

**E2SHB 1910** - S COMM AMD  
By Committee on Ways & Means

ADOPTED AS AMENDED 04/09/2007

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 84.14.005 and 1995 c 375 s 1 are each amended to read  
4 as follows:

5 The legislature finds:

6 (1) That in many of Washington's urban centers there is  
7 insufficient availability of desirable and convenient residential  
8 units, including affordable housing units, to meet the needs of a  
9 growing number of the public who would live in these urban centers if  
10 these desirable, convenient, attractive, affordable, and livable places  
11 to live were available;

12 (2) That the development of additional and desirable residential  
13 units, including affordable housing units, in these urban centers that  
14 will attract and maintain a significant increase in the number of  
15 permanent residents in these areas will help to alleviate the  
16 detrimental conditions and social liability that tend to exist in the  
17 absence of a viable mixed income residential population and will help  
18 to achieve the planning goals mandated by the growth management act  
19 under RCW 36.70A.020; and

20 (3) That planning solutions to solve the problems of urban sprawl  
21 often lack incentive and implementation techniques needed to encourage  
22 residential redevelopment in those urban centers lacking a sufficient  
23 variety of residential opportunities, and it is in the public interest  
24 and will benefit, provide, and promote the public health, safety, and  
25 welfare to stimulate new or enhanced residential opportunities,  
26 including affordable housing opportunities, within urban centers  
27 through a tax incentive as provided by this chapter.

28 **Sec. 2.** RCW 84.14.007 and 1995 c 375 s 2 are each amended to read  
29 as follows:

1 It is the purpose of this chapter to encourage increased  
2 residential opportunities, including affordable housing opportunities,  
3 in cities that are required to plan or choose to plan under the growth  
4 management act within urban centers where the ~~((legislative body))~~  
5 governing authority of the affected city has found there is  
6 insufficient housing opportunities, including affordable housing  
7 opportunities. It is further the purpose of this chapter to stimulate  
8 the construction of new multifamily housing and the rehabilitation of  
9 existing vacant and underutilized buildings for multifamily housing in  
10 urban centers having insufficient housing opportunities that will  
11 increase and improve residential opportunities, including affordable  
12 housing opportunities, within these urban centers. To achieve these  
13 purposes, this chapter provides for special valuations in residentially  
14 deficient urban centers for eligible improvements associated with  
15 multiunit housing ~~((in residentially deficient urban centers)),~~ which  
16 includes affordable housing.

17 **Sec. 3.** RCW 84.14.010 and 2002 c 146 s 1 are each amended to read  
18 as follows:

19 Unless the context clearly requires otherwise, the definitions in  
20 this section apply throughout this chapter.

21 (1) "City" means either (a) a city or town with a population of at  
22 least ~~((thirty))~~ fifteen thousand ~~((or))~~ located in a county planning  
23 under the growth management act, (b) the largest city or town, if there  
24 is no city or town with a population of at least ~~((thirty))~~ fifteen  
25 thousand, located in a county planning under the growth management act,  
26 or (c) a city or town with a population of at least five thousand  
27 located in a county subject to the provisions of RCW 36.70A.215.

28 (2) "Affordable housing" means residential housing that is rented  
29 by a person or household whose monthly housing costs, including  
30 utilities other than telephone, do not exceed thirty percent of the  
31 household's monthly income. For the purposes of housing intended for  
32 owner occupancy, "affordable housing" means residential housing that is  
33 within the means of low or moderate-income households.

34 (3) "Household" means a single person, family, or unrelated persons  
35 living together.

36 (4) "Low-income household" means a single person, family, or  
37 unrelated persons living together whose adjusted income is at or below

1 eighty percent of the median family income adjusted for family size,  
2 for the county where the project is located, as reported by the United  
3 States department of housing and urban development. For cities located  
4 in high-cost areas, "low-income household" means a household that has  
5 an income at or below one hundred percent of the median family income  
6 adjusted for family size, for the county where the project is located.

