




FOREST PROPERTY ASSESSMENT

A Brief Intro to Current Use Programs


Presented By:
Kevin Zobrist, WSU Extension

With special thanks to Chris Westwood, Kristi McClelland, and Bill Bernstein




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Land is generally taxed based on its "highest and best use" regardless of its actual current use.




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Open space is one form of current use taxation.

1. Open Space Land
2. Farm & Agricultural Land
3. Timber Land



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Forest land classifications are for land that can and will be harvested for timber.

1. Designated Forest Land (RCW 84.33)
2. Current Use Timberland (RCW 84.34)



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Forest land program comparison:

	Designated Forest Land	Current Use Timberland
Application year:	2015	2015
Assessment year:	2016	2016
Tax relief year:	2017	2017
Application:	Assessor's office	County leg. authority
Removal:	Compensating tax: 9 x current difference	Additional tax: 7 years + interest & penalty*
Appeal:	Board of Equalization	Superior Court
Acres:	→20 acres←	>5 acres

5 Acres (as of 2014)

*if applicable



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Forest land values are set and adjusted annually based on land and operability classifications.


http://dor.wa.gov/content/findtaxesandrates/othertaxes/timber/forst_lvs.aspx

LAND GRADE	OPERABILITY CLASS	VALUE PER ACRE
1	1	\$209
	2	\$207
	3	\$194
	4	\$140
2	1	175
	2	170
	3	163
	4	117
3	1	137
	2	133
	3	132
	4	101
4	1	105

WA DOR

Look up current land values

Dollar value as opposed to "highest and best use"



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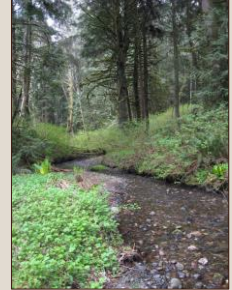
Here is a ten-acre example with 9 acres enrolled and one-acre excluded for a house.

- House = \$350,000
- Land = \$15,000/ac
- Land value for forestry use = \$133/ac (99% less!)
- Assessed value without current use:
\$350,000 + 10 x \$15,000 = **\$500,000**
- Assessed value with current use:
\$350,000 + 1 x \$15,000 + 9 x \$133 = **\$366,197**
- \$133,803 reduction (27%) = \$1,740 annual savings @ 1.3% levy rate



The Public Benefit Rating System (PBRs) is an option in some counties.

- Points for voluntary protection of open space resources
- One point = 10% assessment reduction
- Different acreage requirements
- No harvest requirement



Examples of categories in some counties:

- Forest land
- Forest stewardship plan
- Water quality buffer
- Significant habitat
- Historic site
- Public access
- And more...



Cooperating neighbors = more points



A timber management plan may be required to apply for one of these classifications.

“Timber management plan” means a plan prepared by a trained forester or any other person with adequate knowledge of timber practices concerning the use of the land. RCW 84.33.035(20)

→ The stewardship plan format we just talked about should qualify as a timber management plan.

DOR Timber Management Plan Guidelines:
<http://dor.wa.gov/Docs/Pubs/ForestTax/ForestSum.pdf>



It is still your land.

- Public access is not required.
- You can use and sell your property.



The sale of an enrolled property does not necessarily require removal.

- The seller must disclose that the property is enrolled
- The buyer has the choice to continue in the program
 - Must sign a Notice of Continuance
 - Must submit their own current management plan
- If the buyer does not sign the Notice of Continuance, the seller is liable for the back taxes

