

BRUCE WALKER PACIFIC COUNTY ASSESSOR

Assessor's Office
Courthouse
300 Memorial Drive
P O Box 86
South Bend, WA 98586



PACIFIC COUNTY COURTHOUSE
National Historic Site

Willapa Harbor Area - (360) 875-9301
Peninsula Area - (360) 642-9301
Naselle - (360) 484-7301
North Cove Area - (360) 267-8301

FAX - (360) 875-9306

To Whom It May Concern:

In order to eliminate confusion and help sellers and buyers through the process the following will go into effect January 1, 2008 on all properties which are in any of the following programs. The DOR codes are available on Taxsifter and on printouts from our office. You can also call to double check with my office.

<u>DOR CODE</u> <u>CONTAINING</u>	<u>DESCRIPTION</u>
88	Designated Forest Land
83	Current Use Farm and Ag also known as Open Space Farm and Ag
94	Open Space Conservation also known as Open Space Open Space

- ▶ The attached forms must be read and signed by the parties at least one week before closing.
- ▶ There will be no more RUSH closings on any of the above classified properties.
- ▶ For Farm and Ag the sellers must provide the income information on the attached forms to the Assessor's office at least one week before closing.
- ▶ Simple timber management plans must be provided at or before closing.
- ▶ No excise tax continuation forms will be signed by this office without our review of the paperwork.

Hopefully we can use this time and the attached documents to prevent any confusion and financial surprises when selling or buying properties which are in these programs.

Sincerely,

Bruce Walker

NOTICE FOR TIMBER AND AGRICULTURE PROGRAM PROPERTIES

Before signing any excise tax statement or notice of continuance the following must be read and signed and returned to the Pacific County Assessor's office.

1. Signing any continuance means that you are accepting the terms and conditions of an application applied for and granted to a previous owner. You are accepting responsibility for previous years taxes even though you did not own the property at that time. You are responsible for knowing the terms and conditions of the application.
2. If you continue the entire property with no acreage held out for a building site and you decide to build you will be charged a compensating tax to remove a building site from the program. As of 1/1/2008 the compensating tax is between \$4,000 and \$8,000 for the one acre site, depending on the market and location.
3. Compensating tax on Open Space (Ag and/or Timber) is figured by going back 7 years and multiplying the market value for those years minus the current use value by the levy rate for those years. Interest and penalties are then added.
4. Compensating tax on Designated Forestland parcels over 20 acres in size is figured by multiplying the market value of the year removed by the levy rate and then going back 10 years.
5. On Farm and Ag land you **MUST** show income to stay in the program. If you do not produce the required income the land will be removed from the program and a compensating tax will be due. For a 5-10 acre parcel in Pacific County as of 1/1/2008 this amount is between \$5,000 and \$10,000 depending on the market and location.
6. If you purchase a large parcel which is in a Timber or Ag program and subdivide it and sell a parcel both you and the new purchaser may be liable for a compensating tax, which may be \$5,000 to \$10,000 per parcel as of 1/1/2008. You may also be liable for compensating tax on the remaining parcels when the minimum acreages are not met and/or the intent is to sell as potential building sites.
7. If you sign a continuance and 6 months later sell the property and the new owner does not want to continue in a program the compensating tax will still be calculated and due in 30 days going back 7 or 10 years even if you did not own it at that time.

BY SIGNING BELOW YOU ARE AGREEING TO CONTINUE IN A CURRENT USE (OPEN SPACE AG/TIMBER OR DESIGNATED FORESTLAND) TAX PROGRAM RESULTING IN LOWER TAXES. YOU ARE ALSO AGREEING TO ACCEPT THE TAX LIABILITY FOR PAST YEAR'S LOWER TAXES EVEN IF YOU DID NOT OWN IT DURING THOSE YEARS. THIS LIABILITY WHICH CAN BECOME A LIEN ON THE PROPERTY IS SEVERAL THOUSAND DOLLARS AS OF THE DATE BELOW

If you have ANY questions contact the Pacific County Assessor's Office - 360-875-9301

Signature of new owners

date signed

Pacific County Assessor's Office

General Information about “Farm and Ag” Open Space Continuance

Date: _____

Parcel ID: _____

Information for the Buyer (and Seller):

The property you are in the process of buying is classified as **Farm and Agricultural** land under the Open Space Taxation Act, Chapter 84.34 RCW enacted in 1970.