7 (5) "Moderate-income household" means a single person, family, or  
8 unrelated persons living together whose adjusted income is more than  
9 eighty percent but is at or below one hundred fifteen percent of the  
10 median family income adjusted for family size, for the county where the  
11 project is located, as reported by the United States department of  
12 housing and urban development. For cities located in high-cost areas,  
13 "moderate-income household" means a household that has an income that  
14 is more than one hundred percent, but at or below one hundred fifty  
15 percent, of the median family income adjusted for family size, for the  
16 county where the project is located.

17 (6) "High cost area" means a county where the third quarter median  
18 house price for the previous year as reported by the Washington center  
19 for real estate research at Washington State University is equal to or  
20 greater than one hundred thirty percent of the statewide median house  
21 price published during the same time period.

22 (7) "Governing authority" means the local legislative authority of  
23 a city having jurisdiction over the property for which an exemption may  
24 be applied for under this chapter.

25 ~~((+3))~~ (8) "Growth management act" means chapter 36.70A RCW.

26 ~~((+4))~~ (9) "Multiple-unit housing" means a building having four or  
27 more dwelling units not designed or used as transient accommodations  
28 and not including hotels and motels. Multifamily units may result from  
29 new construction or rehabilitated or conversion of vacant,  
30 underutilized, or substandard buildings to multifamily housing.

31 ~~((+5))~~ (10) "Owner" means the property owner of record.

32 ~~((+6))~~ (11) "Permanent residential occupancy" means multiunit  
33 housing that provides either rental or owner occupancy on a  
34 nontransient basis. This includes owner-occupied or rental  
35 accommodation that is leased for a period of at least one month. This  
36 excludes hotels and motels that predominately offer rental  
37 accommodation on a daily or weekly basis.

1 ((+7)) (12) "Rehabilitation improvements" means modifications to  
2 existing structures, that are vacant for twelve months or longer, that  
3 are made to achieve a condition of substantial compliance with existing  
4 building codes or modification to existing occupied structures which  
5 increase the number of multifamily housing units.

6 ((+8)) (13) "Residential targeted area" means an area within an  
7 urban center that has been designated by the governing authority as a  
8 residential targeted area in accordance with this chapter.

9 ((+9)) (14) "Substantial compliance" means compliance with local  
10 building or housing code requirements that are typically required for  
11 rehabilitation as opposed to new construction.

12 ((+10)) (15) "Urban center" means a compact identifiable district  
13 where urban residents may obtain a variety of products and services.  
14 An urban center must contain:

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

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

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

23 **Sec. 4.** RCW 84.14.020 and 2002 c 146 s 2 are each amended to read  
24 as follows:

25 (1)(a) The value of new housing construction, conversion, and  
26 rehabilitation improvements qualifying under this chapter is exempt  
27 from ad valorem property taxation, as follows:

28 (i) For ((ten)) eight successive years beginning January 1 of the  
29 year immediately following the calendar year of issuance of the  
30 certificate of tax exemption eligibility(~~(. However, the exemption~~  
31 does not include the value of land or nonhousing-related improvements  
32 not qualifying under this chapter)); and

33 (ii) For an additional four years if the property qualifies for an  
34 extended period under subsection (2) of this section.

35 (b) The exemptions provided in (a)(i) and (ii) of this subsection  
36 do not include the value of land or nonhousing-related improvements not  
37 qualifying under this chapter.

1 (2) In order for property to qualify for an extended exemption  
2 period under subsection (1)(a)(ii) of this section, the applicant must  
3 commit to renting or selling at least twenty percent of the multifamily  
4 housing units as affordable housing units to low and moderate-income  
5 households, and the property must satisfy that commitment and any  
6 additional affordability and income eligibility conditions adopted by  
7 the local government under this chapter. In the case of projects  
8 intended exclusively for owner occupancy, the minimum requirement of  
9 this subsection (2) may be satisfied solely through housing affordable  
10 to moderate-income households.

