

INTRODUCTION TO DESIGNATED FOREST LAND



*Lewis County Assessor's Office
351 NW North St., MS: ASRo1
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 TAXES**, 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



... continued

- 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

YEAR 1

LANDOWNER
SUBMITS DFL
APPLICATION
BEFORE THE
DEC. 31
DEADLINE

YEAR 2

ASSESSOR'S
OFFICE
INSPECTS THE
PROPERTY

YEAR 3

IF APPROVED,
LANDOWNER
BEGINS SEEING
TAX SAVINGS
ON PROPERTY
TAX BILL

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.

Market Value

- Current-Use Value

Tax recapture



... continued ...

- 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):

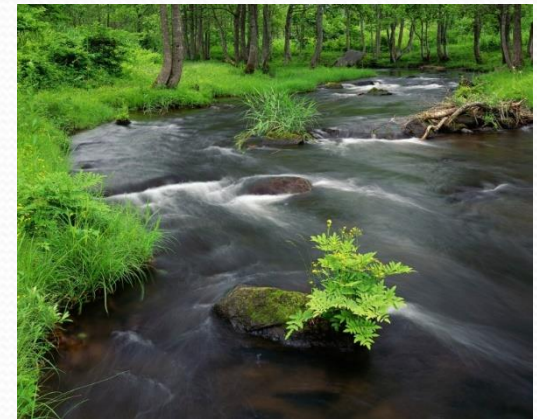
- Land must be devoted to commercial farming (production of livestock or agricultural products that are sold).
- May require 3 years of sales receipts
- May require certain amount of gross sales



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



OPEN SPACE LAND *continued ...*

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:

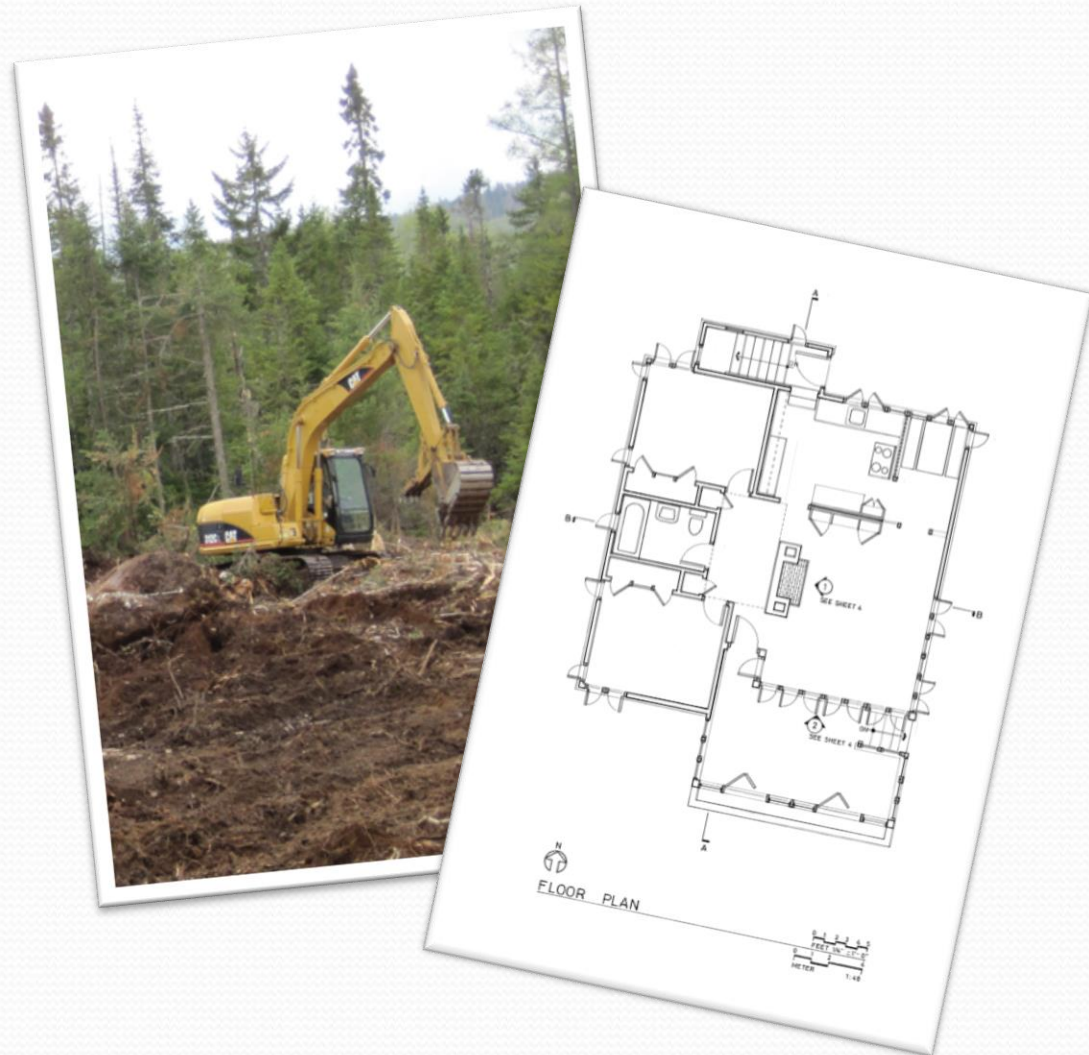
We encourage landowners to talk with their ...

- Spouse
- Children
- Attorney
- Accountant
- Assessor's Office – *We are eager to help find options that will best fit each owner's needs.*



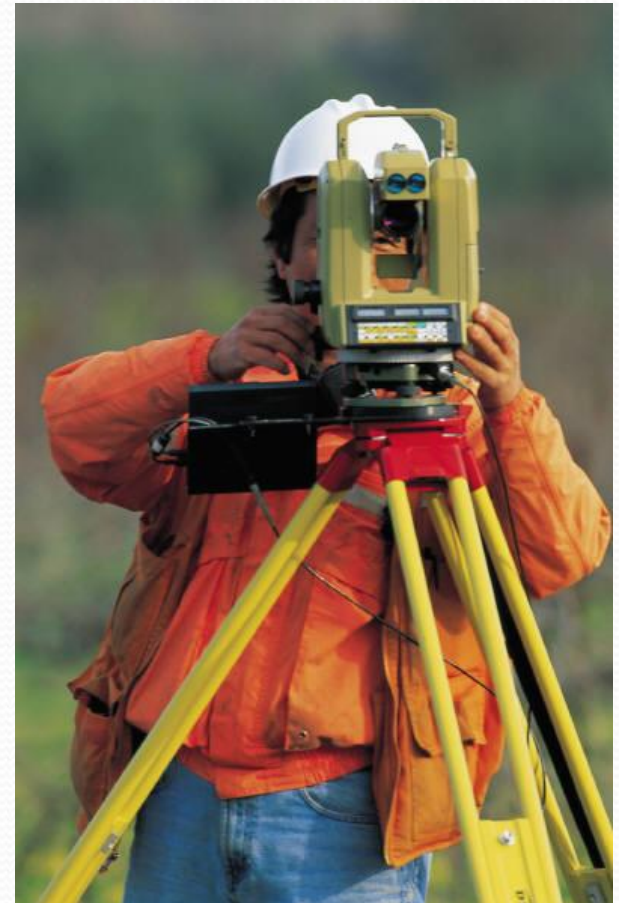
CHANGE IN USE:

- 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?





Lewis County Assessor's Office
351 NW North St., MS: ASR01
Chehalis, WA 98532

Phone: (360) 740-1392

Fax: (360) 740-1262