If you wish to continue the special tax classification for the parcel there are some important facts that you should be aware of. First and foremost is: **the land must be devoted primarily to agricultural uses which will produce some type of income.** There are some specific size and income limitations that affect the agricultural use of the land. They are:

1. Any parcel of land that is twenty (20) or more acres or multiple parcels of land that are contiguous and total twenty (20) or more acres:
 - a. Devoted primarily to the production of livestock or agricultural commodities for commercial purposes, or
 - b. Enrolled in a cropland retirement program administered by the United States Department of Agriculture.
2. Any parcel of land that is five (5) acres or more but less than twenty (20) acres devoted primarily to agricultural uses and produce a gross income of at least two hundred (\$200) dollars or more per acre per year for three of the last five calendar years.
3. Any parcel of land that is less than five (5) acres devoted primarily to agricultural uses and produces a gross income of at least fifteen hundred (\$1500) dollars or more per year for three of the last five calendar years.

Please Note: No matter the size of the parcel, the land must be devoted primarily to agricultural uses which will produce some type of income.

If you wish to continue the special classification for this parcel there are several things you must do:

- Sign the Real Estate Excise affidavit notice of classification continuance.
- Complete and sign the Farm and Agriculture Management Plan document.
- Complete and sign the Assessor's Notice of Continuance.

By signing and completing these documents:

You are agreeing to continue the property as farm and agricultural land
You are agreeing to assume the tax liability previously held by the seller, and
You are agreeing to compensate the county for that same tax, interest and penalties if at sometime in the future the property is no longer meeting the farm criteria.

Removal from Classification – Compensating Tax

If you do not wish to continue the classification, you need to contact the Assessor's Office. The current owner (usually the seller) will be required to process the forms for removal from the classification program if the removal is to be completed prior to the sale. We will assist you with withdrawal of the property from the classification program. You will have to complete and sign a Request for Removal document and we will complete the process of preparing the compensating tax documents. You should be aware that:

Land which is withdrawn from classification is subject to additional tax equal to the difference between the amount of tax paid under the classification and the tax at true and fair value for the last seven years, plus interest and penalties at the statutory rate charged on delinquent property taxes.

Finally, if the parcel is a portion of a larger parcel that is being segregated and it is being removed from the classification, an official request for segregation must be filed with the Assessor's Office. The segregation must be completed before a remove can be processed on the segregated parcel.

If you have any further questions regarding the special classification or require assistance with any of the forms, please contact:

Pacific County Assessor's Office
PO Box 86
South Bend, WA 98586

360-875-9301 or 360-642-9301

Sign _____ Date _____

To be completed by the buyer

When Recorded Return to:

Notice of Continuance
Land Classified as Current Use or Forest Land
Chapter 84.34 and 84.33 Revised Code of Washington

Grantor(s)/Sellers: _____

Grantee(s)/Buyers: _____

Mailing Address: _____

City, State, Zip: _____ Phone No: _____

Assessor's Parcel No: _____

Address: _____

Legal Description: _____

Date of Sale or Transfer: _____ Date Notice of Continuance
Received by Assessor: _____

Reference numbers of documents assigned or released: _____

Interest in property: ☐ Fee Owner ☐ Contract Purchaser ☐ Other

If the new owner(s) of land classified as current use or designated as forest land wishes to continue the classification or designation, the new owner(s) must sign the last page of this form. A signature is not required if land is transferred to an owner who is an heir or devisee of a deceased owner or transferred by a transfer on death deed and the new owner wants to continue classification or designation. The county assessor must then determine if the land continues to qualify. The county assessor has 15 calendar days, from the date all documentation is received, to determine whether the land will continue to qualify. All new owners must sign before the conveyance is recorded or filed. If the new owner(s) do(es) not desire to continue the classification or designation, all additional tax, interest, and penalty or compensating tax calculated pursuant to RCW 84.34.108 or RCW 84.33.140, will be due and payable by the seller or transferor at the time of sale. Payment in full is required before the conveyance can be recorded or filed.

For Official Office Use Only

Transfer
Document _____

Real Estate
Excise Tax No: _____

To ask about the availability of this publication in an alternate format for the visually impaired, please call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711. For tax assistance, call (360) 534-1400.