11 (3) When a local government adopts guidelines pursuant to RCW  
12 84.14.030(2) and (~~the qualifying dwelling units are each on separate~~  
13 ~~parcels for the purpose of property taxation)) includes conditions that~~  
14 must be satisfied with respect to individual dwelling units, rather  
15 than with respect to the multiple-unit housing as a whole or some  
16 minimum portion thereof, the exemption (~~may, at the local government's~~  
17 ~~discretion, be)) is limited to the value of the qualifying improvements~~  
18 allocable to those dwelling units that meet the local guidelines.  
19 However, if specific units are identified to satisfy income eligibility  
20 limits or limits on rents or sale prices that apply to a percentage of  
21 all units under local guidelines, the exemption may still apply to the  
22 multiple-unit housing as a whole.

23 (~~(+2)~~) (4) In the case of rehabilitation of existing buildings,  
24 the exemption does not include the value of improvements constructed  
25 prior to the submission of the application required under this chapter.  
26 The incentive provided by this chapter is in addition to any other  
27 incentives, tax credits, grants, or other incentives provided by law.

28 (~~(+3)~~) (5) This chapter does not apply to increases in assessed  
29 valuation made by the assessor on nonqualifying portions of building  
30 and value of land nor to increases made by lawful order of a county  
31 board of equalization, the department of revenue, or a county, to a  
32 class of property throughout the county or specific area of the county  
33 to achieve the uniformity of assessment or appraisal required by law.

34 (~~(+4)~~) (6) At the conclusion of the (~~ten-year~~) exemption period,  
35 the new or rehabilitated housing cost shall be considered as new  
36 construction for the purposes of chapter 84.55 RCW.

1       **Sec. 5.** RCW 84.14.030 and 2005 c 80 s 1 are each amended to read  
2 as follows:

3       An owner of property making application under this chapter must  
4 meet the following requirements:

5       (1) The new or rehabilitated multiple-unit housing must be located  
6 in a residential targeted area as designated by the city;

7       (2) The multiple-unit housing must meet (~~the~~) guidelines as  
8 adopted by the governing authority that may include height, density,  
9 public benefit features, number and size of proposed development,  
10 parking, (~~low income or moderate~~) income limits for occupancy  
11 (~~requirements~~), limits on rents or sale prices, and other adopted  
12 requirements indicated necessary by the city. The required amenities  
13 should be relative to the size of the project and tax benefit to be  
14 obtained;

15       (3) The new, converted, or rehabilitated multiple-unit housing must  
16 provide for a minimum of fifty percent of the space for permanent  
17 residential occupancy. In the case of existing occupied multifamily  
18 development, the multifamily housing must also provide for a minimum of  
19 four additional multifamily units. Existing multifamily vacant housing  
20 that has been vacant for twelve months or more does not have to provide  
21 additional multifamily units;

22       (4) New construction multifamily housing and rehabilitation  
23 improvements must be completed within three years from the date of  
24 approval of the application;

25       (5) Property proposed to be rehabilitated must fail to comply with  
26 one or more standards of the applicable state or local building or  
27 housing codes on or after July 23, 1995. If the property proposed to  
28 be rehabilitated is not vacant, an applicant shall provide each  
29 existing tenant housing of comparable size, quality, and price and a  
30 reasonable opportunity to relocate; and

31       (6) The applicant must enter into a contract with the city approved  
32 by the governing (~~body~~) authority, or an administrative official or  
33 commission authorized by the governing authority, under which the  
34 applicant has agreed to the implementation of the development on terms  
35 and conditions satisfactory to the governing authority.

36       **Sec. 6.** RCW 84.14.040 and 1995 c 375 s 7 are each amended to read  
37 as follows:

1 (1) The following criteria must be met before an area may be  
2 designated as a residential targeted area:

3 (a) The area must be within an urban center, as determined by the  
4 governing authority;

5 (b) The area must lack, as determined by the governing authority,  
6 sufficient available, desirable, and convenient residential housing,  
7 including affordable housing, to meet the needs of the public who would  
8 be likely to live in the urban center, if the affordable, desirable,  
9 attractive, and livable places to live were available; and

10 (c) The providing of additional housing opportunity, including  
11 affordable housing, in the area, as determined by the governing  
12 authority, will assist in achieving one or more of the stated purposes  
13 of this chapter.

