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SENATE BILL 5921

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State of Washington

67th Legislature

2022 Regular Session

By Senator Braun

1       AN ACT Relating to increasing county timber tax distributions by  
2       reducing the charge for administrative and collection costs; amending  
3       RCW 84.33.051 and 84.33.081; and creating a new section.

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

5       **Sec. 1.** RCW 84.33.051 and 2004 c 177 s 2 are each amended to  
6       read as follows:

7       (1) The legislative body of any county may impose a tax upon  
8       every person engaging in the county in business as a harvester  
9       effective October 1, 1984. The tax shall be equal to the stumpage  
10      value of timber harvested from privately owned land multiplied by a  
11      rate of 4 percent; and equal to the stumpage value of timber  
12      harvested from publicly owned land multiplied by the following rates:

13      (a) For timber harvested January 1, 2005, through December 31,  
14      2005, 1.2 percent;

15      (b) For timber harvested January 1, 2006, through December 31,  
16      2006, 1.5 percent;

17      (c) For timber harvested January 1, 2007, through December 31,  
18      2007, 1.8 percent;

19      (d) For timber harvested January 1, 2008, through December 31,  
20      2008, 2.1 percent;

1 (e) For timber harvested January 1, 2009, through December 31,  
2 2009, 2.4 percent;

3 (f) For timber harvested January 1, 2010, through December 31,  
4 2010, 2.7 percent;

5 (g) For timber harvested January 1, 2011, through December 31,  
6 2011, 3.1 percent;

7 (h) For timber harvested January 1, 2012, through December 31,  
8 2012, 3.4 percent;

9 (i) For timber harvested January 1, 2013, through December 31,  
10 2013, 3.7 percent;

11 (j) For timber harvested January 1, 2014, and thereafter, 4.0  
12 percent.

13 (2)(a) Before the effective date of any ordinance imposing a tax  
14 under this section, the county shall contract with the department of  
15 revenue for administration and collection of the tax. The tax  
16 collected by the department of revenue under this section shall be  
17 deposited by the department in the timber tax distribution account.  
18 Moneys in the account may be spent only for distributions to counties  
19 under RCW 84.33.081 and, after appropriation by the legislature, for  
20 the activities undertaken by the department of revenue relating to  
21 the collection and administration of the taxes imposed under this  
22 section and RCW 84.33.041. Appropriations are not required for  
23 distributions to counties under RCW 84.33.081.

24 (b) Beginning with distributions to counties in fiscal year 2023,  
25 the department shall deduct a percentage amount not to exceed two  
26 percent of the taxes collected for administration and collection  
27 expenses incurred by the department. The percentage amount must be  
28 uniform for all counties. It is the intent of the legislature to  
29 increase the appropriation to the department from the state general  
30 fund to offset any reduction in the appropriation to the department  
31 from the timber tax distribution account as a result of this act.

32 **Sec. 2.** RCW 84.33.081 and 2007 c 69 s 5 are each amended to read  
33 as follows:

34 (1) On the last business day of the second month of each calendar  
35 quarter, the state treasurer shall distribute from the timber tax  
36 distribution account to each county the amount of tax collected on  
37 behalf of each county under RCW 84.33.051, less ~~((each county's~~  
38 ~~proportionate share of appropriations))~~ the deduction for collection  
39 and administration activities under RCW 84.33.051, and shall transfer

1 to the state general fund the amount of tax collected on behalf of  
2 the state under RCW 84.33.041, less the amount of the distribution  
3 under subsection (7) of this section (~~and the state's proportionate~~  
4 ~~share of appropriations for collection and administration activities~~  
5 ~~under RCW 84.33.041~~). The county treasurer shall deposit moneys  
6 received under this section in a county timber tax account which  
7 shall be established by each county. Following receipt of moneys  
8 under this section, the county treasurer shall make distributions  
9 from any moneys available in the county timber tax account to taxing  
10 districts in the county, except the state, under subsections (2)  
11 through (4) of this section.

12 (2) From moneys available, there first shall be a distribution to  
13 each taxing district having debt service payments due during the  
14 calendar year, based upon bonds issued under authority of a vote of  
15 the people conducted pursuant to RCW 84.52.056 and based upon excess  
16 levies for a capital project fund authorized pursuant to RCW  
17 84.52.053, of an amount equal to the timber assessed value of the  
18 district multiplied by the tax rate levied for payment of the debt  
19 service and capital projects: PROVIDED, That in respect to levies for  
20 a debt service or capital project fund authorized before July 1,  
21 1984, the amount allocated shall not be less than an amount equal to  
22 the same percentage of such debt service or capital project fund  
23 represented by timber tax allocations to such payments in calendar  
24 year 1984. Distribution under this subsection (2) shall be used only  
25 for debt service and capital projects payments. The distribution  
26 under this subsection shall be made as follows: One-half of such  
27 amount shall be distributed in the first quarter of the year and one-  
28 half shall be distributed in the third quarter of the year.

29 (3) From the moneys remaining after the distributions under  
30 subsection (2) of this section, the county treasurer shall distribute  
31 to each school district an amount equal to one-half of the timber  
32 assessed value of the district or eighty percent of the timber roll  
33 of such district in calendar year 1983 as determined under this  
34 chapter, whichever is greater, multiplied by the tax rate, if any,  
35 levied by the district under RCW 84.52.052 or 84.52.053 for purposes  
36 other than debt service payments and capital projects supported under  
37 subsection (2) of this section. The distribution under this  
38 subsection shall be made as follows: One-half of such amount shall be  
39 distributed in the first quarter of the year and one-half shall be  
40 distributed in the third quarter of the year.

1       (4) After the distributions directed under subsections (2) and  
2       (3) of this section, if any, each taxing district shall receive an  
3       amount equal to the timber assessed value of the district multiplied  
4       by the tax rate, if any, levied as a regular levy of the district or  
5       as a special levy not included in subsection (2) or (3) of this  
6       section.

7       (5) If there are insufficient moneys in the county timber tax  
8       account to make full distribution under subsection (4) of this  
9       section, the county treasurer shall multiply the amount to be  
10      distributed to each taxing district under that subsection by a  
11      fraction. The numerator of the fraction is the county timber tax  
12      account balance before making the distribution under that subsection.  
13      The denominator of the fraction is the account balance which would be  
14      required to make full distribution under that subsection.

15      (6) After making the distributions under subsections (2) through  
16      (4) of this section in the full amount indicated for the calendar  
17      year, the county treasurer shall place any excess revenue up to  
18      twenty percent of the total distributions made for the year under  
19      subsections (2) through (4) of this section in a reserve status until  
20      the beginning of the next calendar year. Any moneys remaining in the  
21      county timber tax account after this amount is placed in reserve  
22      shall be distributed to each taxing district in the county in the  
23      same proportions as the distributions made under subsection (4) of  
24      this section.

25      (7) On the last business day of the second month of each calendar  
26      quarter, the state treasurer shall distribute from the timber tax  
27      distribution account to each county an amount of tax collected by the  
28      state under RCW 84.33.041 equal to the amount of any tribal tax  
29      credited against the county's tax under an agreement entered into  
30      under RCW 43.06.480.

31      NEW SECTION.   **Sec. 3.** This act does not modify the department of  
32      revenue's duties to administer a state forest tax program.

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