AN ACT Relating to historic preservation; adding a new chapter to Title 84 RCW; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds and declares that it is in the public interest of the people of the state of Washington to encourage maintenance, improvement, and preservation of privately owned historic landmarks as the state approaches its Centennial year of 1989. To achieve this purpose, this chapter provides special valuation for improvements to historic property.

NEW SECTION. Sec. 2. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

   (1) "Historic property" means real property together with improvements thereon, except property listed in a register primarily for objects buried below ground, which is:
      (a) Listed in a local register of historic places created by comprehensive ordinance, certified by the secretary of the interior as provided in P.L. 96–515; or
      (b) Listed in the national register of historic places.
   (2) "Substantial improvement" means the actual cost of rehabilitation which is twenty-five percent or greater of the assessed valuation of the historic structure prior to rehabilitation.
   (3) "Special valuation" means the determination of the assessed value of the historic property at a rate that excludes, for up to ten years, the actual cost of a substantial improvement.
   (4) "State review board" means the advisory council on historic preservation established under chapter 27.34 RCW, or any successor agency designated by the state to act as the state historic preservation review board under federal law.
   (5) "Local review board" means a local body designated by the local legislative authority.
   (6) "Owner" means the owner of record.

NEW SECTION. Sec. 3. Four criteria must be met for special valuation under this chapter. The property must:

   (1) Be an historic property;
   (2) Fall within a class of historic property determined eligible for special valuation by the local legislative authority;
   (3) Be substantially improved within twenty-four months prior to the application for special valuation; and
NEW SECTION. Sec. 4. An owner of property desiring special valuation under this chapter shall apply to the assessor of the county in which the property is located upon forms prescribed by the department of revenue and supplied by the county assessor. The application form shall include a statement that the applicant is aware of the potential tax liability involved when the property ceases to be eligible for special valuation. Applications shall be made no later than October 1 of the calendar year preceding the first assessment year for which classification is requested.

NEW SECTION. Sec. 5. (1) Within ten days after the filing of the application in the county assessor's office, the county assessor shall refer each application for classification to the local review board.

(2) The review board shall approve the application if the property meets the criterion of section 3 of this act and is not altered in a way which adversely affects those elements which qualify it as historically significant, and the owner enters into a covenant with the review board which requires the owner for the ten-year period of the classification to:

(a) Monitor the property for its continued qualification for the special valuation;

(b) Comply with rehabilitation plans and minimum standards of maintenance as defined in the agreement;

(c) Make the historic aspects of the property accessible to public view one day a year, if the property is not visible from the public right of way;

(d) Apply to the local review board for approval or denial of any demolition or alteration; and

(e) Comply with any other provisions in the original agreement as may be appropriate.

(3) Once a covenant between an owner and a review board has become effective pursuant to this chapter, there shall be no changes in standards of maintenance, public access, alteration, or report requirements, or any other provisions of the covenant, during the period of the classification without the approval of all parties to the covenant.

(4) An application for classification as an eligible historic property shall be approved or denied by the local review board before December 31 of the calendar year in which the application is made.

NEW SECTION. Sec. 6. (1) The review board shall notify the county assessor and the applicant of the approval or denial of the application.

(2) If the local review board determines that the property qualifies as eligible historic property, the review board shall certify the fact in writing and shall file a copy of the certificate with the county assessor within ten days. The certificate shall state the facts upon which the approval is based.

(3) The assessor shall record the certificate with the county auditor.
(4) The assessor, as to any historic property, shall value the property under section 7 of this act and, each year the historic property is classified and so valued, shall enter on the assessment list and tax roll that the property is being specially valued as historic property.

NEW SECTION. Sec. 7. (1) The county assessor shall, for ten consecutive assessment years following the calendar year in which application is made, value property classified as eligible historic property excluding the actual cost of the substantial improvement completed within the twenty-four months prior to the application.

(2) The entitlement of property to the special valuation provisions of this section shall be determined as of January 1. If property becomes disqualified for the special valuation for any reason, the property shall receive the special valuation for that part of any year during which it remained qualified or the owner was acting in the good faith belief that the property was qualified.

(3) At the conclusion of special valuation, the actual cost of the substantial improvement shall be considered as new construction.

NEW SECTION. Sec. 8. (1) When property has once been classified and valued as eligible historic property, it shall remain so classified and be granted the special valuation provided by section 7 of this act for ten years or until the property is disqualified by:

(a) Notice by the owner to the assessor to remove the special valuation;

(b) Sale or transfer to an ownership making it exempt from property taxation; or

(c) Removal of the special valuation by the assessor upon determination by the local review board that the property no longer qualifies as historic property or that the owner has failed to comply with the conditions established under section 5 of this act.