14 (2) For the purpose of designating a residential targeted area or  
15 areas, the governing authority may adopt a resolution of intention to  
16 so designate an area as generally described in the resolution. The  
17 resolution must state the time and place of a hearing to be held by the  
18 governing authority to consider the designation of the area and may  
19 include such other information pertaining to the designation of the  
20 area as the governing authority determines to be appropriate to apprise  
21 the public of the action intended.

22 (3) The governing authority shall give notice of a hearing held  
23 under this chapter by publication of the notice once each week for two  
24 consecutive weeks, not less than seven days, nor more than thirty days  
25 before the date of the hearing in a paper having a general circulation  
26 in the city where the proposed residential targeted area is located.  
27 The notice must state the time, date, place, and purpose of the hearing  
28 and generally identify the area proposed to be designated as a  
29 residential targeted area.

30 (4) Following the hearing, or a continuance of the hearing, the  
31 governing authority may designate all or a portion of the area  
32 described in the resolution of intent as a residential targeted area if  
33 it finds, in its sole discretion, that the criteria in subsections (1)  
34 through (3) of this section have been met.

35 (5) After designation of a residential targeted area, the governing  
36 authority (~~shall~~) must adopt and implement standards and guidelines  
37 to be utilized in considering applications and making the

1 determinations required under RCW 84.14.060. The standards and  
2 guidelines must establish basic requirements for both new construction  
3 and rehabilitation (~~(including)~~), which must include:

4 (a) Application process and procedures(~~(. These guidelines may~~  
5 ~~include the following:)~~);

6 ~~((a))~~ (b) Requirements that address demolition of existing  
7 structures and site utilization; and

8 ~~((b))~~ (c) Building requirements that may include elements  
9 addressing parking, height, density, environmental impact, and  
10 compatibility with the existing surrounding property and such other  
11 amenities as will attract and keep permanent residents and that will  
12 properly enhance the livability of the residential targeted area in  
13 which they are to be located.

14 (6) The governing authority may adopt and implement, either as  
15 conditions to eight-year exemptions or as conditions to an extended  
16 exemption period under RCW 84.14.020(2), or both, more stringent income  
17 eligibility, rent, or sale price limits, including limits that apply to  
18 a higher percentage of units, than the minimum conditions for an  
19 extended exemption period under RCW 84.14.020(2).

20 **Sec. 7.** RCW 84.14.050 and 1999 c 132 s 2 are each amended to read  
21 as follows:

22 An owner of property seeking tax incentives under this chapter must  
23 complete the following procedures:

24 (1) In the case of rehabilitation or where demolition or new  
25 construction is required, the owner shall secure from the governing  
26 authority or duly authorized ~~((agent))~~ representative, before  
27 commencement of rehabilitation improvements or new construction,  
28 verification of property noncompliance with applicable building and  
29 housing codes;

30 (2) In the case of new and rehabilitated multifamily housing, the  
31 owner shall apply to the city on forms adopted by the governing  
32 authority. The application must contain the following:

33 (a) Information setting forth the grounds supporting the requested  
34 exemption including information indicated on the application form or in  
35 the guidelines;

36 (b) A description of the project and site plan, including the floor  
37 plan of units and other information requested;



1 (c) A statement that the applicant is aware of the potential tax  
2 liability involved when the property ceases to be eligible for the  
3 incentive provided under this chapter;

4 (3) The applicant must verify the application by oath or  
5 affirmation; and

6 (4) The application must be accompanied by the application fee, if  
7 any, required under RCW 84.14.080. The governing authority may permit  
8 the applicant to revise an application before final action by the  
9 governing authority.

