

# SENATE BILL REPORT

## 2ESB 5872

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As Passed Senate, February 5, 2002

**Title:** An act relating to the property tax exemption for new or rehabilitated multiple-unit dwellings.

**Brief Description:** Modifying the multiple-unit property tax exemption.

**Sponsors:** Senators Prentice, Kohl-Welles, Kline and Fairley.

**Brief History:**

**Committee Activity:** Labor, Commerce & Financial Institutions: 2/20/01, 2/26/01 [DP, DNP].

Passed Senate: 3/12/01, 49-0; 2/5/02, 46-0.

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### SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Gardner, Vice Chair; Fairley, Franklin, Patterson, Rasmussen and Regala.

**Minority Report:** Do not pass.

Signed by Senators Benton and West.

**Staff:** Elizabeth Mitchell (786-7430)

**Background:** A law providing for ten-year property tax exemptions of some urban multiple-unit dwellings was enacted in 1995. Both new and rehabilitated properties are eligible for this exemption. In order to qualify for the exemption, a property must be located in an urban residential target area, provide a minimum of 50 percent permanent residential occupancy, and meet other criteria determined by cities, including low-income or moderate-income occupancy requirements.

**Summary of Bill:** In the case of qualifying units that are or will be segregated into separate tax parcels for sale as condominiums or another form of individual ownership, cities may restrict the property tax exemption to those units designated low or moderate income.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill fixes a minor error in current law. There is currently confusion over what to do if one person in a multi-unit dwelling loses their low income eligibility.

**Testimony Against:** None.

**Testified:** Nick Federici, Washington State Low Income Housing Congress.