A. CLASSIFICATION UNDER CHAPTER 84.34 RCW. I/we request that this land retain the current use classification as ☐ Open Space Land ☒ Farm & Agricultural Land ☐ Timber Land and I am/we are aware of the following land use classifications;

1. OPEN SPACE LAND MEANS EITHER:

- a. any land area so designated by an official comprehensive land use plan adopted by any city or county and zoned accordingly; or
- b. any land area, the preservation of which in its present use would: (i) conserve and enhance natural or scenic resources; (ii) protect streams or water supply; (iii) promote conservation of soils, wetland, beaches, or tidal marshes; (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space;
(v) enhance recreation opportunities; (vi) preserve historic sites; (vii) preserve visual quality along highway, road, and street corridors or scenic vistas; or (viii) retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use on such conditions as may be reasonably required by the legislative body granting the open space classification; or
- c. any land that meets the definition of farm and agricultural conservation land. "Farm and agricultural conservation land" is either; (i) land that was previously classified as farm and agricultural land under RCW 84.34.020(2) that no longer meets the criteria and is reclassified as open space under RCW 84.34.020(1); or (ii) land that is traditional farmland that is not classified under chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a use inconsistent with agricultural uses, and has a high potential for returning to commercial agriculture.

2. FARM AND AGRICULTURAL LAND MEANS EITHER:

- a. any parcel of land or contiguous parcels of land that are twenty or more acres: (i) devoted primarily to the production of livestock or agricultural commodities, for commercial purposes; or (ii) enrolled in the federal conservation reserve program or its successor administered by the United States Department of Agriculture; or (iii) other similar commercial activities as may be established by rule; or
- b. any parcel of land or contiguous parcels of land that are at least five acres but less than twenty acres devoted primarily to agricultural uses which has:
Produced a gross income equal to two hundred dollars or more per acre per year for three out of the five calendar years preceding the date of application for classification under chapter 84.34 RCW;
Standing crops with an expectation of harvest within seven years and a demonstrable investment in the production of those crops equivalent to one hundred dollars or more per acre in the current or previous year; or
Standing crops of short rotation hardwoods with an expectation of harvest within fifteen years and a demonstrable investment in the production of those crops equivalent to one hundred dollars or more per acre in the current or previous year;
For the purposes listed above, "gross income from agricultural uses" includes, but is not limited to, the wholesale value of agricultural products donated to nonprofit food banks or feeding programs;
- c. any parcel of land less than five acres devoted primarily to agricultural uses which has produced a gross income equal to fifteen hundred dollars or more per year for three out of the five calendar years preceding the date of application for classification under chapter 84.34 RCW;

"Commercial agricultural purposes" means the use of land on a continuous and regular basis, prior to and subsequent to application for classification or reclassification that demonstrates that

the owner or lessee is engaged in and intends to obtain through lawful means, a monetary profit from cash income by producing an agricultural product. In addition, commercial agricultural purposes include the following uses of agricultural land:

- Land, one to five acres which is not contiguous (in this context, means non adjoining/touching) to a classified parcel, that constitutes an integral part of the farming operation being conducted on the land qualifying as “farm and agricultural land.”
 - Land, not to exceed twenty percent of classified land that has incidental uses compatible with agricultural purposes, and also the land on which appurtenances necessary to the production, preparation or sale of the agricultural products exist in conjunction with the lands producing such products.
 - Land used primarily for equestrian-related activities, for which a charge is made, including, but not limited to, stabling, training, riding, clinics, schooling, shows, or grazing for feed.
 - Land on which the principal place of residence of the farm operator or owner of land or housing for employees is sited if the farm and agricultural land is classified pursuant to RCW 84.34.020(2)(a), if the residence or housing is on or contiguous to the classified parcel, and the use of the residence or housing is integral to the use of the classified land for agricultural purposes.
 - Any land primarily used for commercial horticultural purposes, whether under a structure or not. Land cannot be primarily used for the storage, care, or selling of plants purchased from other growers for retail sale or covered by more than 20 percent pavement if the primary use is growing plants in containers. If the primary use of the land is growing plants in containers and the land used for this purpose is less than five acres, the land will not qualify for classification if more than 25 percent is open to the general public for on-site retail sales.
3. **TIMBER LAND MEANS** any parcel or contiguous parcels of land five or more acres devoted primarily to the growing and harvesting of forest crops for commercial purposes. Timber land means the land only and does not include a residential home site. The term includes land used for incidental uses that are compatible with the growing and harvesting of timber but no more than ten percent of the land may be used for such incidental uses. It also includes the land on which appurtenances necessary for the production, preparation, or sale of the timber products exist in conjunction with land producing these products.
- a. A request may be filed by the assessor to withdraw from the program after the land has been classified for 10 or more years. No 25 penalty will be imposed. The applicable taxes and interest shall be imposed as provided in RCW 84.34.070.
 - b. If land is removed from classification and the removal does not meet one of the exceptions listed in (3) below, the additional tax and interest described in 1 above plus a penalty of 20% on the sum of the additional tax and interest will be imposed on the owner. The additional tax, interest, and penalty must be paid for the preceding seven tax years and from January 1 of the year of removal up to the date of removal.
 - c. The additional tax, interest, and penalty will not be imposed if the withdrawal or removal from classification resulted solely from:
 - a. transfer to a government entity in exchange for other land located within the state of Washington;
 - b. a taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of this power, said entity having manifested its intent in writing or by other official action;

