H-2310.3

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**HOUSE BILL 2193**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Robinson, Sells, Kagi, and Santos

AN ACT Relating to modifying the property tax exemption for property used to provide housing for eligible persons with developmental disabilities; amending RCW 84.36.042; and creating a new section.

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

**Sec.**  RCW 84.36.042 and 1998 c 202 s 1 are each amended to read as follows:

(1) All real and personal property owned or leased by a nonprofit organization, corporation, or association to provide housing for eligible persons with developmental disabilities is exempt from property taxation.

(a) To qualify for this exemption, the nonprofit organization, corporation, or association must be qualified for exemption under section 501(c)(3) of the internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(3)). It must also have been organized for charitable purposes to create and preserve long-term affordable housing for low-income ((~~developmentally disabled persons~~)) individuals with developmental disabilities.

(b) The housing must be (i) occupied by eligible persons who have a low income, or (ii) an adult family home, as defined in RCW 70.128.010, that is occupied by eligible persons with developmental disabilities, if at least seventy-five percent of the eligible persons have a low income.

(2) ((~~As used in this section:~~)) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Developmental disability" means the same as defined in RCW 71A.10.020;

(b) "Eligible person" means the same as defined in RCW 71A.10.020; and

(c) "Low income" means the adjusted gross income of the resident is at eighty percent or less of the median income adjusted for family size, as most recently determined by the federal department of housing and urban development for the county in which the housing is located and in effect as of January 1st of the assessment year for which the exemption is sought. "Adjusted gross income" is as defined in the federal internal revenue code of 1986, as it exists on June 11, 1998, or such subsequent date as the director may provide by rule consistent with the purpose of this section.

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

(4) If the real or personal property for which exemption is sought is leased, the benefit of the exemption must inure to the nonprofit organization, corporation, or association leasing the property to provide the housing for ((~~developmentally disabled persons~~)) individuals with developmental disabilities.

NEW SECTION. **Sec.**  This act applies to taxes levied for collection in 2016 and thereafter.

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