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**SUBSTITUTE SENATE BILL 5033**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senate Housing & Local Government (originally sponsored by Senators Kuderer, Saldaña, Das, Nguyen, and Wilson, C.)

READ FIRST TIME 01/22/21.

1 AN ACT Relating to limiting the property tax exemption for  
2 improvements to single-family dwellings to the construction of  
3 accessory dwelling units; amending RCW 84.36.400; and creating new  
4 sections.

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

6 **Sec. 1.** RCW 84.36.400 and 2020 c 204 s 1 are each amended to  
7 read as follows:

8 (~~Any physical improvement to single-family dwellings upon real~~  
9 ~~property, including constructing~~) Constructing an accessory dwelling  
10 unit(~~, whether attached to or within the single-family dwelling or~~)  
11 as a detached unit on the same real property(~~(,)~~) shall be exempt  
12 from taxation for the three assessment years subsequent to the  
13 completion of the improvement to the extent that the improvement  
14 represents (~~thirty~~) 30 percent or less of the value of the original  
15 structure. A taxpayer desiring to obtain the exemption granted by  
16 this section must file notice of his or her intention to construct  
17 the improvement prior to the improvement being made on forms  
18 prescribed by the department of revenue and furnished to the taxpayer  
19 by the county assessor: PROVIDED, That this exemption cannot be  
20 claimed more than once in a five-year period.

1       The department of revenue shall promulgate such rules and  
2 regulations as are necessary and convenient to properly administer  
3 the provisions of this section.

4       NEW SECTION.   **Sec. 2.**   This act applies to taxes levied for  
5 collection in 2022 and thereafter.

6       NEW SECTION.   **Sec. 3.**   The provisions of RCW 82.32.805 and  
7 82.32.808 do not apply to this act.

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