
HOUSE BILL 2872

State of Washington 66th Legislature 2020 Regular Session

By Representatives Kraft, Orcutt, Harris, Jenkin, and Pollet

Read first time 01/28/20. Referred to Committee on Finance.

1 AN ACT Relating to providing mobile home landlords the option to
2 provide affordable rent for tenants; adding a new section to chapter
3 84.36 RCW; creating new sections; and providing an expiration date.

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

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

12 (2) The legislature categorizes this tax preference as one
13 intended to provide tax relief for certain individuals as indicated
14 in RCW 82.32.808(2)(e).

15 (3) It is the legislature's specific public policy objective to
16 provide partial property tax relief to mobile home park landlords in
17 exchange for maintaining affordable rents at their mobile home parks.
18 It is the legislature's intent to provide a temporary partial
19 property tax exemption to mobile home park landlords who do not raise
20 rents beyond the cost of inflation.

1 (4) If a review finds that the exemption provided in section 2,
2 chapter . . ., Laws of 2020 (section 2 of this act) allows more
3 mobile home tenants to remain in their homes or stabilizes rents in
4 mobile homes in the state, then the legislature intends to extend the
5 expiration date of the tax preference. In the review of this
6 exemption, the joint legislative audit and review committee should
7 use at least the following metrics: The number of landlords who used
8 the exemption, the number of tenants who moved out of mobile home
9 parks over time, the annual increase in rents in mobile home parks
10 over time, and any other metrics deemed useful by the legislative
11 auditor.

12 (5) In order to obtain the data necessary to perform the review
13 in subsection (4) of this section, the joint legislative audit and
14 review committee may refer to department of revenue exemption data.

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

17 (1) A landlord is exempt from any legal obligation to pay a
18 portion of the regular real property taxes due and payable in the
19 year following the year in which a claim is filed in accordance with
20 the following:

21 (a) A claim for the exemption under this section may be made and
22 filed at any time during the calendar year prior to the collection
23 year for which the exemption will apply. A claim may be filed solely
24 upon forms as prescribed and furnished by the department. An
25 exemption under this section is valid only for the collection year
26 following each application.

27 (b) A landlord claiming this exemption is exempt from all regular
28 property taxes on twenty percent of the valuation of an eligible
29 property. A landlord claiming this exemption must:

30 (i) Submit proof to the department that rent, on both a per unit
31 and a property-wide basis, within the eligible property did not
32 increase by an amount greater than inflation in the year in which the
33 claim is filed compared to the previous year;

34 (ii) Report comprehensive rent data to the department as required
35 by the department;

36 (iii) Report data on the tenant turnover rate within the
37 landlord's property; and

38 (iv) Submit any other application material as required by the
39 department.

1 (2) The definitions in this subsection apply throughout this
2 section unless the context clearly requires otherwise.

3 (a) "Eligible property" means a mobile home park, manufactured
4 housing community, or manufactured/mobile home community as defined
5 in RCW 59.20.030 in which rent, on both a per unit and a property-
6 wide basis, within the eligible property did not increase by an
7 amount greater than inflation in the year in which an exemption claim
8 is filed compared to the previous year.

9 (b) "Inflation" means the annual percentage increase in the
10 consumer price index for all urban consumers (CPI-U) in the western
11 region for all items as provided for the most recent twelve-month
12 period by the United States bureau of labor statistics.

13 (c) "Landlord" has the same meaning as defined in RCW 59.20.030.

14 (3) This section expires June 30, 2022.

15 NEW SECTION. **Sec. 3.** This act applies to taxes levied for
16 collection in 2021 and 2022.

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