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**SHB 1596** - H AMD **163**

By Representative Jacobsen

**NOT CONSIDERED 01/02/2024**

On page 7, beginning on line 4, after "(1)" strike all material through "improvements" on line 21 and insert "In order for land and improvements exempted from ad valorem property taxation under this chapter to remain exempted, the property must continue to satisfy all applicable requirements and conditions of the tax exemption under this chapter during the period of exemption provided for in section 4 of this act.

(2)(a) A property owner may discontinue compliance with the conditions and requirements of the property tax exemption without the imposition of an additional property tax, interest, or penalty on the property as provided for in subsection (3) of this section if the property has been compliant with the conditions and requirements of the tax exemption for at least two years and the property owner notifies the governing authority and the tenants of the owner's intent to discontinue compliance at least 60 days prior to discontinuing compliance. The governing authority must cancel the tax exemption 60 days after receiving notice from the property owner.

(b) A property owner that discontinues compliance after providing notice of the owner's intent to discontinue compliance to the governing authority and the tenants at least 60 days prior to discontinuing compliance, but who has not been in compliance for at least two years prior to providing the notice, must be assessed the additional property tax and interest provided for in subsections (3)(a) and (b) of this section as of the date of the notice. The additional property tax and interest are a lien on the property as provided for in subsection (3)(d) of this section. The governing authority must cancel the tax exemption within 60 days of receiving notice from the property owner.

(3) If a governing authority discovers that any portion of the property that is receiving the tax exemption no longer meets the requirements and conditions of the tax exemption as provided for in this chapter, and the owner has not provided sufficient notice as provided for in subsection (2) of this section, the governing authority must cancel the tax exemption, and the following must occur:

(a) Additional real property tax must be imposed on the property. This additional tax is the difference between the property tax paid and the property tax that would have been paid if the property had included the value of the improvements and portion of the property subject to the tax exemption"

Renumber the remaining subsections consecutively and correct any internal references accordingly.

On page 8, line 8, after "exemption." strike "The" and insert "If the cancelation occurred pursuant to subsection (3) of this section, the"

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|  | EFFECT:   * Clarifies that a property owner that provides 60 days' notice to a governing authority and tenants, and that has been in compliance with the tax exemption for at least two years, is not assessed additional property tax, interest, or a penalty when the tax exemption is canceled. * Provides that a property owner that provides 60 days' notice, but who has not been in compliance for at least two years, is assessed additional property tax and interest, and that the tax and interest are a lien on the property. * Clarifies that an appeal of the cancelation of the tax exemption can only occur when the cancelation occurs because the governing authority discovered that the property was out of compliance with the requirements and conditions of the exemption. |

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