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**Finance Committee**

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**HB 1723**

**Brief Description:** Exempting qualified historic property from the state property tax.

**Sponsors:** Representatives Carrell, Gombosky, Talcott, Cairnes and Roach.

**Brief Summary of Bill**

- Exempts historic property on which expenditures for maintenance and repairs exceed 10 percent of the assessed value of the residential structure from the state property tax.

**Hearing Date:** 2/20/03

**Staff:** Rick Peterson (786-7150).

**Background:**

All real and personal property in this state is subject to property tax each year based on its value unless a specific exemption is provided by law. Qualifying historic buildings are eligible for a "special valuation" for property tax levies for a ten year period after they qualify. This special valuation is equal to the building's assessed value less the costs of restoring or rehabilitating the property. These costs must be equal to at least 25 percent of the assessed value of the property (exclusive of the value attributable to land) before restoration or rehabilitation. Historic property must be listed on a local list of historic places or the national register of historic places.

**Summary of Bill:**

An additional property tax exemption is provided to qualified historic property. Historic property on which expenditures for maintenance and repairs exceed 10 percent of the assessed value of the residential structure are eligible for a property tax exemption on the state property tax. The property must be listed on a local register of historic places, the Washington heritage register or the national register of historic places. The property must be residential property occupied by the owner. Maintenance and repair activity must comply with minimum standards that protect the elements which qualify the property as historically significant.

**Appropriation:** None.

**Fiscal Note:** Preliminary Available.

**Effective Date:** The bill takes effect ninety days after adjournment of session in which bill is passed.