

**NEW SECTION.** Sec. 12. 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 June 7, 1977.

Passed the House June 21, 1977.

Approved by the Governor July 1, 1977.

Filed in Office of Secretary of State July 1, 1977.

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## CHAPTER 347

[Senate Bill No. 2714]

### TIMBER TAXATION

AN ACT Relating to revenue and taxation; reenacting and amending section 7, chapter 294, Laws of 1971 ex. sess. as last amended by section 1, chapter 33, Laws of 1975-'76 2nd ex. sess. and by section 7, chapter 123, Laws of 1975-'76 2nd ex. sess. and RCW 82.04.291; amending section 6, chapter 294, Laws of 1971 ex. sess. as amended by section 91, chapter 195, Laws of 1973 1st ex. sess. and RCW 84.33.060; amending section 8, chapter 294, Laws of 1971 ex. sess. as last amended by section 8, chapter 123, Laws of 1975-'76 2nd ex. sess. and RCW 84.33.080; and declaring an emergency.

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

Section 1. Section 7, chapter 294, Laws of 1971 ex. sess. as last amended by section 1, chapter 33, Laws of 1975-'76 2nd ex. sess. and by section 7, chapter 123, Laws of 1975-'76 2nd ex. sess. and RCW 82.04.291 are each reenacted and amended 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 three-tenths percent;

(b) For timber harvested between October 1, 1973 and September 30, 1974 inclusive, the rate shall be two and nine-tenths percent and between October 1, 1974 and December 31, 1978, inclusive, six and one-half percent.

(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 RCW 84.33.170 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) 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. Each year on or before December 31 for use the following January through June 30, and on or before June 30 for use the following July through December 31, 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, blow down, 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. The preliminary area designations and stumpage value tables and any revisions thereof shall be subject to review by the ways and means committees of the house and senate prior to finalization. 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 the sixtieth day after the date of final adoption of any stumpage value tables, 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 account A and a state timber tax ~~((account-B))~~ reserve account in the state general fund and any interest earned on the investment of cash balances shall be deposited in these accounts. The revenues from the tax imposed by subsection (1) of this section shall be deposited in state timber tax account A and state timber tax ~~((account-B))~~ reserve account as follows:

YEAR OF COLLECTION	ACCOUNT A (( <del>ACCOUNT B</del> )) <u>RESERVE ACCOUNT</u>	
	1973 through (( <del>1978</del> )) <u>1982</u>	100%
<del>(1979</del>	<del>75%</del>	<del>25%</del>
<del>1980</del>	<del>50%</del>	<del>50%</del>
<del>1981</del>	<del>25%</del>	<del>75%</del>
<del>1982))</del> <u>1983</u> 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 September 30, 1974 inclusive. The revenues from such surtax shall be deposited in ((~~a separate account designated~~)) the state timber tax reserve account((, which is hereby created in the state general fund and any interest earned on the investment of these cash balances shall be deposited in this account)). 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 account pursuant to subsection (3) of RCW 84.33.080 reduce the balance in such account 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 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.

Sec. 2. Section 6, chapter 294, Laws of 1971 ex. sess. as amended by section 91, chapter 195, Laws of 1973 1st ex. sess. and RCW 84.33.060 are each amended to read as follows:

In each year commencing with 1972 and ending with ((~~1980~~)) 1981, solely for the purpose of determining, calculating and fixing, pursuant to chapter 84.52 RCW, the dollar 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 RCW 84.33.050 for such year; and

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

YEAR	PORTION OF TIMBER ROLL
1972 through 1977	100%
1978	<del>((75%))</del> 80%
1979	<del>((50%))</del> 60%
1980	<del>((25%))</del> 40%
1981 <del>((and thereafter</del>	<del>None))</del> 20%
1982 and thereafter	None

Sec. 3. Section 8, chapter 294, Laws of 1971 ex. sess. as last amended by section 8, chapter 123, Laws of 1975-'76 2nd ex. sess. and RCW 84.33.080 are each amended to read as follows:

(1) On or before December 15 of each year commencing with 1972 and ending with ~~((1980))~~ 1981, 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 dollar rate calculated pursuant to RCW 84.33.060 and actually utilized the immediately preceding October in extending real property taxes upon the tax rolls for collection in the following year;

(c) A "timber factor" which is the product of such aggregate dollar rate, the assessment ratio applied generally by such assessor in computing the assessed value of other property in his county and the appropriate portion listed below of the timber roll for such year ((a) above):

YEAR	PORTION OF TIMBER ROLL
1972	25%
1973	55%
1974 through 1977	100%
1978	<del>((75%))</del> 80%
1979	<del>((50%))</del> 60%
1980	<del>((25%))</del> 40%
1981	20%

On or before December 31 of each year commencing with 1972 and ending with ~~((1980))~~ 1981, 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 twentieth day of the second month of each calendar quarter, commencing February 20, 1974 and ending November 20, ~~((1981))~~ 1982, the state

treasurer shall pay to the treasurer of each timber county for the account of each taxing district such district's proportion and pay into the state general fund for the support of the common schools the state's proportion (determined in December of the preceding year pursuant to subsection (1) of this section) of the amount in state timber tax account A collected upon timber harvested in the preceding calendar quarter, but in no event shall any such quarterly payment to a taxing district, when added to such payments made to such district the previous quarters of the same year, exceed, respectively one-fourth, one-half, three-fourths, or the full amount of the timber factor for such district determined in December of the preceding year.

