has been pronounced for either, the imprisonment to which he is sentenced upon the second or other subsequent conviction shall commence at the termination of the first or other prior term or terms of imprisonment to which he is sentenced; and)) From and after the effective date of this 1971 amendatory act:

(1) Whenever a person while under sentence of felony shall commit another felony and be sentenced to another term of