10 **Sec. 8.** RCW 84.14.060 and 1995 c 375 s 9 are each amended to read  
11 as follows:

12 The duly authorized administrative official or committee of the  
13 city may approve the application if it finds that:

14 (1) A minimum of four new units are being constructed or in the  
15 case of occupied rehabilitation or conversion a minimum of four  
16 additional multifamily units are being developed;

17 (2) If applicable, the proposed multiunit housing project meets the  
18 affordable housing requirements as described in RCW 84.14.020;

19 (3) The proposed project is or will be, at the time of completion,  
20 in conformance with all local plans and regulations that apply at the  
21 time the application is approved;

22 ~~((3))~~ (4) The owner has complied with all standards and  
23 guidelines adopted by the city under this chapter; and

24 ~~((4))~~ (5) The site is located in a residential targeted area of  
25 an urban center that has been designated by the governing authority in  
26 accordance with procedures and guidelines indicated in RCW 84.14.040.

27 **Sec. 9.** RCW 84.14.090 and 1995 c 375 s 12 are each amended to read  
28 as follows:

29 (1) Upon completion of rehabilitation or new construction for which  
30 an application for a limited tax exemption under this chapter has been  
31 approved and after issuance of the certificate of occupancy, the owner  
32 shall file with the city the following:

33 (a) A statement of the amount of rehabilitation or construction  
34 expenditures made with respect to each housing unit and the composite  
35 expenditures made in the rehabilitation or construction of the entire  
36 property;

1 (b) A description of the work that has been completed and a  
2 statement that the rehabilitation improvements or new construction on  
3 the owner's property qualify the property for limited exemption under  
4 this chapter; (~~and~~)

5 (c) If applicable, a statement that the project meets the  
6 affordable housing requirements as described in RCW 84.14.020; and

7 (d) A statement that the work has been completed within three years  
8 of the issuance of the conditional certificate of tax exemption.

9 (2) Within thirty days after receipt of the statements required  
10 under subsection (1) of this section, the authorized representative of  
11 the city shall determine whether the work completed, and the  
12 affordability of the units, is consistent with the application and the  
13 contract approved by the (~~governing authority~~) city and is qualified  
14 for a limited tax exemption under this chapter. The city shall also  
15 determine which specific improvements completed meet the requirements  
16 and required findings.

17 (3) If the rehabilitation, conversion, or construction is completed  
18 within three years of the date the application for a limited tax  
19 exemption is filed under this chapter, or within an authorized  
20 extension of this time limit, and the authorized representative of the  
21 city determines that improvements were constructed consistent with the  
22 application and other applicable requirements, including if applicable,  
23 affordable housing requirements, and the owner's property is qualified  
24 for a limited tax exemption under this chapter, the city shall file the  
25 certificate of tax exemption with the county assessor within ten days  
26 of the expiration of the thirty-day period provided under subsection  
27 (2) of this section.

28 (4) The authorized representative of the city shall notify the  
29 applicant that a certificate of tax exemption is not going to be filed  
30 if the authorized representative determines that:

31 (a) The rehabilitation or new construction was not completed within  
32 three years of the application date, or within any authorized extension  
33 of the time limit;

34 (b) The improvements were not constructed consistent with the  
35 application or other applicable requirements; (~~or~~)

36 (c) If applicable, the affordable housing requirements as described  
37 in RCW 84.14.020 were not met; or

1        (d) The owner's property is otherwise not qualified for limited  
2 exemption under this chapter.

3        (5) If the authorized representative of the city finds that  
4 construction or rehabilitation of multiple-unit housing was not  
5 completed within the required time period due to circumstances beyond  
6 the control of the owner and that the owner has been acting and could  
7 reasonably be expected to act in good faith and with due diligence, the  
8 governing authority or the city official authorized by the governing  
9 authority may extend the deadline for completion of construction or  
10 rehabilitation for a period not to exceed twenty-four consecutive  
11 months.

12        (6) The governing authority may provide by ordinance for an appeal  
13 of a decision by the deciding officer or authority that an owner is not  
14 entitled to a certificate of tax exemption to the governing authority,  
15 a hearing examiner, or other city officer authorized by the governing  
16 authority to hear the appeal in accordance with such reasonable  
17 procedures and time periods as provided by ordinance of the governing  
18 authority. The owner may appeal a decision by the deciding officer or  
19 authority that is not subject to local appeal or a decision by the  
20 local appeal authority that the owner is not entitled to a certificate  
21 of tax exemption in superior court under RCW 34.05.510 through  
22 34.05.598, if the appeal is filed within thirty days of notification by  
23 the city to the owner of the decision being challenged.

