INTRODUCTION TO

DESIGNATED FOREST LAND

Lewis County Assessor’s Office
351 NW North St., MS: ASR01
Chehalis, WA 98532
Phone: (360) 740-1392
Fax: (360) 740-1262
CURRENT USE TAX PROGRAMS

The WA State Legislature created these programs to allow property owners to have their timberlands, open-space lands, and farmlands valued at their current use rather than their highest and best use.

- DESIGNATED FOREST LAND (RCW 84.33, enacted in 1971)
- OPEN SPACE (RCW 84.34, enacted in 1970)
THE “INCONVENIENT TRUTH” ABOUT SPECIAL TAX PROGRAMS:

- Regardless of special tax programs, taxing districts need a certain amount of money to operate (a budget).

- Whenever someone pays less in TAXE$, the rest of the landowners pay more.
DESIGNATED FOREST LAND (DFL):

The *Designated Forest Land* program applies preferential taxation to qualifying property owners in exchange for growing, harvesting, and replanting commercial timber.
SOME OF THE DFL BASICS:

- Enrolled acreage must total 5 acres or more
- Land must be devoted primarily to the growth & harvest of trees for commercial purposes
- Land must be replanted within 3 years of harvest
Land must meet stocking requirements (190 seedlings or 100 mature trees per acre)

Owner must control competing vegetation (Scotch broom, blackberries, etc.)

Tree species must be a commercially harvestable timber

It is the owner’s responsibility to ensure the property continues to meet the guidelines for the program
PURCHASING LAND?

IF YOU’RE PURCHASING LAND ALREADY ENROLLED IN DFL, THE ASSESSOR’S OFFICE MAY REQUIRE YOU TO SUBMIT A FOREST MANAGEMENT PLAN IN LEWIS COUNTY, A FOREST MANAGEMENT PLAN GENERALLY IS REQUESTED IF LAND RECENTLY WAS HARVESTED.
PURCHASING LAND?

IF YOU’RE PURCHASING LAND AND WANT TO ENROLL IN DFL, CONTACT THE ASSESSOR’S OFFICE

- APPLICATION FEE IS $150 FOR FIRST PARCEL (DISCOUNT GIVEN FOR ADDITIONAL PARCELS IF THEY ARE ADJACENT)
- APPLICATIONS ARE DUE BY DEC. 31
APPLYING FOR DFL?

IT'S BASICALLY A **THREE-YEAR** PROCESS

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<td>LANDOWNER</td>
<td>ASSESSOR’S OFFICE</td>
<td>IF APPROVED, LANDOWNER</td>
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<td>SUBMITS DFL</td>
<td>INSPECTS THE PROPERTY</td>
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PROTECT YOUR INVESTMENT

ELK, MICE, INSECTS, SCOTCH BROOM, BLACKBERRIES AND DROUGHT CAN BE REAL KILLERS.

SPEAK TO YOUR FORESTER ABOUT THE BEST WAYS TO PROTECT YOUR TREES.
“ALL OF MY TREES DIED … NOW WHAT?”

REPLANT. IT IS THE LANDOWNER’S RESPONSIBILITY TO ENSURE THE PROPERTY HAS AT LEAST 190 SEEDLINGS OR 100 MATURE TREES PER ACRE AT ALL TIMES.
“I’M READY TO LOG … NOW WHAT?”

YOU CANNOT LET YOUR TIMBER GROW BEYOND A MILLABLE SIZE.

THE LEWIS COUNTY ASSESSOR’S OFFICE WILL NOT TELL YOU WHEN, HOW MUCH, OR HOW TO HARVEST.

THAT’S BETWEEN YOU AND YOUR LOGGING COMPANY.
AUDITING PROPERTIES

ALL PROPERTIES IN LEWIS COUNTY ARE PHYSICALLY INSPECTED AT LEAST ONCE EVERY SIX YEARS

… however …

ANY PROPERTY IN DFL CAN BE INSPECTED AT ANY TIME
REMOVAL FROM CLASSIFICATION:

When, Why, How
REMOVAL FROM CLASSIFICATION:

- If program land no longer meets the program requirements, state law says the land must be removed and the compensating taxes paid.

- The financial responsibility falls on the owner at the time of removal, regardless of how long they’ve owned it.
COMPENSATING TAXES:

- This “tax recapture” is calculated using the difference between what the taxes were while in the program and what they would have been had the property not been in the program.

\[
\text{Market Value} - \text{Current-Use Value} = \text{Tax recapture}
\]
For Designated Forest Land, the “tax recapture” goes back up to 10 years.

(If a landowner had been in the program for only 5 years, the “tax recapture” would go back for just those 5 years.)
RECLASSIFICATION:

- Most Current Use tax programs allow for reclassification *between the programs* to allow landowners to change land use.

- Fees for reclassification in Lewis County are still *very low* compared to other counties.

- We encourage any landowners with questions to contact the Assessor’s Office at *(360)740-1392.*
TRANSFERRING FROM DFL TO ANOTHER PROGRAM:

LANDOWNERS with property in DFL MAY BE ABLE TO TRANSFER TO:

- OPEN SPACE FARM AND AGRICULTURE FOR COMMERCIAL FARMING
- OPEN SPACE LAND (ALSO KNOWN AS OPEN SPACE OPEN SPACE) FOR LAND LEFT IN ITS NATURAL STATE
OPEN SPACE FARM AND AGRICULTURE (OSFA):

- Land must be devoted to commercial farming (production of livestock or agricultural products that are sold).
- May require 3 years of sales receipts
- May require certain amount of gross sales
OPEN SPACE LAND (OSL):

Land must do one or more of the following:

- Conserve and enhance natural or scenic resources
- Protect streams or water supply
- Promote conservation of soils, wetlands, etc.
- Enhance the value to the public of abutting lands
- Enhance recreation
- Preserve visual quality along highways
- Retain in its natural state a 1.00-acre-plus tract of land in an urban area
Property enrolled in Open Space Land must be left in its natural state

- No logging
- No mowing
- No grazing livestock
- No building
- No recreational use that would change the natural state of the land
ESTATE PLANNING:

We encourage landowners to talk with their ... 

- Spouse
- Children
- Attorney
- Accountant
- Assessor’s Office – We are eager to help find options that will best fit each owner’s needs.
CHANGE IN USE:

- RCW 84.34 gives landowners 60 days to notify the Assessor’s Office of a change in use.
- Construction of a new home will always require review of Current Use taxation.
SUBDIVISIONS:

Landowners subdividing property are encouraged to contact the Assessor’s Office to review how their tax programs may be affected by subdivision.
ANY QUESTIONS?
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