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HOUSE BILL 1414

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State of Washington

52nd Legislature

1991 Regular Session

By Representatives Wineberry, Winsley, Leonard, Ballard, Franklin, Mitchell, Ogden, Locke, Ludwig, Scott, Cooper, Rasmussen, Bowman, Cantwell, Tate, Van Luven, Cole, Forner, Jones, Ferguson, Mielke, Riley, Roland, O'Brien, Betrozoff, G. Fisher, Edmondson, Paris and Miller.

Read first time January 29, 1991. Referred to Committee on Housing\Revenue.

1 AN ACT Relating to property tax exemptions for first-time  
2 homebuyers; adding a new section to chapter 84.36 RCW; creating a new  
3 section; and providing a contingent effective date.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that homeownership  
6 rates have fallen for the first time since 1940; that rising house  
7 prices have put homeownership out of the reach of some young families;  
8 that the homeownership rate for first-time homebuyers has declined; and  
9 that the rapid increase in property taxes has become an additional  
10 barrier to homeownership for many first-time homebuyers.

11 The legislature further finds that it is in the public interest to  
12 encourage homeownership; that reductions in the annual cost of  
13 homeownership will assist first-time homebuyers; and that a program  
14 designed to provide a temporary exemption of property taxes will assist  
15 the first-time homebuyers of the state.

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

3        A person shall be exempt from any legal obligation to pay all or a  
4 portion of the amount of excess and regular property taxes due and  
5 payable in the year in which the claim is filed, and thereafter for a  
6 three-year period, in accordance with all of the following:

7        (1) The property taxes must have been imposed upon a residence  
8 which is occupied by the person claiming the exemption as a principal  
9 place of residence. For purposes of this subsection, residence means  
10 a single-family dwelling unit whether such unit be separate or part of  
11 a multifamily dwelling, including the land on which such dwelling  
12 stands not to exceed one acre. The term shall also include a share  
13 ownership in a cooperative housing association, corporation, or  
14 partnership if the person claiming the exemption can establish that his  
15 or her share represents the specific unit or portion of such structure  
16 in which he or she resides.

17        (2) The purchaser must not have had an ownership interest in his or  
18 her principal residence at any time during the three-year period prior  
19 to the claiming of the exemption.

20        (3) The purchase price of the residence shall not exceed ninety  
21 percent of the average purchase price of single-family residences. For  
22 purposes of this subsection, average purchase price means, with respect  
23 to any residence, the average purchase price of a single-family  
24 residence in the statistical area in which the residence is located,  
25 purchased during the most recent twelve-month period for which  
26 sufficient statistical information is available.

27        (4) The purchaser's income is at or below one hundred fifteen  
28 percent of the median family income, based on household size, for the  
29 county where the property is located.

1        NEW SECTION.    **Sec. 3.**    This act shall take effect upon the  
2 effective date of an amendment to Article VII of the state Constitution  
3 authorizing a property tax exemption for first-time homebuyers, if such  
4 amendment is validly submitted to and approved and ratified by the  
5 voters at the November 1991 general election.    If the proposed  
6 amendment is not so approved and ratified, this act is null and void in  
7 its entirety.