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HOUSE BILL 1619

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State of Washington                      52nd Legislature                      1991 Regular Session

By Representatives Mitchell, Nelson, Franklin, Wynne, Ferguson, Haugen, Cooper, Rayburn, Roland, Wood, Edmondson, Nealey, Zellinsky, Ogden, Ballard, Winsley, Tate, Paris, D. Sommers, Brough, Wilson, Betrozoff, Jacobsen, Bowman, R. Johnson, Leonard, Padden, Miller and Moyer.

Read first time February 4, 1991.                      Referred to Committee on Housing\Revenue.

1            AN ACT Relating to property tax exemptions for improvements to  
2 multifamily rental housing; and adding a new section to chapter 84.36  
3 RCW.

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

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 84.36 RCW  
6 to read as follows:

7            (1) Any physical improvement to multifamily residential dwellings  
8 upon real property shall be exempt from taxation for the three  
9 assessment years subsequent to the completion of the improvements. In  
10 order to qualify for the property tax exemption the property must meet  
11 the following requirements:

12            (a) The building must be: (i) Owned by a nonprofit organization  
13 eligible to receive housing trust fund assistance under chapter 43.185  
14 RCW; or (ii) leased by an organization eligible to receive housing  
15 trust fund assistance under chapter 43.185 RCW.

1 (b) The building must contain two or more residential dwelling  
2 units.

3 (c) The value of the improvements shall not exceed fifty percent of  
4 the original value of the structure.

5 (d) Twenty percent or more of the dwelling units in the structure  
6 must be occupied by tenants whose incomes are at or below fifty percent  
7 of the median family income, adjusted for household size, for the  
8 county where the structure is located or at least forty percent of the  
9 dwelling units in the structure must be occupied by tenants whose  
10 incomes are at or below sixty percent of the median family income,  
11 adjusted for household size, for the county where the project is  
12 located.

13 (e) The gross rents charged to tenants in dwelling units described  
14 in (d) of this subsection shall not exceed fifteen percent of the area  
15 median income, adjusted for household size, for the county where the  
16 project is located. As used in this subsection (1)(e), gross rent is  
17 considered to include all utilities, other than telephone expenses, but  
18 does not include payments under a federal, state, or local rent subsidy  
19 program designed to make the dwelling unit in the structure affordable  
20 to low-income households.

21 (2) Application for the exemption granted by this section must be  
22 made prior to the improvements being made. The application shall be  
23 made on forms prescribed by the department and furnished to the  
24 taxpayer by the county auditor. This exemption can not be claimed more  
25 than once in a five-year period.

26 (3) The department, with approval of the department of community  
27 development, shall adopt such rules as are necessary and convenient to  
28 properly administer the provisions of this section.

1       (4) Applications and any other information received by the  
2 department under this section shall not be confidential and shall be  
3 subject to disclosure.

4       (5) This section shall expire January 1, 2001, unless extended by  
5 law for an additional period of time.