

SHB 1596 - H AMD 163

By Representative Jacobsen

NOT CONSIDERED 01/02/2024

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

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

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

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

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

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

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18 On page 8, line 8, after "exemption." strike "The" and insert
19 "If the cancelation occurred pursuant to subsection (3) of this
20 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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