

NOT CONSIDERED 12/23/2019

1 On page 15, after line 16, insert the following:

2 "Sec. 11. RCW 84.36.560 and 2007 c 301 s 1 are each amended to  
3 read as follows:

4 (1) The real and personal property owned or used by a nonprofit  
5 entity in providing rental housing for very low-income households or  
6 used to provide space for the placement of a mobile home for a very  
7 low-income household within a mobile home park is exempt from  
8 taxation if:

9 (a) The benefit of the exemption inures to the nonprofit entity;

10 (b) At least seventy-five percent of the occupied dwelling units  
11 in the rental housing or lots in a mobile home park are occupied by a  
12 very low-income household; and

13 (c) The rental housing or lots in a mobile home park were  
14 insured, financed, or assisted in whole or in part through one or  
15 more of the following sources:

16 (i) A federal or state housing program administered by the  
17 department of ~~((community, trade, and economic development))~~  
18 commerce;

19 (ii) A federal housing program administered by a city or county  
20 government;

21 (iii) An affordable housing levy authorized under RCW 84.52.105;  
22 ~~((or))~~

23 (iv) The surcharges authorized by RCW 36.22.178 and 36.22.179 and  
24 any of the surcharges authorized in chapter 43.185C RCW; or

25 (v) The Washington state housing finance commission, provided  
26 that the financing is for a mobile home park cooperative or a  
27 manufactured housing cooperative, as defined in RCW 59.20.030.

28 (2) If less than seventy-five percent of the occupied dwelling  
29 units within the rental housing or lots in the mobile home park are  
30 occupied by very low-income households, the rental housing or mobile  
31 home park is eligible for a partial exemption on the real property

1 and a total exemption of the housing's or park's personal property as  
2 follows:

3 (a) A partial exemption (~~(shall be)~~) is allowed for each dwelling  
4 unit in the rental housing or for each lot in a mobile home park  
5 occupied by a very low-income household.

6 (b) The amount of exemption (~~(shall)~~) must be calculated by  
7 multiplying the assessed value of the property reasonably necessary  
8 to provide the rental housing or to operate the mobile home park by a  
9 fraction. The numerator of the fraction is the number of dwelling  
10 units or lots occupied by very low-income households as of December  
11 31st of the first assessment year in which the rental housing or  
12 mobile home park becomes operational or on January 1st of each  
13 subsequent assessment year for which the exemption is claimed. The  
14 denominator of the fraction is the total number of dwelling units or  
15 lots occupied as of December 31st of the first assessment year the  
16 rental housing or mobile home park becomes operational and January  
17 1st of each subsequent assessment year for which exemption is  
18 claimed.

19 (3) If a currently exempt rental housing unit in a facility with  
20 ten units or fewer or mobile home lot in a mobile home park with ten  
21 lots or fewer was occupied by a very low-income household at the time  
22 the exemption was granted and the income of the household  
23 subsequently rises above fifty percent of the median income but  
24 remains at or below eighty percent of the median income, the  
25 exemption will continue as long as the housing continues to meet the  
26 certification requirements of a very low-income housing program  
27 listed in subsection (1) of this section. For purposes of this  
28 section, median income, as most recently determined by the federal  
29 department of housing and urban development for the county in which  
30 the rental housing or mobile home park is located, shall be adjusted  
31 for family size. However, if a dwelling unit or a lot becomes vacant  
32 and is subsequently rerented, the income of the new household must be  
33 at or below fifty percent of the median income adjusted for family  
34 size as most recently determined by the federal department of housing  
35 and urban development for the county in which the rental housing or  
36 mobile home park is located to remain exempt from property tax.

37 (4) If at the time of initial application the property is  
38 unoccupied, or subsequent to the initial application the property is  
39 unoccupied because of renovations, and the property is not currently  
40 being used for the exempt purpose authorized by this section but will

1 be used for the exempt purpose within two assessment years, the  
2 property shall be eligible for a property tax exemption for the  
3 assessment year in which the claim for exemption is submitted under  
4 the following conditions:

5 (a) A commitment for financing to acquire, construct, renovate,  
6 or otherwise convert the property to provide housing for very low-  
7 income households has been obtained, in whole or in part, by the  
8 nonprofit entity claiming the exemption from one or more of the  
9 sources listed in subsection (1)(c) of this section;

10 (b) The nonprofit entity has manifested its intent in writing to  
11 construct, remodel, or otherwise convert the property to housing for  
12 very low-income households; and

13 (c) Only the portion of property that will be used to provide  
14 housing or lots for very low-income households shall be exempt under  
15 this section.

16 (5) To be exempt under this section, the property must be used  
17 exclusively for the purposes for which the exemption is granted,  
18 except as provided in RCW 84.36.805.

