

2 SHB 1345 - S AMD - 351
3 By Senator Benton

4 NOT ADOPTED - ROLL CALL VOTE 17-32; 4/16/99

5 Strike everything after the enacting clause and insert the
6 following:

1 "NEW SECTION. **Sec. 1.** A new section is added to chapter 84.36 RCW
2 to read as follows: (1) The real and personal property owned or used
3 in providing rental housing for very low-income households is exempt
4 from taxation if:

5 (a) At least seventy-five percent of the occupied dwelling units in
6 the rental housing are occupied by very low-income households; and

7 (b) The rental housing was insured, financed, or assisted in whole
8 or in part through:

9 (i) A federal or state housing program administered by the
10 department of community, trade, and economic development; or

11 (ii) An affordable housing levy authorized under RCW 84.52.105.

12 (2) If less than seventy-five percent of the dwelling units are
13 occupied by very low-income households, the rental housing used to
14 provide housing for very low-income households is eligible for a
15 partial exemption on the real property and a total exemption of the
16 housing's personal property as follows:

17 (a) The partial exemption shall be allowed for each dwelling unit
18 in the rental housing occupied by very low-income households.

19 (b) The amount of exemption shall be calculated by multiplying the
20 assessed value of the property reasonably necessary to provide the
21 rental housing by a fraction. The numerator of the fraction is the
22 number of dwelling units occupied by very low-income households as of
23 January 1st of the year for which the exemption is claimed. The
24 denominator of the fraction is the total number of occupied dwelling
25 units as of January 1st of the year for which exemption is claimed.

26 (3) To be exempt under this section, the property must be used
27 exclusively for the purposes for which exemption is granted, except as
28 provided in RCW 84.36.805.

29 (4) The entity qualifying for the exemption under this section by
30 providing rental housing for very low-income households may agree to

1 make payments to the city, county, or other political subdivision for
2 improvements, services, and facilities furnished by the city, county,
3 or political subdivision for the benefit of the rental housing.
4 However, these payments shall not exceed the amount last levied as the
5 annual tax of the city, county, or political subdivision upon the
6 property prior to exemption.

7 (5) As used in this section:

8 (a) "Occupied dwelling unit" means a living unit that is occupied
9 on January 1st of the year in which the claim for exemption is
10 submitted;

11 (b) "Rental housing" means residential housing that is occupied but
12 not owned by very low-income households;

13 (c) "Very low-income households" means a single person, family, or
14 unrelated persons living together whose income is at or below fifty
15 percent of the median income adjusted for family size as most recently
16 determined by the federal department of housing and urban development
17 for the county in which the rental housing is located and in effect as
18 of January 1st of the year the application for exemption is submitted;
19 and

20 **Sec. 2.** RCW 84.36.810 and 1998 c 311 s 26 and 1998 c 202 s 4 are
21 each amended to read as follows:

22 (1) Upon cessation of a use under which an exemption has been
23 granted pursuant to RCW 84.36.030, 84.36.037, 84.36.040, 84.36.041,
24 84.36.043, 84.36.046, 84.36.050, 84.36.060, 84.36.550, ((and))
25 84.36.042, and section 1 of this act, the county treasurer shall
26 collect all taxes which would have been paid had the property not been
27 exempt during the three years preceding, or the life of such exemption,
28 if such be less, together with the interest at the same rate and
29 computed in the same way as that upon delinquent property taxes. Where
30 the property has been granted an exemption for more than ten years,
31 taxes and interest shall not be assessed under this section.

32 (2) Subsection (1) of this section applies only when ownership of
33 the property is transferred or when fifty-one percent or more of the
34 area of the property has lost its exempt status. The additional tax
35 under subsection (1) of this section shall not be imposed if the
36 cessation of use resulted solely from:

1 (a) Transfer to a nonprofit organization, association, or
2 corporation or other entity for a use which also qualifies and is
3 granted exemption under the provisions of chapter 84.36 RCW;

4 (b) A taking through the exercise of the power of eminent domain,
5 or sale or transfer to an entity having the power of eminent domain in
6 anticipation of the exercise of such power;

7 (c) Official action by an agency of the state of Washington or by
8 the county or city within which the property is located which disallows
9 the present use of such property;

10 (d) A natural disaster such as a flood, windstorm, earthquake, or
11 other such calamity rather than by virtue of the act of the
12 organization, association, or corporation changing the use of such
13 property;

14 (e) Relocation of the activity and use of another location or site
15 except for undeveloped properties of camp facilities exempted under RCW
16 84.36.030;

17 (f) Cancellation of a lease on property that had been exempt under
18 RCW 84.36.040, 84.36.041, 84.36.043, 84.36.046, 84.36.060, or
19 84.36.042, or section 1 of this act;

20 (g) A change in the exempt portion of a home for the aging under
21 RCW 84.36.041(3), as long as some portion of the home remains exempt((+)

22 ~~(h) The conversion of a full exemption of a home for the aging to~~
23 ~~a partial exemption or taxable status or the conversion of a partial~~
24 ~~exemption to taxable status under RCW 84.36.041(8)).~~

25 NEW SECTION. **Sec. 3.** This act applies to taxes levied in 1999 for
26 collection in 2000 and thereafter."

27 Renumber the sections consecutively and correct any internal
28 references accordingly.

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31 NOT ADOPTED 4/16/99

32 On page 1, on line 2 of the title, after "amending RCW" strike
33 "84.36.805 and"

--- END ---

EFFECT: The property tax exemption is not limited to non-profits.