
SUBSTITUTE HOUSE BILL 2868

State of Washington

66th Legislature

2020 Regular Session

By House Finance (originally sponsored by Representatives Blake and Walsh)

READ FIRST TIME 02/11/20.

1 AN ACT Relating to allowing for extensions of the special
2 valuation of historic property for certain properties; amending RCW
3 84.26.070 and 84.26.050; and creating a new section.

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

5 **Sec. 1.** RCW 84.26.070 and 1986 c 221 s 5 are each amended to
6 read as follows:

7 (1) The county assessor shall, for ten consecutive assessment
8 years following the calendar year in which application is made, place
9 a special valuation on property classified as eligible historic
10 property.

11 (2) The entitlement of property to the special valuation
12 provisions of this section shall be determined as of January 1. If
13 property becomes disqualified for the special valuation for any
14 reason, the property shall receive the special valuation for that
15 part of any year during which it remained qualified or the owner was
16 acting in the good faith belief that the property was qualified.

17 (3) At the conclusion of special valuation, the cost shall be
18 considered as new construction.

19 (4)(a) A property is eligible for two seven-year extensions of
20 the special valuation if:

1 (i) The property is located in a county that is listed as a
2 distressed area as reported by the state employment security
3 department and the city is under twenty thousand in population; and

4 (ii) The property continues to meet the criteria provided in RCW
5 84.26.030.

6 (b) Extensions must be applied for by the owner, upon forms
7 prescribed by the department of revenue and supplied by the county
8 assessor, at least ninety days prior to the expiration of the special
9 valuation.

10 (c) All extensions must be reviewed by the local review board and
11 may be approved or denied at the local review board's discretion.

12 (d) No extension may be provided under this subsection on or
13 after January 1, 2057.

14 **Sec. 2.** RCW 84.26.050 and 1986 c 221 s 4 are each amended to
15 read as follows:

16 (1) Within ten days after the filing of the application in the
17 county assessor's office, the county assessor shall refer each
18 application for classification to the local review board.

19 (2) The review board shall approve the application if the
20 property meets the criterion of RCW 84.26.030 and is not altered in a
21 way which adversely affects those elements which qualify it as
22 historically significant, and the owner enters into an agreement with
23 the review board which requires the owner for the ten-year period of
24 the classification to:

25 (a) Monitor the property for its continued qualification for the
26 special valuation;

27 (b) Comply with rehabilitation plans and minimum standards of
28 maintenance as defined in the agreement;

29 (c) Make the historic aspects of the property accessible to
30 public view one day a year, if the property is not visible from the
31 public right-of-way;

32 (d) Apply to the local review board for approval or denial of any
33 demolition or alteration; and

34 (e) Comply with any other provisions in the original agreement as
35 may be appropriate.

36 (3) Once an agreement between an owner and a review board has
37 become effective pursuant to this chapter, there shall be no changes
38 in standards of maintenance, public access, alteration, or report
39 requirements, or any other provisions of the agreement, during the

1 period of the classification without the approval of all parties to
2 the agreement.

3 (4) An application for classification as an eligible historic
4 property shall be approved or denied by the local review board before
5 December 31st of the calendar year in which the application is made.

6 (5) The local review board is authorized to examine the records
7 of applicants.

8 (6) No new applications may be approved on or after January 1,
9 2031.

10 NEW SECTION. **Sec. 3.** (1) This section is the tax preference
11 performance statement for the tax preference contained in sections 1
12 and 2, chapter . . ., Laws of 2020 (sections 1 and 2 of this act).
13 This performance statement is only intended to be used for subsequent
14 evaluation of the tax preference. It is not intended to create a
15 private right of action by any party or to be used to determine
16 eligibility for preferential tax treatment.

17 (2) The legislature categorizes this tax preference as one
18 intended to provide tax relief for certain businesses or individuals
19 as provided in RCW 82.32.808(2)(e).

20 (3) It is the legislature's specific public policy objective to
21 promote the revitalization of historic properties.

22 (4) If the review finds that the number of taxpayers claiming
23 this preference increases, then the legislature intends to extend the
24 expiration date of this tax preference.

25 (5) In order to obtain the data necessary to perform the review
26 in subsection (4) of this section, the joint legislative audit and
27 review committee may refer to any data collected by the state.

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