The balance in state timber tax account A, if any, (~~after the distribution to taxing districts on November 20, 1974 and~~) on the twentieth day of the second month of each calendar quarter commencing February 20, 1975 and ending November 20, (~~1981~~) 1982 shall be transferred to the state timber tax reserve account.

(3) If the balance in state timber tax account A immediately prior to such twentieth day of the second month of each calendar quarter is not sufficient to permit a payment of one-fourth, one-half, three-fourths, or the full amount, as the case may be, 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 tax reserve account to state timber tax account A.

(4) If, after the transfer, if any, from the state timber tax account A (pursuant to subsection (2) of this section) in August of any year commencing with 1974, the balance in the state timber reserve account exceeds two million dollars, the amount of the excess shall be applied first, subject to legislative appropriation of funds allocated from the state timber reserve account, for activities undertaken by the department of revenue forest (~~valuation section~~) tax division and for the activities undertaken by the department of natural resources relating to classification of lands as required by this chapter (~~PROVIDED, That within the 1973-75 biennium, the state treasurer shall transfer from the state timber reserve account to the state general fund an amount equal to actual expenditures of the department of revenue related to the activities of the forest valuation section no later than August 31, 1974 and August 31, 1975, for the fiscal year just completed. If the amount of such excess is more than is necessary for reimbursement for such purposes, the remaining amount of the excess shall be distributed to the taxing districts which distribution shall be made in the following manner:~~). If following the transfer, if any, from the state timber tax account A (pursuant to subsection (2) of this section) in November of 1977 and each year thereafter, the balance in the state timber tax reserve account exceeds two million dollars, the department of revenue shall determine on or before December 31 of such year, an amount to be distributed to the taxing districts the following calendar year, which distribution shall be determined in the following manner: PROVIDED, That the amount of such excess reserve account distribution shall be limited to that amount which, when added to the total account A distribution for the same calendar year, will allow a percentage increase or decrease in total calendar year distributions equal to the percentage increase or

decrease in excise tax collections between the preceding calendar year and the current calendar year:

(a) The department of revenue shall calculate a harvest factor and a harvest factor proportion for each taxing district, in the manner provided in subsection (5) of this section except that for years before 1978 there shall be used the aggregate value of timber harvested for as many quarters for which information is available;

(b) By multiplying the amount of such excess by the harvest factor proportion for each taxing district respectively, the department of revenue shall calculate the amount to be distributed to each local taxing district and to the state and shall certify such amounts to the respective county assessors and state;

(c) Along with each quarterly payment pursuant to subsection (2) of this section, the state treasurer shall pay, out of the state timber reserve account, to the treasurer of each timber county for the account of each local taxing district one-fourth of such district's portion (determined pursuant to (b) above) of such excess and the state treasurer shall pay into the state's general fund for the support of the common schools out of the state timber tax reserve account such additional one-fourth amount due the state.

~~((The balance, if any, in the state timber reserve account 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 account 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 dollar rate calculated pursuant to RCW 84.33.060 and chapter 84.52 RCW and actually utilized the immediately preceding October in extending real 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 dollar 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 twentieth day of the second month of each calendar quarter commencing February 20, 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 account B collected upon timber harvested in the preceding calendar quarter.))~~

NEW SECTION. Sec. 4. This 1977 amendatory 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 June 21, 1977.

Passed the House June 21, 1977.

Approved by the Governor July 1, 1977.

Filed in Office of Secretary of State July 1, 1977.

## CHAPTER 348

[Senate Bill No. 2839]

### NONPROFIT RADIO AND/OR TELEVISION TRANSMISSION PROPERTY—TAX EXEMPTION

AN ACT Relating to property taxation; exempting the property of certain nonprofit corporations and associations from taxation; adding new sections to chapter 84.36 RCW; prescribing effective dates; and declaring an emergency.

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

**NEW SECTION.** Section 1. The following property shall be exempt from taxation:

Real and personal property owned by or leased to any nonprofit corporation or association to the extent used exclusively to rebroadcast, amplify, or otherwise facilitate the transmission and/or reception of radio and/or television signals originally broadcast by foreign or domestic governmental agencies for reception by the general public: PROVIDED, That in the event such property is leased, the benefit of the exemption shall inure to the user.

**NEW SECTION.** Sec. 2. The exemption contained in section 1 of this act shall be subject to the administrative provisions contained in RCW 84.36.800 through 84.36.865 as now or hereafter amended.

**NEW SECTION.** Sec. 3. 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, shall take effect immediately and shall be effective for assessment in 1977 for taxes due and payable in 1978.

**NEW SECTION.** Sec. 4. Sections 1 through 3 of this act are each added to chapter 84.36 RCW.

Passed the Senate May 2, 1977.

Passed the House June 21, 1977.

Approved by the Governor July 1, 1977.

Filed in Office of Secretary of State July 1, 1977.

## CHAPTER 349

[Second Substitute Senate Bill No. 3097]

### STATE FIRE SERVICE TRAINING CENTER—CAPITAL PROJECT FINANCING

AN ACT Relating to the commission for vocational education; providing for the planning, acquisition, construction, remodeling, furnishing and equipping of a state fire service training center for said commission for vocational education and the financing thereof by the issuance of bonds, including bond anticipation notes; creating new sections; adding a new chapter to Title 28C RCW; and declaring an emergency.