(2) The sale or transfer to a new owner or transfer by reason of death of a former owner to a new owner does not disqualify the property from the special valuation provided by section 7 of this act if:

(a) The property continues to qualify as historic property; and

(b) The new owner files a notice of compliance with the assessor of the county in which the property is located. Notice of compliance forms shall be prescribed by the state department of revenue and supplied by the county assessor. The notice shall contain a statement that the new owner is aware of the special valuation and of the potential tax liability involved when the property ceases to be valued as historic property under this chapter. The signed notice of compliance shall be attached to the real estate excise tax affidavit provided for in RCW 82.45.120. If the notice of compliance is not signed by the new owner and attached to the real estate excise tax affidavit, all additional taxes calculated pursuant to section 9 (1) (a) and (b) of this act shall become due and payable by the seller or transferor at time of sale.
The county auditor shall not accept an instrument of conveyance of specially valued historic property for filing or recording unless the new owner has signed the notice of compliance or the additional tax has been paid.

(3) When the property ceases to qualify for the special valuation the owner shall immediately notify the state or local review board.

NEW SECTION. Sec. 9. (1) Except as provided in subsection (4) of this section, whenever property classified and valued as eligible historic property under section 7 of this act becomes disqualified for the valuation, there shall be added to the tax levied against the property on the next general property tax roll an additional tax equal to:

(a) The actual cost of the substantial improvement multiplied by the levy rate in each year the property was subject to special valuation; plus

(b) Interest on the amounts of the additional tax at the statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the property had not been valued as historic property under this chapter; plus

(c) A penalty equal to twelve percent of the amount determined in (a) and (b) of this subsection.

(2) The additional tax and penalties, together with applicable interest thereon, shall become a lien on the property which shall have priority to and shall be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the property may become charged or liable.

(3) Before the additional tax or penalty imposed by subsection (1) of this section is added to the tax levied against the property on the next general property tax roll, in the case of disqualification under section 8 of this act, the assessor shall notify the owner of the property by mail, return receipt requested, of the disqualification.

(4) The additional tax, interest, and penalty shall not be imposed if the disqualification resulted solely from:

(a) Sale or transfer of the property to an ownership making it exempt from taxation;

(b) Alteration or destruction through no fault of the owner; or

(c) A taking through the exercise of the power of eminent domain.

NEW SECTION. Sec. 10. The additional tax, penalties, and/or interest provided by section 9 of this act shall be payable in full thirty days after the date which the treasurer's statement therefor is rendered. Such additional tax when collected shall be distributed by the county treasurer in the same manner in which current taxes applicable to the subject land are distributed.

NEW SECTION. Sec. 11. The local legislative authority and the local review board may request the assistance of the state historic preservation officer in conducting special valuation activities.
NEW SECTION. Sec. 12. The state review board shall adopt rules necessary to carry out the purposes of this chapter. The rules shall include rehabilitation and maintenance standards for historic properties to be used as minimum requirements by local review boards to ensure that the historic property is safe and habitable, including but not limited to:

(1) Elimination of visual blight due to past neglect of maintenance and repair to the exterior of the building, including replacement of broken or missing doors and windows, repair of deteriorated architectural features, and painting of exterior surfaces;

(2) Correction of structural defects and hazards;

(3) Protection from weather damage due to defective roofing, flashings, glazing, caulking, or lack of heat; and

(4) Elimination of any condition on the premises which could cause or augment fire or explosion.

NEW SECTION. Sec. 13. Any decision by a local review board on an application for classification as historic property eligible for special valuation may be appealed to superior court under RCW 34.04.130 in addition to any other remedy at law. Any decision on the disqualification of historic property eligible for special valuation, or any other dispute, may be appealed to the county board of equalization.

NEW SECTION. Sec. 14. No application for special valuation under this chapter may be made after December 31, 1991.

NEW SECTION. Sec. 15. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 16. Sections 1 through 14 of this act shall constitute a new chapter in Title 84 RCW.

Passed the Senate April 22, 1985.
Passed the House April 18, 1985.
Approved by the Governor May 21, 1985.
Filed in Office of Secretary of State May 21, 1985.

CHAPTER 450
[Substitute Senate Bill No. 3305]
TELECOMMUNICATIONS REGULATION

AN ACT Relating to the jurisdiction of the utilities and transportation commission over economic rate regulation and entry control of telecommunications providers; amending RCW 80.04.010, 80.01.040, 80.04.110, 80.04.130, 80.04.500, 80.24.010, 80.36.010, 80.36.020, 80.36.030, 80.36.040, 80.36.050, 80.36.060, 80.36.070, 80.36.080, 80.36.090, 80.36.100, 80.36.110, 80.36.120, 80.36.130, 80.36.140, 80.36.150, 80.36.160, 80.36.170, 80.36.180, 80.36.190, 80.36.200, 80.36.220, 80.36.225, 80.36.230, 80.36.260, 80.36.270, and 80.54.010; and adding new sections to chapter 80.36 RCW.

[ 1976 ]