

1 **SHB 2267** - H AMD

2 By Representative Hatfield

3 Strike everything after the enacting clause and insert the
4 following:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04
6 RCW 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 a state of emergency by
11 the governor and a disaster by the president. The loan must be secured
12 by a home that is both in the boundary of a declared state emergency
13 and in the boundary of a declared federal disaster area, and the home
14 is or will be a total loss or is or will be permanently uninhabitable.

15 (2)(a) The credit allowed under subsection (1) of this section is
16 equal to one quarter of the amount forgiven, up to a maximum credit per
17 loan of fifty thousand dollars.

18 (b) If less than the total principal balance is forgiven, the
19 financial institution may claim the credit allowed under subsection (1)
20 of this section only if the partial forgiveness is part of a plan to
21 assist multiple victims and involves multiple financial institutions in
22 a pooling or other arrangement.

23 (c) The department may request verification from the military
24 department or other state agency that the loan is secured by a home in
25 an area that is a state emergency and federal disaster, that (b) of
26 this subsection applies, or may request other reasonable verification.

27 (3) For purposes of this section:

28 (a) "Financial institution" means any person to which a loan is
29 owed.

30 (b) "Loan" means an obligation secured by a deed of trust or
31 mortgage on a single-family residence that is located in an area that
32 is both a state emergency and federal disaster resulting from a
33 landslide.

34 (4) This section applies to all loans or parts of loans forgiven
35 after the effective date of this act.

1 (5) Participation of a financial institution in this program
2 contributes toward meeting the credit needs of the communities it
3 serves as set forth under chapter 30.60 RCW for state banks, chapter
4 32.40 RCW for state savings banks, and the federal community
5 reinvestment act of 1977 for federal savings banks, federal savings and
6 loan associations, and national banks.

7 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of the
9 state government and its existing public institutions, and takes effect
10 immediately.-

EFFECT: Requires that a landslide area be declared a state
emergency and a federal disaster to be eligible for the tax
credit.