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SENATE BILL 6211

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State of Washington

64th Legislature

2016 Regular Session

By Senators Dammeier, Rolfes, Fraser, Conway, McCoy, O'Ban, Litzow, Fain, Rivers, Becker, Darneille, McAuliffe, Habib, Chase, and Benton

Read first time 01/13/16. Referred to Committee on Human Services, Mental Health & Housing.

1 AN ACT Relating to the exemption of property taxes for nonprofit  
2 homeownership development; amending RCW 84.36.812; adding a new  
3 section to chapter 84.36 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.36  
6 RCW to read as follows:

7 (1) The following property is exempt from taxation: Real property  
8 owned by a nonprofit entity for the purpose of building on the real  
9 property one or more residences to be sold to low-income households,  
10 if the nonprofit entity that is the owner of such property sold at  
11 least one residence on the property to a low-income household within  
12 the ten years immediately preceding the submission of an application  
13 for exemption under this section.

14 (2) The exemption provided in this section expires on or at the  
15 earlier of:

16 (a) The date on which the nonprofit entity transfers title to the  
17 residence on the real property; or

18 (b) The end of the seventh consecutive property tax year for  
19 which the property is granted an exemption under this section or, if  
20 the nonprofit entity has claimed an extension under subsection (3) of

1 this section, the end of the tenth consecutive property tax year for  
2 which the property is granted an exemption under this section.

3 (3) If the nonprofit entity believes that title to the residences  
4 on the property will not be transferred by the end of the sixth  
5 consecutive property tax year, the nonprofit entity may claim a  
6 three-year extension of the exemption period by:

7 (a) Filing a notice of extension with the department on or before  
8 March 31st of the sixth consecutive property tax year; and

9 (b) Providing a filing fee equal to the greater of two hundred  
10 dollars or one-tenth of one percent of the real market value of the  
11 property as of the most recent assessment date with the notice of  
12 extension.

13 (4)(a) If the nonprofit entity has not transferred title to the  
14 residences on the property within the periods described in subsection  
15 (2) of this section, the property is disqualified from the exemption.

16 (b) Upon disqualification, the county treasurer must collect all  
17 taxes that would have been paid on the property but for the existence  
18 of the exemption, plus interest at the same rate and computed in the  
19 same way as that upon delinquent property taxes.

20 (5) The definitions in this subsection apply throughout this  
21 section unless the context clearly requires otherwise.

22 (a) "Low-income household" means a single person, family, or  
23 unrelated persons living together whose adjusted income is less than  
24 eighty percent of the median family income, adjusted for family size  
25 as most recently determined by the federal department of housing and  
26 urban development for the county in which the property is located.

27 (b) "Nonprofit entity" means a nonprofit as defined in RCW  
28 84.36.800 that is exempt from federal income taxation under 26 U.S.C.  
29 Sec. 501(c)(3) of the federal internal revenue code of 1986, as  
30 amended.

31 **Sec. 2.** RCW 84.36.812 and 2001 c 185 s 9 are each amended to  
32 read as follows:

33 All additional taxes imposed under RCW 84.36.262 ~~((of))~~,  
34 84.36.810 ~~((shall))~~, or section 1 of this act become due and payable  
35 by the seller or transferor at the time of sale. The county auditor  
36 ~~((shall))~~ may not accept an instrument of conveyance unless the  
37 additional tax has been paid or the department ~~((of—revenue))~~  
38 determined that the property is not subject to RCW 84.36.262 ~~((of))~~,  
39 84.36.810, or section 1 of this act. The seller, the transferor, or

1 the new owner may appeal the assessed values upon which the  
2 additional tax is based to the county board of equalization in  
3 accordance with the provisions of RCW 84.40.038.

4 NEW SECTION. **Sec. 3.** This act applies to taxes levied in 2016  
5 for collection in 2017 and thereafter.

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