19 (6) The nonprofit entity qualifying for a property tax exemption  
20 under this section may agree to make payments to the city, county, or  
21 other political subdivision for improvements, services, and  
22 facilities furnished by the city, county, or political subdivision  
23 for the benefit of the rental housing. However, these payments shall  
24 not exceed the amount last levied as the annual tax of the city,  
25 county, or political subdivision upon the property prior to  
26 exemption.

27 (7) ~~((As used in this section:))~~ The definitions in this  
28 subsection apply throughout this section unless the context clearly  
29 requires otherwise.

30 (a) "Group home" means a single-family dwelling financed, in  
31 whole or in part, by one or more of the sources listed in subsection  
32 (1)(c) of this section. The residents of a group home shall not be  
33 considered to jointly constitute a household, but each resident shall  
34 be considered to be a separate household occupying a separate  
35 dwelling unit. The individual incomes of the residents shall not be  
36 aggregated for purposes of this exemption;

37 (b) "Mobile home lot" or "mobile home park" means the same as  
38 these terms are defined in RCW 59.20.030;

39 (c) "Occupied dwelling unit" means a living unit that is occupied  
40 by an individual or household as of December 31st of the first

1 assessment year the rental housing becomes operational or is occupied  
2 by an individual or household on January 1st of each subsequent  
3 assessment year in which the claim for exemption is submitted. If the  
4 housing facility is comprised of three or fewer dwelling units and  
5 there are any unoccupied units on January 1st, the department shall  
6 base the amount of the exemption upon the number of occupied dwelling  
7 units as of December 31st of the first assessment year the rental  
8 housing becomes operational and on May 1st of each subsequent  
9 assessment year in which the claim for exemption is submitted;

10 (d) "Rental housing" means a residential housing facility or  
11 group home that is occupied but not owned by very low-income  
12 households;

13 (e) "Very low-income household" means a single person, family, or  
14 unrelated persons living together whose income is at or below fifty  
15 percent of the median income adjusted for family size as most  
16 recently determined by the federal department of housing and urban  
17 development for the county in which the rental housing is located and  
18 in effect as of January 1st of the year the application for exemption  
19 is submitted; and

20 (f) "Nonprofit entity" means a:

21 (i) Nonprofit as defined in RCW 84.36.800 that is exempt from  
22 income tax under section 501(c) of the federal internal revenue code;

23 (ii) Limited partnership where a nonprofit as defined in RCW  
24 84.36.800 that is exempt from income tax under section 501(c) of the  
25 federal internal revenue code, a public corporation established under  
26 RCW 35.21.660, 35.21.670, or 35.21.730, a housing authority created  
27 under RCW 35.82.030 or 35.82.300, or a housing authority meeting the  
28 definition in RCW 35.82.210(2)(a) is a general partner; (~~(or)~~)

29 (iii) Limited liability company where a nonprofit as defined in  
30 RCW 84.36.800 that is exempt from income tax under section 501(c) of  
31 the federal internal revenue code, a public corporation established  
32 under RCW 35.21.660, 35.21.670, or 35.21.730, a housing authority  
33 established under RCW 35.82.030 or 35.82.300, or a housing authority  
34 meeting the definition in RCW 35.82.210(2)(a) is a managing member;  
35 or

36 (iv) Mobile home park cooperative or a manufactured housing  
37 cooperative, as defined in RCW 59.20.030.

38 NEW SECTION. **Sec. 12.** The provisions of RCW 82.32.805 and  
39 82.32.808 do not apply to section 11 of this act.

1        NEW SECTION.    **Sec. 13.**    If specific funding for the purposes of  
2 section 11 of this act, referencing section 11 of this act by bill or  
3 chapter number and section number, is not provided by June 30, 2019,  
4 in the omnibus appropriations act, section 11 of this act is null and  
5 void."

6        Renumber the remaining section consecutively and correct any  
7 internal references accordingly.

**ESHB 1997** - S AMD TO WM COMM AMD (S-3838.3/19) **650**  
By Senator Kuderer

**NOT CONSIDERED 12/23/2019**

8        On page 15, line 21, after "46.17.155," strike "and 59.30.050"  
9 and insert "59.30.050, and 84.36.560" and on line 23, after  
10 "creating" strike "a new section" and insert "new sections"

EFFECT: (1) Adds mobile home park and manufactured housing  
cooperatives to the property tax exemption for nonprofits providing  
rental housing for very low-income households.

(2) Expands qualifying rental housing in such cooperatives to  
include rental housing insured, financed, or assisted by the Housing  
Finance Commission.

(3) Adds a null and void clause as applied to the property tax  
exemption for mobile home park and manufactured housing cooperatives.

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