
SENATE BILL 6311

State of Washington

64th Legislature

2016 Regular Session

By Senators Keiser, Darneille, Takko, Hobbs, and Conway

Read first time 01/14/16. Referred to Committee on Human Services,
Mental Health & Housing.

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 income is at or below eighty percent of the area median income,
13 adjusted for household size, as reported by the United States
14 department of housing and urban development. For purposes of this
15 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 jurisdiction over the property for which
3 an exemption may be applied for under this chapter.

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

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

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

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

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

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

29 (4) The governing body may terminate its designation of an
30 affordable housing incentive zone if it finds, in its sole
31 discretion, that the criteria in subsection (3) of this section are
32 no longer satisfied.

33 (5) The definitions in section 1 of this act apply to this
34 section.

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

37 (1) Except for the levy for common schools in RCW 84.52.065, all
38 real property within an affordable housing incentive zone designated

1 under section 2 of this act that is owned or used by a person to
2 provide affordable housing is exempt from sixty percent of taxation
3 under this chapter.

4 (2) In determining the portion of the property that is exempt
5 from taxation under this section, such portion of the property must
6 include the percentage of the property's total land and improvement
7 area that equals the percentage of total improved area dedicated to
8 affordable housing during the period in which the exemption is
9 sought.

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

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

31 (5) The taxpayer must notify the assessor within sixty days of
32 ceasing to provide any affordable housing unit identified in the
33 exemption application. The failure to maintain any of the affordable
34 housing units identified in the exemption application must result in
35 revocation of the exemption as to that unit.

36 (6) Upon revocation of the exemption, the county treasurer must
37 collect all taxes that would have been paid if such property not been
38 exempt, together with the interest at the same rate and computed in
39 the same way as that upon delinquent property taxes.

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

4 (8) Tenant identifying information and income data obtained by
5 the assessor under this section may be used only to administer this
6 affordable housing exemption. Notwithstanding any provision of law to
7 the contrary, absent written consent by the person about whom the
8 information or facts have been obtained, the tenant identifying
9 information and income data may not be disclosed by the assessor or
10 the assessor's agents or employees to anyone other than the
11 department or the department's agents or employees nor by the
12 department or the department's agents or employees to anyone other
13 than the assessor or the assessor's agents or employees except in an
14 administrative or judicial proceeding pertaining to the taxpayer's
15 entitlement to the tax exemption.

16 (9) The definitions in section 1 of this act apply to this
17 section.

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