

SHB 1763 - S COMM AMD  
By Committee on Ways & Means

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

3 "NEW SECTION. **Sec. 1.** This section is the tax preference  
4 performance statement for the tax preference contained in section 2,  
5 chapter . . . , Laws of 2018 (section 2 of this act). The performance  
6 statement is only intended to be used for subsequent evaluation of  
7 the tax preference. It is not intended to create a private right of  
8 action by any party or be used to determine eligibility for  
9 preferential tax treatment.

10 (1) The legislature categorizes the tax preference as one  
11 intended to provide tax relief for certain business as indicated in  
12 RCW 82.32.808(2)(e).

13 (2) It is the legislature's specific public policy objective to  
14 increase the availability of affordable housing for individuals with  
15 developmental disabilities in Washington. It is the legislature's  
16 intent to expand the property tax exemption for nonprofit  
17 organizations that provide housing for persons with developmental  
18 disabilities in order to maintain and expand housing opportunities.

19 (3) To measure the effectiveness of the tax preference in section  
20 2 of this act in achieving the public policy objectives described in  
21 subsection (2) of this section, the joint legislative audit and  
22 review committee must evaluate the amount of available housing for  
23 low-income individuals with developmental disabilities in the state.

24 (4) In order to obtain the data necessary to perform the review  
25 in subsection (3) of this section, the department of social and  
26 health services must provide data needed for the joint legislative  
27 audit and review committee analysis. In addition to the data source  
28 described under this subsection, the joint legislative audit and  
29 review committee may use any other data it deems necessary.

30 **Sec. 2.** RCW 84.36.042 and 1998 c 202 s 1 are each amended to  
31 read as follows:

1 (1) All real and personal property owned or leased by a nonprofit  
2 organization, corporation, or association to provide housing for  
3 eligible persons with developmental disabilities is exempt from  
4 property taxation.

5 (a) To qualify for this exemption, the nonprofit organization,  
6 corporation, or association must be qualified for exemption under  
7 section 501(c)(3) of the internal revenue code of 1986 (26 U.S.C.  
8 Sec. 501(c)(3)). It must also have been organized for charitable  
9 purposes to create and preserve long-term affordable housing for low-  
10 income ((developmentally—disabled—persons)) individuals with  
11 developmental disabilities.

12 (b) The housing must be (i) occupied by eligible persons who have  
13 a low income, or (ii) an adult family home, as defined in RCW  
14 70.128.010, that is occupied by eligible persons with developmental  
15 disabilities, if at least seventy-five percent of the eligible  
16 persons have a low income.

17 (2) ((As used in this section:)) The definitions in this  
18 subsection apply throughout this section unless the context clearly  
19 requires otherwise.

20 (a) "Developmental disability" means the same as defined in RCW  
21 71A.10.020;

22 (b) "Eligible person" means the same as defined in RCW  
23 71A.10.020; and

24 (c) "Low income" means the adjusted gross income of the resident  
25 is at eighty percent or less of the median income adjusted for family  
26 size, as most recently determined by the federal department of  
27 housing and urban development for the county in which the housing is  
28 located and in effect as of January 1st of the assessment year for  
29 which the exemption is sought. "Adjusted gross income" is as defined  
30 in the federal internal revenue code of 1986, as it exists on June  
31 11, 1998, or such subsequent date as the director may provide by rule  
32 consistent with the purpose of this section.

33 (3) To be exempt under this section, the property must be used  
34 exclusively for the purposes for which the exemption is granted,  
35 except as provided in RCW 84.36.805.

36 (4) If the real or personal property for which exemption is  
37 sought is leased, the benefit of the exemption must inure to the  
38 nonprofit organization, corporation, or association leasing the  
39 property to provide the housing for ((developmentally—disabled  
40 persons)) individuals with developmental disabilities.

1        (5) This section expires January 1, 2029.

2        NEW SECTION.    **Sec. 3.**    This act applies to taxes levied for  
3 collection in 2019 and thereafter."

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4        On page 1, line 3 of the title, after "disabilities;" strike the  
5 remainder of the title and insert "amending RCW 84.36.042; creating  
6 new sections; and providing an expiration date."

EFFECT: Updates dates by a year and makes a technical correction  
to a cross-reference.

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