24        **Sec. 10.** RCW 84.14.100 and 1995 c 375 s 13 are each amended to  
25 read as follows:

26        (1) Thirty days after the anniversary of the date of the  
27 certificate of tax exemption and each year for ~~((a period of ten~~  
28 ~~years))~~ the tax exemption period, the owner of the rehabilitated or  
29 newly constructed property shall file with a designated ~~((agent))~~  
30 authorized representative of the city an annual report indicating the  
31 following:

32        ~~((1))~~ (a) A statement of occupancy and vacancy of the  
33 rehabilitated or newly constructed property during the twelve months  
34 ending with the anniversary date;

35        ~~((2))~~ (b) A certification by the owner that the property has not  
36 changed use and, if applicable, that the property has been in

1 compliance with the affordable housing requirements as described in RCW  
2 84.14.020 since the date of the certificate approved by the city; ((and  
3 (3+)) (c) A description of changes or improvements constructed  
4 after issuance of the certificate of tax exemption; and  
5 (d) Any additional information requested by the city in regards to  
6 the units receiving a tax exemption.

7 (2) All cities, which issue certificates of tax exemption for  
8 multiunit housing that conform to the requirements of this chapter,  
9 shall report annually by December 31st of each year, beginning in 2007,  
10 to the department of community, trade, and economic development. The  
11 report must include the following information:

- 12 (a) The number of tax exemption certificates granted;
- 13 (b) The total number and type of units produced or to be produced;
- 14 (c) The number and type of units produced or to be produced meeting  
15 affordable housing requirements;
- 16 (d) The actual development cost of each unit produced;
- 17 (e) The total monthly rent or total sale amount of each unit  
18 produced;
- 19 (f) The income of each renter household at the time of initial  
20 occupancy and the income of each initial purchaser of owner-occupied  
21 units at the time of purchase for each of the units receiving a tax  
22 exemption and a summary of these figures for the city; and
- 23 (g) The value of the tax exemption for each project receiving a tax  
24 exemption and the total value of tax exemptions granted.

25 **Sec. 11.** RCW 84.14.110 and 2002 c 146 s 3 are each amended to read  
26 as follows:

27 (1) If improvements have been exempted under this chapter, the  
28 improvements continue to be exempted ((and)) for the applicable period  
29 under RCW 84.14.020, so long as they are not ((be)) converted to  
30 another use ((for at least ten years from date of issuance of the  
31 certificate of tax exemption)) and continue to satisfy all applicable  
32 conditions. If the owner intends to convert the multifamily  
33 development to another use, or if applicable, if the owner intends to  
34 discontinue compliance with the affordable housing requirements as  
35 described in RCW 84.14.020 or any other condition to exemption, the  
36 owner shall notify the assessor within sixty days of the change in use  
37 or intended discontinuance. If, after a certificate of tax exemption

1 has been filed with the county assessor, the (~~city or assessor or~~  
2 ~~agent~~) authorized representative of the governing authority discovers  
3 that a portion of the property is changed or will be changed to a use  
4 that is other than residential or that housing or amenities no longer  
5 meet the requirements, including, if applicable, affordable housing  
6 requirements, as previously approved or agreed upon by contract between  
7 the (~~governing authority~~) city and the owner and that the multifamily  
8 housing, or a portion of the housing, no longer qualifies for the  
9 exemption, the tax exemption must be canceled and the following must  
10 occur:

11 (a) Additional real property tax must be imposed upon the value of  
12 the nonqualifying improvements in the amount that would normally be  
13 imposed, plus a penalty must be imposed amounting to twenty percent.  
14 This additional tax is calculated based upon the difference between the  
15 property tax paid and the property tax that would have been paid if it  
16 had included the value of the nonqualifying improvements dated back to  
17 the date that the improvements were converted to a nonmultifamily use;

