
SUBSTITUTE HOUSE BILL 2267

State of Washington

56th Legislature

1999 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Doumit, Mielke, Hatfield, Pennington, Romero, Haigh, DeBolt, Kenney, Eickmeyer, Santos, Kessler and Rockefeller)

Read first time 04/16/1999.

1 AN ACT Relating to a tax credit for financial institutions
2 assisting victims of certain natural disasters; adding a new section to
3 chapter 82.04 RCW; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
6 to read as follows:

7 (1) In computing the tax imposed under this chapter, a credit is
8 allowed for each financial institution for each loan in which part or
9 all of the principal balance owed is forgiven to assist the victim of
10 a landslide in an area that has been declared an emergency by the
11 governor. The loan must be secured by a home that is in the boundaries
12 of the declared emergency area and the home is or will be a total loss
13 or is or will be permanently uninhabitable.

14 (2)(a) The credit is equal to one quarter of the amount forgiven,
15 up to a maximum credit per loan of fifty thousand dollars.

16 (b) If less than the total principal balance is forgiven, the
17 financial institution may claim the credit only if the partial
18 forgiveness is part of a plan to assist multiple victims of the

1 emergency and involves multiple financial institutions in a pooling or
2 other arrangement.

3 (c) The department may request verification from the military
4 department or other state agency that the loan is secured by a home in
5 the declared emergency area, that (b) of this subsection applies, or
6 may request other reasonable verification.

7 (3) For purposes of this section:

8 (a) "Financial institution" means any person to which a loan is
9 owed.

10 (b) "Loan" means an obligation secured by a deed of trust or
11 mortgage on a single-family residence that is located in a state
12 declared emergency area resulting from a landslide.

13 (4) This section applies to all loans or parts of loans forgiven
14 after the effective date of this section.

15 (5) Participation of a financial institution in this program
16 contributes toward meeting the credit needs of the communities it
17 serves as set forth under chapter 30.60 RCW for state banks, chapter
18 32.40 RCW for state savings banks, and the federal community
19 reinvestment act of 1977 for federal savings banks, federal savings and
20 loan associations, and national banks.

21 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
22 preservation of the public peace, health, or safety, or support of the
23 state government and its existing public institutions, and takes effect
24 immediately.

--- END ---