

HB 1052 - S COMM AMD
By Committee on Housing

NOT CONSIDERED 03/07/2024

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

3 "Sec. 1. RCW 84.36.560 and 2023 c 277 s 11 are each amended to
4 read as follows:

5 (1) The real and personal property owned or used by a nonprofit
6 entity in providing rental housing for qualifying households or used
7 to provide space for the placement of a mobile home for a qualifying
8 household within a mobile home park is exempt from taxation if:

9 (a) The benefit of the exemption inures to the nonprofit entity;

10 (b) At least (~~seventy-five~~) 75 percent of the occupied dwelling
11 units in the rental housing or lots in a mobile home park are
12 occupied by a qualifying household; and

13 (c) The rental housing or lots in a mobile home park were
14 insured, financed, or assisted in whole or in part through one or
15 more of the following sources:

16 (i) A federal or state housing program administered by the
17 department of commerce;

18 (ii) A federal housing program administered by a city or county
19 government;

20 (iii) An affordable housing levy authorized under RCW 84.52.105;

21 (iv) The surcharges authorized by RCW 36.22.250 and any of the
22 surcharges authorized in chapter 43.185C RCW; (~~or~~)

23 (v) The Washington state housing finance commission, provided
24 that the financing is for a mobile home park cooperative or a
25 manufactured housing cooperative, as defined in RCW 59.20.030, or a
26 nonprofit entity; or

27 (vi) An affordable housing excise tax authorized under RCW
28 82.46.075.

29 (2) If less than (~~seventy-five~~) 75 percent of the occupied
30 dwelling units within the rental housing or lots in the mobile home
31 park are occupied by qualifying households, the rental housing or
32 mobile home park is eligible for a partial exemption on the real

1 property and a total exemption of the housing's or park's personal
2 property as follows:

3 (a) A partial exemption is allowed for each dwelling unit in the
4 rental housing or for each lot in a mobile home park occupied by a
5 qualifying household.

6 (b) The amount of exemption must be calculated by multiplying the
7 assessed value of the property reasonably necessary to provide the
8 rental housing or to operate the mobile home park by a fraction. The
9 numerator of the fraction is the number of dwelling units or lots
10 occupied by qualifying households as of December 31st of the first
11 assessment year in which the rental housing or mobile home park
12 becomes operational or on January 1st of each subsequent assessment
13 year for which the exemption is claimed. The denominator of the
14 fraction is the total number of dwelling units or lots occupied as of
15 December 31st of the first assessment year the rental housing or
16 mobile home park becomes operational and January 1st of each
17 subsequent assessment year for which exemption is claimed.

18 (3) If a currently exempt rental housing unit or mobile home lot
19 in a mobile home park was occupied by a qualifying household at the
20 time the exemption was granted and the income of the household
21 subsequently rises above the threshold set in subsection (7)(e) of
22 this section but remains at or below (~~eighty~~) 80 percent of the
23 median income, the exemption will continue as long as the housing
24 continues to meet the certification requirements listed in subsection
25 (1) of this section. For purposes of this section, median income, as
26 most recently determined by the federal department of housing and
27 urban development for the county in which the rental housing or
28 mobile home park is located, shall be adjusted for family size.
29 However, if a dwelling unit or a lot becomes vacant and is
30 subsequently rerented, the income of the new household must be at or
31 below the threshold set in subsection (7)(e) of this section to
32 remain exempt from property tax.

33 (4) If at the time of initial application the property is
34 unoccupied, or subsequent to the initial application the property is
35 unoccupied because of renovations, and the property is not currently
36 being used for the exempt purpose authorized by this section but will
37 be used for the exempt purpose within two assessment years, the
38 property shall be eligible for a property tax exemption for the
39 assessment year in which the claim for exemption is submitted under
40 the following conditions:

1 (a) A commitment for financing to acquire, construct, renovate,
2 or otherwise convert the property to provide housing for qualifying
3 households has been obtained, in whole or in part, by the nonprofit
4 entity claiming the exemption from one or more of the sources listed
5 in subsection (1)(c) of this section;

6 (b) The nonprofit entity has manifested its intent in writing to
7 construct, remodel, or otherwise convert the property to housing for
8 qualifying households; and

9 (c) Only the portion of property that will be used to provide
10 housing or lots for qualifying households shall be exempt under this
11 section.