- c. a natural disaster such as a flood, windstorm, earthquake, or other calamity rather than by virtue of the act of the landowner changing the use of the classified land;
- d. official action by an agency of the state of Washington or by the county or city within which the land is located that disallows the present classified use of the land;
- e. transfer of land to a church when the land would qualify for exemption pursuant to RCW 84.36.020;
- f. acquisition of property interests by a state agencies or agencies or organizations qualified under RCW 64.04.130 and RCW 84.34.210 for the purposes enumerated in those sections;
- g. removal of classified farm and agricultural land under RCW 84.34.020(2)(f) on which the principal residence of the farm operator or owner or housing for employees is located;
- h. removal of land from classification after enactment of a statutory exemption that qualifies the land for exemption and receipt of notice from the owner to remove the land from classification;
- i. the creation, sale, or transfer of forestry riparian easements under RCW 76.13.120;
- j. the creation, sale, or transfer of a conservation easement of private forest lands within unconfined channel migration zones or containing critical habitat for threatened or endangered species under RCW 76.09.040;
- k. The sale or transfer within two years after the death of an owner with at least a fifty percent interest in the land if the land has been continuously assessed and valued as designated forest land under chapter 84.33 RCW or classified under chapter 84.34 RCW since 1993 and the individual(s) or entity(ies) receiving the land from the deceased owner is selling or transferring the land. The date of death shown on a death certificate is the date used; or
- l. The discovery that the land was classified in error through no fault of the owner.

B. CLASSIFICATION UNDER CHAPTER 84.33 RCW. ☐ I/we request that this land retains its designation as forest land and I am/we are aware of the following definition of forest land.

FOREST LAND is synonymous with designated forest land and means any parcel of land or contiguous parcels of land at least five acres that is primarily devoted to and used for growing and harvesting timber and means the land only.

I/we declare that I am/we are aware of the liability of removal of this land from designated forest land and upon removal a compensating tax will be imposed that is equal to the difference between the amount of tax last levied on the land as "forest land" and an amount equal to the new assessed valuation of the land as of January 1 of the year of removal, multiplied by the dollar rate of the last levy extended against the land, multiplied by a number, not greater than nine, equal to the number of years the land was designated as forest land. Compensating tax will also be due on the land from January 1 of the year the designation is removed up to the removal date.

The compensating tax will not be imposed if the removal of designation resulted solely from:

- a. transfer to a government entity in exchange for other forest land located within the state of Washington;
- b. a taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of this power based on official action taken by the entity and confirmed in writing;
- c. a donation of fee title, development rights, or the right to harvest timber, to a government agency or organization qualified under RCW 84.34.210 and 64.04.130 for the purposes enumerated in those sections; the sale or transfer of fee title a governmental entity or a nonprofit nature conservancy, corporation, as defined in RCW 64.04.130, exclusively for the protection and conservation of lands recommended for state natural area preserve purposes by the natural heritage council and natural heritage plan as defined in chapter 79.70 RCW or approved for state natural resources conservation are purposes as defined in chapter 79.71 RCW, or for acquisition and management as a community

forest trust as defined in chapter 79.155 RCW. At such time as the land is not used for the purposes enumerated, the compensating tax will be imposed upon the current owner;

- d. the sale or transfer of fee title to the parks and recreation commission for park and recreation purposes;
- e. official action by an agency of the state of Washington or by the county or city within which the land is located that disallows the present use of the land;
- f. the creation, sale, or transfer of forestry riparian easements under RCW 76.13.120;
- g. the creation, sale, or transfer of a conservation easement of private forest lands within unconfined channel migration zones or containing critical habitat for threatened or endangered species under RCW 76.09.040;
- h. the sale or transfer within two years after the death of an owner with at least a fifty percent interest in the land if the land has been continuously assessed and valued as designated forest land under chapter 84.33 RCW or classified under chapter 84.34 RCW since 1993 and the individual(s) or entity(ies) receiving the land from the deceased owner is selling or transferring the land. The date of death shown on a death certificate is the date used;
- i. the discovery that the land was designated in error through no fault of the owner; or
- j. a transfer of a property interest, in a county with a population of more than six hundred thousand inhabitants or in a county with a population of at least two hundred forty-five thousand inhabitants that borders Puget Sound as defined in RCW 90.71.010, to a government entity, or to a nonprofit historic preservation corporation or nonprofit nature conservancy corporation, as defined in RCW 64.04.130, to protect or enhance public resources, or to preserve, maintain improve, restore, limit the future use of, or otherwise to conserve for public use or enjoyment, the property interest being transferred. At such time as the land is not used for the purposes enumerated, the compensating tax will be imposed upon the current owner.
- k. Compensating tax authorized in this section may not be imposed on land removed from designation of forestland solely as a result of a natural disaster such as a flood, windstorm, earthquake, wildfire or other such calamity rather than by virtue of the act of the landowner changing the use of the property.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

