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SENATE BILL 6625

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State of Washington

58th Legislature

2004 Regular Session

By Senators Pflug, Esser and Spanel

Read first time 01/27/2004. Referred to Committee on Land Use & Planning.

1 AN ACT Relating to tax incentives for certain multiple-unit  
2 dwellings in urban centers; and amending RCW 84.14.010 and 84.14.020.

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

4 **Sec. 1.** RCW 84.14.010 and 2002 c 146 s 1 are each amended to read  
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in  
7 this section apply throughout this chapter.

8 (1) "City" means either (a) a city or town with a population of at  
9 least (~~(thirty)~~) five thousand or (b) the largest city or town, if  
10 there is no city or town with a population of at least (~~(thirty)~~) five  
11 thousand, located in a county planning under the growth management act.

12 (2) "Governing authority" means the local legislative authority of  
13 a city having jurisdiction over the property for which an exemption may  
14 be applied for under this chapter.

15 (3) "Growth management act" means chapter 36.70A RCW.

16 (4) "Multiple-unit housing" means a building having four or more  
17 dwelling units not designed or used as transient accommodations and not  
18 including hotels and motels. Multifamily units may result from new

1 construction or rehabilitated or conversion of vacant, underutilized,  
2 or substandard buildings to multifamily housing.

3 (5) "Owner" means the property owner of record.

4 (6) "Permanent residential occupancy" means multiunit housing that  
5 provides either rental or owner occupancy on a nontransient basis.  
6 This includes owner-occupied or rental accommodation that is leased for  
7 a period of at least one month. This excludes hotels and motels that  
8 predominately offer rental accommodation on a daily or weekly basis.

9 (7) "Rehabilitation improvements" means modifications to existing  
10 structures, that are vacant for twelve months or longer, that are made  
11 to achieve a condition of substantial compliance with existing building  
12 codes or modification to existing occupied structures which increase  
13 the number of multifamily housing units.

14 (8) "Residential targeted area" means an area within an urban  
15 center that has been designated by the governing authority as a  
16 residential targeted area in accordance with this chapter.

17 (9) "Substantial compliance" means compliance with local building  
18 or housing code requirements that are typically required for  
19 rehabilitation as opposed to new construction.

20 (10) "Urban center" means a compact identifiable district where  
21 urban residents may obtain a variety of products and services. An  
22 urban center must contain:

23 (a) Several existing or previous, or both, business establishments  
24 that may include but are not limited to shops, offices, banks,  
25 restaurants, governmental agencies;

26 (b) Adequate public facilities including streets, sidewalks,  
27 lighting, transit, domestic water, and sanitary sewer systems; and

28 (c) A mixture of uses and activities that may include housing,  
29 recreation, and cultural activities in association with either  
30 commercial or office, or both, use.

31 **Sec. 2.** RCW 84.14.020 and 2002 c 146 s 2 are each amended to read  
32 as follows:

33 (1) The value of new housing construction, conversion, and  
34 rehabilitation improvements qualifying under this chapter is exempt  
35 from ad valorem property taxation, for ten successive years beginning  
36 January 1 of the year immediately following the calendar year of  
37 issuance of the certificate of tax exemption eligibility. However, the

1 exemption does not include the value of land or nonhousing-related  
2 improvements not qualifying under this chapter. When a local  
3 government adopts guidelines pursuant to RCW 84.14.030(2) (~~and the~~  
4 ~~qualifying dwelling units are each on separate parcels for the purpose~~  
5 ~~of property taxation~~)), the exemption may, at the local government's  
6 discretion, be limited to those dwelling units that meet the local  
7 guidelines.

8 (2) In the case of rehabilitation of existing buildings, the  
9 exemption does not include the value of improvements constructed prior  
10 to the submission of the application required under this chapter. The  
11 incentive provided by this chapter is in addition to any other  
12 incentives, tax credits, grants, or other incentives provided by law.

13 (3) This chapter does not apply to increases in assessed valuation  
14 made by the assessor on nonqualifying portions of building and value of  
15 land nor to increases made by lawful order of a county board of  
16 equalization, the department of revenue, or a county, to a class of  
17 property throughout the county or specific area of the county to  
18 achieve the uniformity of assessment or appraisal required by law.

19 (4) At the conclusion of the ten-year exemption period, the new or  
20 rehabilitated housing cost shall be considered as new construction for  
21 the purposes of chapter 84.55 RCW.

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