

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2061

Chapter 38, Laws of 2022

67th Legislature
2022 Regular Session

COMMUNITY REVITALIZATION FINANCING—PUBLIC IMPROVEMENTS—PERMANENTLY
AFFORDABLE HOUSING

EFFECTIVE DATE: June 9, 2022

Passed by the House February 9, 2022
Yeas 68 Nays 27

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate March 1, 2022
Yeas 35 Nays 14

DENNY HECK

President of the Senate

Approved March 11, 2022 10:34 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2061** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

March 11, 2022

**Secretary of State
State of Washington**

HOUSE BILL 2061

Passed Legislature - 2022 Regular Session

State of Washington

67th Legislature

2022 Regular Session

By Representatives Ormsby, Santos, Valdez, Morgan, Chopp, Pollet, Harris-Talley, Bergquist, and Lekanoff

Read first time 01/20/22. Referred to Committee on Finance.

1 AN ACT Relating to adding permanently affordable housing to the
2 definition of public improvements; and reenacting and amending RCW
3 39.89.020.

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

5 **Sec. 1.** RCW 39.89.020 and 2020 c 280 s 1 are each reenacted and
6 amended to read as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) "Assessed value of real property" means the valuation of real
10 property as placed on the last completed assessment roll.

11 (2) "Increment area" means the geographic area from which taxes
12 are to be appropriated to finance public improvements authorized
13 under this chapter.

14 (3) "Increment value" means (~~seventy-five~~) 75 percent of any
15 increase in the true and fair value of real property in an increment
16 area that is placed on the tax rolls after the increment area is
17 created.

18 (4) "Local government" means any city, town, county, port
19 district, or any combination thereof.

20 (5) "Ordinance" means any appropriate method of taking
21 legislative action by a local government.

1 (6) "Permanently affordable housing" means housing, regardless of
2 ownership, for which there is a legally binding, recorded document in
3 effect that limits the price at which the owner may sell or restricts
4 the occupancy of the unit to a qualified, low-income household, for a
5 period of at least (~~forty~~) 40 years for a property used for shelter
6 or rental housing, or for a period of at least (~~twenty-five~~) 25
7 years for a property to be owned by a low-income household. These
8 documents include, but are not limited to, affordability covenants,
9 deed restrictions, and community land trust leases. Resale
10 restrictions exercised by providers of permanently affordable housing
11 can include, but are not limited to:

12 (a) Continuous ownership of land by a public entity or nonprofit
13 housing provider with a lease allowing ownership of the structure by
14 an income-eligible household;

15 (b) A nonpossessory interest or right in real property, such as a
16 deed restriction, restrictive covenant, resale restriction(~~(+)~~), or
17 other contractual agreement, that ensures affordability.

18 (7) "Public improvement costs" means the costs of: (a) Design,
19 planning, acquisition, site preparation, construction,
20 reconstruction, rehabilitation, improvement, and installation of
21 public improvements; (b) purchasing, rehabilitating, retrofitting for
22 energy efficiency, and constructing housing for the purpose of
23 creating or preserving permanently affordable housing; (c)
24 relocating, maintaining, and operating property pending construction
25 of public improvements; (d) relocating utilities as a result of
26 public improvements; (e) financing public improvements, including
27 interest during construction, legal and other professional services,
28 taxes, insurance, principal and interest costs on general
29 indebtedness issued to finance public improvements, and any necessary
30 reserves for general indebtedness; (f) assessments incurred in
31 revaluing real property for the purpose of determining the tax
32 allocation base value that are in excess of costs incurred by the
33 assessor in accordance with the revaluation plan under chapter 84.41
34 RCW, and the costs of apportioning the taxes and complying with this
35 chapter and other applicable law; and (g) administrative expenses and
36 feasibility studies reasonably necessary and related to these costs,
37 including related costs that may have been incurred before adoption
38 of the ordinance authorizing the public improvements and the use of
39 community revitalization financing to fund the costs of the public
40 improvements.

1 (8) "Public improvements" means:
2 (a) Infrastructure improvements within the increment area that
3 include:
4 (i) Street and road construction and maintenance;
5 (ii) Water and sewer system construction and improvements;
6 (iii) Sidewalks and streetlights;
7 (iv) Parking, terminal, and dock facilities;
8 (v) Park and ride facilities of a transit authority;
9 (vi) Park facilities and recreational areas; (~~and~~)
10 (vii) Stormwater and drainage management systems; and
11 (viii) Permanently affordable housing; and
12 (b) Expenditures for any of the following purposes:
13 (i) Providing environmental analysis, professional management,
14 planning, and promotion within the increment area, including the
15 management and promotion of retail trade activities in the increment
16 area;
17 (ii) Providing maintenance and security for common or public
18 areas in the increment area; or
19 (iii) Historic preservation activities authorized under RCW
20 35.21.395.
21 (9) "Regular property taxes" means regular property taxes as
22 defined in RCW 84.04.140, except: (a) Regular property taxes levied
23 by port districts or public utility districts specifically for the
24 purpose of making required payments of principal and interest on
25 general indebtedness; and (b) regular property taxes levied by the
26 state for the support of the common schools under RCW 84.52.065.
27 Regular property taxes do not include excess property tax levies that
28 are exempt from the aggregate limits for junior and senior taxing
29 districts as provided in RCW 84.52.043.
30 (10) "Tax allocation base value" means the true and fair value of
31 real property located within an increment area for taxes imposed in
32 the year in which the increment area is created, plus (~~twenty-five~~)
33 25 percent of any increase in the true and fair value of real
34 property located within an increment area that is placed on the
35 assessment rolls after the increment area is created.
36 (11) "Tax allocation revenues" means those tax revenues derived
37 from the imposition of regular property taxes on the increment value
38 and distributed to finance public improvements.

1 (12) "Taxing districts" means a governmental entity that levies
2 or has levied for it regular property taxes upon real property
3 located within a proposed or approved increment area.

4 (13) "Value of taxable property" means the value of the taxable
5 property as defined in RCW 39.36.015.

Passed by the House February 9, 2022.

Passed by the Senate March 1, 2022.

Approved by the Governor March 11, 2022.

Filed in Office of Secretary of State March 11, 2022.

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