

SENATE BILL REPORT

SHB 1723

As of March 27, 2003

Title: An act relating to the property taxation of qualified historic property.

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

Sponsors: House Committee on Finance (originally sponsored by Representatives Carrell, Gombosky, Talcott, Cairnes and Roach).

Brief History:

Committee Activity: Ways & Means: 3/26/03.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Terry Wilson (786-7433)

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 exemption from the state property tax is provided for owner-occupied residential property on which expenditures for maintenance and repairs exceed 10 percent of the assessed value of the residential structure. The property must be listed on a local register of historic places, the Washington Heritage Register, or the National Register of Historic Places. Maintenance and repair activity must comply with minimum standards that protect the elements which qualify the property as historically significant.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This will keep property of statewide significance on the tax rolls. It was drafted for Thornwood Castle that was featured in the movie Rose Red. It is the only Tudor castle on the west coast. It cost \$11 million to build in 1911 and would cost \$30 million today. It has a lead roof that needs replacement which would cost \$200,000. This is a one-year shift. This bill provides an incentive to maintain our history. The North Slope Historical District in Tacoma would also benefit from this bill. It is a good tool to encourage maintenance of these properties.

Testimony Against: None.

Testified: PRO: Representative Carrell, prime sponsor; Mary Thompson, WA Trust for Historic Preservation; Randy Lewis, City of Tacoma; Bob Mack, City of Lakewood.