

**SHB 2620 - H AMD 1672**

By Representative Springer

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) This section is the tax preference  
4 performance statement for the tax preferences contained in section 2,  
5 chapter . . ., Laws of 2020 (section 2 of this act). This performance  
6 statement is only intended to be used for subsequent evaluation of  
7 the tax preferences. It is not intended to create a private right of  
8 action by any party or be used to determine eligibility for  
9 preferential tax treatment.

10 (2) The legislature categorizes these tax preferences as ones  
11 intended to induce certain designated behavior by taxpayers, as  
12 indicated in RCW 82.32.808(2) (a).

13 (3) It is the legislature's specific public policy objective to  
14 incentivize local governments and multifamily housing owners to  
15 maintain or expand existing income-restricted unit stock that have  
16 been incentivized through the tax exemption provided under chapter  
17 84.14 RCW.

18 (4) It is the legislature's intent to provide the value of new  
19 housing construction, conversion, and rehabilitation improvements  
20 qualifying under chapter 84.14 RCW an exemption from ad valorem  
21 property taxation for eight to twelve years or more, as provided for  
22 in RCW 84.14.020, in order to provide incentives to developers to  
23 construct or rehabilitate multifamily housing thereby increasing the  
24 number of affordable housing units, or preserving the state's stock  
25 of income-restricted units, for low-income to moderate-income  
26 residents in certain urban growth areas.

27 (5) The legislature intends to extend the tax preferences in  
28 section 2, chapter . . ., Laws of 2020 (section 2 of this act), if a  
29 review finds that the stock of income-restricted units in the state  
30 is preserved as a result of the extensions provided in RCW  
31 84.14.020(1) (c).

1 (6) In order to obtain the data necessary to perform the review  
2 in subsection (5) of this section, the joint legislative audit and  
3 review committee must refer to the annual reports compiled by the  
4 department of commerce under RCW 84.14.100 and may refer to data  
5 provided by counties or cities in which persons are utilizing the  
6 preferences, the office of financial management, the department of  
7 commerce, the United States department of housing and urban  
8 development, and any other data sources, as needed by the joint  
9 legislative audit and review committee.

10 **Sec. 2.** RCW 84.14.020 and 2007 c 430 s 4 are each amended to  
11 read as follows:

12 (1)(a) The value of new housing construction, conversion, and  
13 rehabilitation improvements qualifying under this chapter is exempt  
14 from ad valorem property taxation, as follows:

15 (i) For properties for which applications for certificates of tax  
16 exemption eligibility are submitted under this chapter (~~(84.14-RCW)~~)  
17 before July 22, 2007, the value is exempt for ten successive years  
18 beginning January 1 of the year immediately following the calendar  
19 year of issuance of the certificate; and

20 (ii) For properties for which applications for certificates of  
21 tax exemption eligibility are submitted under this chapter (~~(84.14~~  
22 ~~RCW)~~) on or after July 22, 2007, the value is exempt:

23 (A) For eight successive years beginning January 1st of the year  
24 immediately following the calendar year of issuance of the  
25 certificate; or

26 (B) For twelve successive years beginning January 1st of the year  
27 immediately following the calendar year of issuance of the  
28 certificate, if the property otherwise qualifies for the exemption  
29 under this chapter (~~(84.14-RCW)~~) and meets the conditions in this  
30 subsection (1)(a)(ii)(B). For the property to qualify for the twelve-  
31 year exemption under this subsection, the applicant must commit to  
32 renting or selling at least twenty percent of the multifamily housing  
33 units as affordable housing units to low and moderate-income  
34 households, and the property must satisfy that commitment and any  
35 additional affordability and income eligibility conditions adopted by  
36 the local government under this chapter. In the case of projects  
37 intended exclusively for owner occupancy, the minimum requirement of  
38 this subsection (1)(a)(ii)(B) may be satisfied solely through housing  
39 affordable to moderate-income households.

1 (b) The exemptions provided in (a)(i) and (ii) of this subsection  
2 do not include the value of land or nonhousing-related improvements  
3 not qualifying under this chapter.

4 (c) For properties receiving an exemption as provided in  
5 (a)(ii)(A) or (B) of this subsection as of the effective date of this  
6 section, the exemption is extended for an additional two successive  
7 years. Any eligibility criteria or limitations provided in this  
8 chapter as a condition to the existing exemption for a given property  
9 apply to the extension provided in this subsection (1)(c). For all  
10 properties eligible to receive an extension pursuant to this  
11 subsection (1)(c), the city or county that issued the initial  
12 certificate of tax exemption, as required in RCW 84.14.090, must  
13 notify the county assessor and the applicant of the extension of the  
14 certificate of tax exemption.

15 (2) When a local government adopts guidelines pursuant to RCW  
16 84.14.030(2) and includes conditions that must be satisfied with  
17 respect to individual dwelling units, rather than with respect to the  
18 multiple-unit housing as a whole or some minimum portion thereof, the  
19 exemption may, at the local government's discretion, be limited to  
20 the value of the qualifying improvements allocable to those dwelling  
21 units that meet the local guidelines.

22 (3) In the case of rehabilitation of existing buildings, the  
23 exemption does not include the value of improvements constructed  
24 prior to the submission of the application required under this  
25 chapter. The incentive provided by this chapter is in addition to any  
26 other incentives, tax credits, grants, or other incentives provided  
27 by law.

28 (4) This chapter does not apply to increases in assessed  
29 valuation made by the assessor on nonqualifying portions of building  
30 and value of land nor to increases made by lawful order of a county  
31 board of equalization, the department of revenue, or a county, to a  
32 class of property throughout the county or specific area of the  
33 county to achieve the uniformity of assessment or appraisal required  
34 by law.

35 (5) At the conclusion of the exemption period, the new or  
36 rehabilitated housing cost shall be considered as new construction  
37 for the purposes of chapter 84.55 RCW."

38 Correct the title.

EFFECT: Provides two year extensions to all properties currently receiving an exemption under the program. Modifies the tax preference performance statement. Restores all other changes made in the underlying bill to current law.

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