

---

HOUSE BILL 1946

---

State of Washington

56th Legislature

1999 Regular Session

By Representatives Wensman, Wolfe, Skinner, Ballasiotes, Radcliff, Van Luven, Santos, Veloria, Eickmeyer and Ogden

Read first time 02/11/1999. Referred to Committee on Finance.

1 AN ACT Relating to exemption of property taxes for federally  
2 assisted housing; adding a new section to chapter 84.36 RCW; and  
3 creating a new section.

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) The real and personal property owned by a for-profit  
8 organization, association, or corporation in providing rental housing  
9 that is occupied by very low-income households is exempt from taxation  
10 if:

11 (a) The rental housing is considered federally assisted housing  
12 under RCW 59.28.020;

13 (b) The federally assisted housing is subject to a rental subsidy  
14 contract or use restrictions that will expire within two years of  
15 application for the exemption under this section;

16 (c) The owner or owners of the federally assisted housing agrees to  
17 renew the rental subsidy contract or extend the use restrictions for  
18 the term of the exemption under this section;

1 (d) The owner or owners is in compliance with all federal or state  
2 regulatory agreements regarding the use of the property;

3 (e) The owner or owners enters into a contractual agreement with  
4 the United States department of housing and urban development to not  
5 reduce the subsidy level to the federally assisted housing; and

6 (f) The owner or owners commit to give the right of first refusal  
7 to purchase the property to a nonprofit organization, association, or  
8 corporation that will maintain the housing for very low-income  
9 households.

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

15 (a) The partial exemption shall be allowed for each dwelling unit  
16 in the federally assisted housing that is occupied by very low-income  
17 households.

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

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

28 (4) The for-profit organization, association, or corporation  
29 qualifying for the exemption under this section by providing rental  
30 housing for very low-income households may agree to make payments to  
31 the city, county, or other political subdivision for improvements,  
32 services, and facilities furnished by the city, county, or political  
33 subdivision for the benefit of the rental housing. However, these  
34 payments shall not exceed the amount last levied as the annual tax of  
35 the city, county, or political subdivision upon the property prior to  
36 exemption.

37 (5) As used in this section:

38 (a) "Federally assisted housing" has the same meaning as in RCW  
39 59.28.020;

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

4 (c) "Rental housing" means residential housing that is occupied but  
5 not owned by very low-income households; and

6 (d) "Very low-income households" means a single person, family, or  
7 unrelated persons living together whose income is at or below fifty  
8 percent of the median income adjusted for family size as most recently  
9 determined by the federal department of housing and urban development  
10 for the county in which the rental housing is located and in effect as  
11 of January 1st of the year the application for exemption is submitted.

12 NEW SECTION. **Sec. 2.** This act applies to taxes levied in 1999 for  
13 collection in 2000 and thereafter.

--- END ---