
Local Government Committee

HB 1695

Brief Description: Providing tax incentives for certain multiple-unit dwellings in urban centers.

Sponsors: Representatives Quall, Morris and Edwards.

Brief Summary of Bill

- Reduces the minimum city population cap from 30,000 to 15,000 for the multifamily housing property tax exemption.

Hearing Date: 2/18/03

Staff: Amy Wood (786-7127).

Background:

New, rehabilitated, or converted multifamily housing projects in targeted residential areas are eligible for a 10-year property tax exemption program. The program's purpose is to increase multifamily housing in urban centers.

The property tax exemption applies to the new housing construction and the increased value of the building due to rehabilitation made after the application for the tax exemption. The exemption does not apply to the land or the non-housing related improvements. If the property is removed from multifamily housing use before 10 years, then back taxes are recovered based on the difference between the taxes paid and taxes that would have been paid had the property not been put to multifamily use.

The property tax exemption program is limited to cities with a population of at least 30,000 and to the largest city or town within a county planning under the Growth Management Act (GMA). A targeted residential area must be located within an urban center, lack sufficient, available, desirable, and convenient residential housing to meet public demand, and increase permanent residents in the area or achieve the planning goals of the GMA. The city is authorized to establish standards and guidelines for approving tax exemption applications by developers.

Summary of Bill:

The minimum population cap is reduced from 30,000 to 15,000 for the multifamily housing property tax exemption program.

Appropriation: None.

Fiscal Note: Requested on February 17, 2003.

Effective Date: The bill takes effect ninety days after adjournment of session in which bill is passed.