Please describe how you intend to use the land for continued classification or designation:*

***The assessor may require additional information from the seller(s) and/or Buyer(s) to determine whether the land will continue to qualify for classification or designation.**

***The assessor may require additional information from the seller(s) and/or buyer(s) to determine whether the land will continue to qualify for classification or designation.**

Is there a reclassification pending for this parcel(s)?

☐ Yes ☐ No

If yes, have you notified the granting authority, in writing, that you wish to continue with the reclassification process?

☐ Yes ☐ No

If yes, do you understand your rights and responsibilities if the reclassification is approved or denied?

☐ Yes ☐ No

Buyer's Signature

Date

Address

Buyer's Signature

Date

Address

Assessor Use Only

Does the parcel(s) subject to this document meet the qualifications for classification/designation continuance? ☐ Yes ☐ No

Assessor Signature

Date

If the parcel(s) subject to this document is/are considered contiguous, as defined in RCW 84.33.035(4) or RCW 84.34.020(6), with other parcels having different ownerships, then verify the following information with the purchaser:

- ☐ The parcel(s) subject to this document will be managed as part of a single operation with the other parcels having different ownerships.
- ☐ The new purchaser meets the definition of "family" as defined in RCW 84.34.020(6)(b)(ii) with the owner of an adjoining parcel.

Pacific County
Assessor's Office
360-875-9301

Farm and Agricultural Management Plan
For Purchasers Wishing To Continue in the Current Use
Classification
Pursuant to RCW 84.34

For Office Use Only

Date Received

Received by

Purchaser(s)/New Property Owner(s): *Please fill out the following*
Owner Name(s); Parcel Number(s)

Total Acres

_____	_____	_____
_____	_____	_____

Mailing Address (Number/Street/City/State/Zip Code)

Property Address (Number/Street/City)

_____	_____
-------	-------

Contact Telephone Number

Legal Description: _____

Will you be using eighty percent (80%) or more of this property for commercial/agricultural purposes? Yes ☐ No ☐

Are all parcels involved in this transaction contiguous? Yes ☐ No ☐

Do you have any adjoining agricultural property (not involved in this transaction) in the current use program? Yes ☐ No ☐

*All farm equipment (including irrigation system) is taxable.
This includes hobby farms, personal use & commercial farm equipment.*

Do you own farm equipment that is located in Pacific County? Yes ☐ No ☐

Do you report your personal property to Pacific County? Parcel # _____ Yes ☐ No ☐

Will you be bringing any farm equipment into Pacific County? Yes ☐ No ☐

Please select the following category (s) that describe the primary use of the land.

Raising, Harvesting and Selling lawful crops Acres Used: _____

Types of Crops: _____

Feeding, Breeding, Managing & Selling livestock, poultry, etc. Acres Used: _____

Types of Animal _____

Number of Animals _____

Dairying or Selling of Dairy Products Acres Used: _____

Type of Product(s): _____

Aquaculture Production Acres Used: _____

Type of Product(s): _____

Enrolled in C.R.P. Acres Used: _____

What are your goals and objectives for the five years after purchase?

1 st Year	_____
2 nd Year	_____
3 rd Year	_____
4 th Year	_____
5 th Year	_____

Estimate your commercial/agricultural income for the five years after purchase.

1st Year _____ 2nd Year _____ 3rd Year _____ 4th Year _____ 5th Year _____

By signing, I (we) acknowledge that I will be using this property for commercial/agricultural usage. If I do not use this property for commercial/agricultural purposes, I understand I will be subject to compensating taxes and penalties as per RCW 84.34.108.

Purchaser Signature Purchaser Signature Date: _____

Purchaser Signature Purchaser Signature Date: _____

Current Use Agricultural Plan