18 (b) The tax must include interest upon the amounts of the  
19 additional tax at the same statutory rate charged on delinquent  
20 property taxes from the dates on which the additional tax could have  
21 been paid without penalty if the improvements had been assessed at a  
22 value without regard to this chapter; and

23 (c) The additional tax owed together with interest and penalty must  
24 become a lien on the land and attach at the time the property or  
25 portion of the property is removed from multifamily use or the  
26 amenities no longer meet applicable requirements, and has priority to  
27 and must be fully paid and satisfied before a recognizance, mortgage,  
28 judgment, debt, obligation, or responsibility to or with which the land  
29 may become charged or liable. The lien may be foreclosed upon  
30 expiration of the same period after delinquency and in the same manner  
31 provided by law for foreclosure of liens for delinquent real property  
32 taxes. An additional tax unpaid on its due date is delinquent. From  
33 the date of delinquency until paid, interest must be charged at the  
34 same rate applied by law to delinquent ad valorem property taxes.

35 (2) Upon a determination that a tax exemption is to be canceled for  
36 a reason stated in this section, the governing authority or authorized  
37 representative shall notify the record owner of the property as shown  
38 by the tax rolls by mail, return receipt requested, of the

1 determination to cancel the exemption. The owner may appeal the  
2 determination to the governing authority or authorized representative,  
3 within thirty days by filing a notice of appeal with the clerk of the  
4 governing authority, which notice must specify the factual and legal  
5 basis on which the determination of cancellation is alleged to be  
6 erroneous. The governing authority or a hearing examiner or other  
7 official authorized by the governing authority may hear the appeal. At  
8 the hearing, all affected parties may be heard and all competent  
9 evidence received. After the hearing, the deciding body or officer  
10 shall either affirm, modify, or repeal the decision of cancellation of  
11 exemption based on the evidence received. An aggrieved party may  
12 appeal the decision of the deciding body or officer to the superior  
13 court under RCW 34.05.510 through 34.05.598.

14 (3) Upon determination by the governing authority or authorized  
15 representative to terminate an exemption, the county officials having  
16 possession of the assessment and tax rolls shall correct the rolls in  
17 the manner provided for omitted property under RCW 84.40.080. The  
18 county assessor shall make such a valuation of the property and  
19 improvements as is necessary to permit the correction of the rolls.  
20 The value of the new housing construction, conversion, and  
21 rehabilitation improvements added to the rolls shall be considered as  
22 new construction for the purposes of chapter 84.55 RCW. The owner may  
23 appeal the valuation to the county board of equalization under chapter  
24 84.48 RCW and according to the provisions of RCW 84.40.038. If there  
25 has been a failure to comply with this chapter, the property must be  
26 listed as an omitted assessment for assessment years beginning January  
27 1 of the calendar year in which the noncompliance first occurred, but  
28 the listing as an omitted assessment may not be for a period more than  
29 three calendar years preceding the year in which the failure to comply  
30 was discovered.

31 NEW SECTION. **Sec. 12.** This act is applicable only to applications  
32 for tax exemption certificates submitted under chapter 84.14 RCW after  
33 the effective date of this act, except that any previously adopted  
34 local government requirements or conditions that are consistent with  
35 chapter 84.14 RCW as amended by this act are ratified by this act.

1        NEW SECTION.    **Sec. 13.** This act is necessary for the immediate  
2 preservation of the public peace, health, or safety, or support of the  
3 state government and its existing public institutions, and takes effect  
4 immediately."

**E2SHB 1910** - S COMM AMD  
By Committee on Ways & Means

**ADOPTED AS AMENDED 04/09/2007**

5        On page 1, line 2 of the title, after "housing;" strike the  
6 remainder of the title and insert "amending RCW 84.14.005, 84.14.007,  
7 84.14.010, 84.14.020, 84.14.030, 84.14.040, 84.14.050, 84.14.060,  
8 84.14.090, 84.14.100, and 84.14.110; creating a new section; and  
9 declaring an emergency."

--- END ---