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

15 (6) The nonprofit entity qualifying for a property tax exemption
16 under this section may agree to make payments to the city, county, or
17 other political subdivision for improvements, services, and
18 facilities furnished by the city, county, or political subdivision
19 for the benefit of the rental housing. However, these payments shall
20 not exceed the amount last levied as the annual tax of the city,
21 county, or political subdivision upon the property prior to
22 exemption.

23 (7) The definitions in this subsection apply throughout this
24 section unless the context clearly requires otherwise.

25 (a) "Group home" means a single-family dwelling financed, in
26 whole or in part, by one or more of the sources listed in subsection
27 (1)(c) of this section. The residents of a group home shall not be
28 considered to jointly constitute a household, but each resident shall
29 be considered to be a separate household occupying a separate
30 dwelling unit. The individual incomes of the residents shall not be
31 aggregated for purposes of this exemption;

32 (b) "Mobile home lot" or "mobile home park" means the same as
33 these terms are defined in RCW 59.20.030;

34 (c) "Occupied dwelling unit" means a living unit that is occupied
35 by an individual or household as of December 31st of the first
36 assessment year the rental housing becomes operational or is occupied
37 by an individual or household on January 1st of each subsequent
38 assessment year in which the claim for exemption is submitted. If the
39 housing facility is comprised of three or fewer dwelling units and
40 there are any unoccupied units on January 1st, the department shall

1 base the amount of the exemption upon the number of occupied dwelling
2 units as of December 31st of the first assessment year the rental
3 housing becomes operational and on May 1st of each subsequent
4 assessment year in which the claim for exemption is submitted;

5 (d) "Rental housing" means a residential housing facility or
6 group home that is occupied but not owned by qualifying households;

7 (e) (i) "Qualifying household" means a single person, family, or
8 unrelated persons living together whose income is at or below
9 (~~fifty~~) 50 percent of the median income adjusted for family size as
10 most recently determined by the federal department of housing and
11 urban development for the county in which the rental housing or
12 mobile home park is located and in effect as of January 1st of the
13 year the application for exemption is submitted;

14 (ii) Beginning July 1, 2021, "qualifying household" means a
15 single person, family, or unrelated persons living together whose
16 income is at or below (~~sixty~~) 60 percent of the median income
17 adjusted for family size as most recently determined by the federal
18 department of housing and urban development for the county in which
19 the rental housing or mobile home park is located and in effect as of
20 January 1st of the year the application for exemption is submitted;
21 and

22 (f) "Nonprofit entity" means a:

23 (i) Nonprofit as defined in RCW 84.36.800 that is exempt from
24 income tax under section 501(c) of the federal internal revenue code;

25 (ii) Limited partnership where a nonprofit as defined in RCW
26 84.36.800 that is exempt from income tax under section 501(c) of the
27 federal internal revenue code, a public corporation established under
28 RCW 35.21.660, 35.21.670, or 35.21.730, a housing authority created
29 under RCW 35.82.030 or 35.82.300, or a housing authority meeting the
30 definition in RCW 35.82.210(2) (a) is a general partner;

31 (iii) Limited liability company where a nonprofit as defined in
32 RCW 84.36.800 that is exempt from income tax under section 501(c) of
33 the federal internal revenue code, a public corporation established
34 under RCW 35.21.660, 35.21.670, or 35.21.730, a housing authority
35 established under RCW 35.82.030 or 35.82.300, or a housing authority
36 meeting the definition in RCW 35.82.210(2) (a) is a managing member;
37 or

38 (iv) Mobile home park cooperative or a manufactured housing
39 cooperative, as defined in RCW 59.20.030.

1 NEW SECTION. **Sec. 2.** RCW 82.32.805 and 82.32.808 do not apply
2 to this act.

3 NEW SECTION. **Sec. 3.** This act applies to taxes levied for
4 collection in 2025 and thereafter."

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5 On page 1, line 4 of this title, after "tax;" strike the
6 remainder of the title and insert "amending RCW 84.36.560; and
7 creating new sections."

EFFECT: Makes technical changes.

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