**6239-S2 AMH POLL H4692.2 - NOT FOR FLOOR USE**

**2SSB 6239** - H AMD **925**

By Representative Pollet

Beginning on page 7, after line 6, insert the following:

"NEW SECTION. **Sec.**  (1)(a) In conjunction with adoption of a property tax exemption program under this chapter, the governing authority must adopt a program to determine compliance with the requirements of sections 5 and 7 of this act and the accuracy of tenant reporting under section 16 of this act. The program elements must include, at a minimum, an assessment of:

(i) The number and percentage of units that are affordable under section 5(4) of this act;

(ii) The rents of affordable units as compared to market rate;

(iii) The household size and income of tenants occupying affordable units; and

(iv) Comparability of the condition of affordable units to market rate units.

(b) A governing authority must perform an assessment or audit under this subsection at least once every five years for a nonprofit entity qualifying for the exemption under this chapter, and once every two years for any other entity qualifying for an exemption under this chapter.

(c) The method for performing the assessment or audit must include means selected by a governing authority in order to verify compliance and may include a survey of residents.

(2)(a) At least once every two years the governing authority must publish a report that discloses the number of exempted units, rental rates of affordable and market rate units, the range of household income levels of tenants occupying affordable units, and overall compliance with the program.

(b) The report must also include the total assessed value of property exempted under this chapter and the amount of property tax revenue that is not collected or that is shifted to other property owners due to the exemption.

(c) Within thirty days of publishing the report, the governing authority must hold a public hearing on the report and provide opportunity for public comment.

(3) The assessment, audit, and reporting requirements under this section are in addition to the reporting requirements under section 16(3) of this act. The results of an assessment or audit under this section may be used by a governing authority to verify information reported by a nonprofit property owner under section 16(2) of this act."

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

EFFECT: (1) Adds a requirement for a city or county adopting the exemption to create a program to determine compliance by property owners regarding the number, type, condition, and rental rates of affordable units, and the qualifying income of tenants.

(2) Adds a requirement for a city or county to report to the public on the results of the compliance review as well as the value of property exempted under the act.