
SUBSTITUTE SENATE BILL 6311

State of Washington

64th Legislature

2016 Regular Session

By Senate Human Services, Mental Health & Housing (originally sponsored by Senators Keiser, Darneille, Takko, Hobbs, and Conway)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to providing a property tax exemption for certain
2 property within an affordable housing incentive zone; and adding new
3 sections to chapter 84.36 RCW.

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 The definitions in this section apply throughout sections 2 and 3
8 of this act unless the context clearly requires otherwise.

9 (1) "Affordable housing" means a single-family dwelling unit or
10 multifamily dwelling units affordable and rented to a single person,
11 family, or household of unrelated persons living together whose
12 combined annual income is at or below eighty percent of the area
13 median income, adjusted for household size, as reported by the United
14 States department of housing and urban development. For purposes of
15 this exemption, rent is affordable if, including utilities other than
16 telephone, it does not exceed thirty percent of the monthly household
17 income of persons at eighty percent of area median income.

18 (2) "Affordable housing incentive zone" means an area that has
19 been designated by the governing authority as an affordable housing
20 incentive zone in accordance with section 2 of this act.

1 (3) "Governing authority" means the local legislative authority
2 of a city or county having land use planning jurisdiction over the
3 property for which an exemption may be applied for under this
4 chapter.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.36
6 RCW to read as follows:

7 (1) The governing authority of any city or county in which the
8 county legislative authority has determined that establishment of
9 affordable housing incentive zones would further the public interest
10 in preserving or creating affordable housing may designate an
11 affordable housing incentive zone in accordance with this section.

12 (2) Prior to designating an affordable housing incentive zone,
13 the governing authority must provide written notice to each taxing
14 district located in the proposed zone and publish notice in a paper
15 having a general circulation in the city or county where the proposed
16 zone is located of its intent to hold a hearing to consider
17 designation of the area. Such notice must be provided not less than
18 thirty days before the date of the hearing and must include such
19 information pertaining to the designation as the governing authority
20 determines appropriate to apprise the public of the action intended.

21 (3) Following the hearing, or a continuance of the hearing, the
22 governing authority may designate all or a portion of the area
23 described in the notice as an affordable housing incentive zone if it
24 finds, in its sole discretion, that:

25 (a) The area lacks sufficient available, desirable, and
26 convenient affordable residential housing to meet the needs of the
27 public; and

28 (b) Designation of an area as an affordable housing incentive
29 zone is likely to encourage the construction or preservation of
30 needed affordable housing units within the area.

31 (4) The governing authority may terminate its designation of an
32 affordable housing incentive zone if it finds, in its sole
33 discretion, that the criteria in subsection (3) of this section are
34 no longer satisfied. Prior to termination, the governing authority
35 shall publish notice in a paper having a general circulation in the
36 city or county where the proposed zone is located of its intent to
37 hold a hearing to consider termination of its designation. Such
38 notice must be provided not less than thirty days before the date of

1 the hearing and must include information that the governing authority
2 determines appropriate to apprise the public of the action intended.

3 (5) The definitions in section 1 of this act apply to this
4 section.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.36
6 RCW to read as follows:

7 (1) Except for the levy for common schools in RCW 84.52.065, all
8 real property within an affordable housing incentive zone designated
9 under section 2 of this act that is owned or used by a person to
10 provide affordable housing is exempt from taxation under this
11 chapter.

12 (2) In determining the portion of the property that is exempt
13 from taxation under this section, such portion of the property must
14 include the percentage of the property's total land and improvement
15 area that equals the percentage of total improved area dedicated to
16 affordable housing during the period in which the exemption is
17 sought.

18 (3) All claims for exemption and renewal applications must be
19 made on application forms that are prescribed and furnished by the
20 assessor and submitted annually by the person entitled to the
21 exemption under penalty or perjury. Applications must be accompanied
22 by such documentation as the assessor deems appropriate to confirm
23 that, during the period in which the exemption is sought, rents are
24 affordable in each of the units for which an exemption is sought and
25 households in each of the units for which an exemption is sought have
26 annual income at or below eighty percent of area median income. The
27 assessor may require confirming documentation of household income and
28 rent charged within exemption units for any period during which the
29 exemption applies. Failure to provide requested documentation may
30 result in the denial or revocation of the exemption and repayment in
31 accordance with subsection (5) of this section. The county
32 legislative authority may establish application fees to cover the
33 assessor's anticipated cost of administering the exemption under this
34 section.

35 (4) The exemption must be denied or revoked if a jurisdiction
36 responsible for enforcement has determined that the property used to
37 provide affordable housing is in violation of any health, building,
38 fire, safety, housing, zoning, or land use codes.

1 (5) The taxpayer must notify the assessor within sixty days of
2 ceasing to provide any affordable housing unit identified in the
3 exemption application. The failure to maintain any of the affordable
4 housing units identified in the exemption application must result in
5 revocation of the exemption as to that unit.

6 (6) Upon revocation of the exemption, the county treasurer must
7 collect all taxes that would have been paid in the exemption year if
8 such property had not been exempt, together with the interest at the
9 same rate and computed in the same way as that upon delinquent
10 property taxes under RCW 84.40.380.

11 (7) The denial or revocation of an affordable housing exemption
12 is subject to appeal under the provisions of RCW 84.48.010 and in
13 accordance with the provisions of RCW 84.40.038.

14 (8) Tenant identifying information and income data obtained by
15 the assessor under this section may be used only to administer this
16 affordable housing exemption. Notwithstanding any provision of law to
17 the contrary, absent written consent by the person about whom the
18 information or facts have been obtained, the tenant identifying
19 information and income data may not be disclosed by the assessor or
20 the assessor's agents or employees to anyone other than the
21 department or the department's agents or employees nor by the
22 department or the department's agents or employees to anyone other
23 than the assessor or the assessor's agents or employees except in an
24 administrative or judicial proceeding pertaining to the taxpayer's
25 entitlement to the tax exemption.

26 (9) The definitions in section 1 of this act apply to this
27 section.

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