
HOUSE BILL 2267

State of Washington

56th Legislature

1999 Regular Session

By Representatives Doumit, Mielke, Hatfield, Pennington, Romero, Haigh, DeBolt, Kenney, Eickmeyer, Santos, Kessler and Rockefeller

Read first time 03/10/1999. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to a tax credit for financial institutions
2 assisting victims of certain natural disasters; adding a new section to
3 chapter 82.04 RCW; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
6 to read as follows:

7 (1) In computing the tax imposed under this chapter, a credit is
8 allowed for each financial institution for each loan in which part or
9 all of the principal balance owed is forgiven to assist the victim of
10 a landslide that has been declared a natural disaster by the state and
11 federal governments. The loan must be secured by a home that is in the
12 boundaries of the declared disaster area and the home is or will be a
13 total loss or is or will be permanently uninhabitable.

14 (2)(a) The credit is equal to one quarter of the amount forgiven,
15 up to a maximum credit per loan of fifty thousand dollars.

16 (b) If less than the total principal balance is forgiven, the
17 financial institution may claim the credit only if the partial
18 forgiveness is part of a plan to assist multiple victims of the

1 disaster and involves multiple financial institutions in a pooling or
2 other arrangement.

3 (c) The department may request verification from the military
4 department or other state agency that the loan is secured by a home in
5 the declared disaster area, that (b) of this subsection applies, or may
6 request other reasonable verification.

7 (3) For purposes of this section:

8 (a) "Financial institution" means any person to which a loan is
9 owed.

10 (b) "Loan" means an obligation secured by a deed of trust or
11 mortgage on a single-family residence that is located in a state and
12 federally declared natural disaster area resulting from a landslide.

13 (4) This section applies to all loans or parts of loans forgiven
14 after the effective date of this section.

15 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 immediately.

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