

CHAPTER 221

[Engrossed Senate Bill No. 4601]

HISTORIC PROPERTY

AN ACT Relating to the rehabilitation and assessment of historic property; and amending RCW 84.26.020, 84.26.030, 84.26.040, 84.26.050, 84.26.070, 84.26.080, and 84.26.090.

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

Sec. 1. Section 2, chapter 449, Laws of 1985 and RCW 84.26.020 are each amended to read as follows:

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"~~) "Cost" means the actual cost of rehabilitation, which ~~((is))~~ cost shall be at least twenty-five percent ((or greater)) of the assessed valuation of the historic ~~((structure))~~ property, exclusive of the assessed value attributable to the land, 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))~~ subtracting, for up to ten years, such cost as is approved by the local review board.

(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.

(7) "Rehabilitation" is the process of returning a property to a state of utility through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its architectural and cultural values.

Sec. 2. Section 3, chapter 449, Laws of 1985 and RCW 84.26.030 are each amended to read as follows:

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)~~) rehabilitated at a cost which meets the definition set forth in RCW 84.26.020(2) within twenty-four months prior to the application for special valuation; and

(4) Be protected by (~~(a covenant)~~) an agreement between the owner and the local review board as described in RCW 84.26.050(2).

Sec. 3. Section 4, chapter 449, Laws of 1985 and RCW 84.26.040 are each amended to read as follows:

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. The assessor may charge only such fees as are necessary to process and record documents pursuant to this chapter.

Sec. 4. Section 5, chapter 449, Laws of 1985 and RCW 84.26.050 are each amended to read as follows:

(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 RCW 84.26.030 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)~~) an agreement 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)~~) an agreement 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)~~) agreement, during

the period of the classification without the approval of all parties to the ~~((covenant))~~ agreement.

(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.

(5) The local review board is authorized to examine the records of applicants.

Sec. 5. Section 7, chapter 449, Laws of 1985 and RCW 84.26.070 are each amended to read as follows:

(1) The county assessor shall, for ten consecutive assessment years following the calendar year in which application is made, ~~((value))~~ place a special valuation on 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))~~ cost shall be considered as new construction.

Sec. 6. Section 8, chapter 449, Laws of 1985 and RCW 84.26.080 are each amended to read as follows:

(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 RCW 84.26.070 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 RCW 84.26.050.

(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 RCW 84.26.070 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 RCW 84.26.090(~~((1) (a) and (b))~~) 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.

(4) Before the additional tax or penalty imposed by RCW 84.26.090 is levied, in the case of disqualification, the assessor shall notify the taxpayer by mail, return receipt requested, of the disqualification.

Sec. 7. Section 9, chapter 449, Laws of 1985 and RCW 84.26.090 are each amended to read as follows:

(1) Except as provided in subsection (~~((4))~~) (3) of this section, whenever property classified and valued as eligible historic property under RCW 84.26.070 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)~~) cost 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 RCW 84.26.080, 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.

Passed the Senate March 8, 1986.

Passed the House March 5, 1986.

Approved by the Governor April 2, 1986.

Filed in Office of Secretary of State April 2, 1986.

CHAPTER 222

[Substitute Senate Bill No. 4574]

CHORE SERVICES

AN ACT Relating to chore services; amending RCW 74.08.541; and declaring an emergency.

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

Sec. 1. Section 17, chapter 6, Laws of 1981 1st ex. sess. as amended by section 39, chapter 41, Laws of 1983 1st ex. sess. and RCW 74.08.541 are each amended to read as follows:

(1) "Chore services," as used in this chapter, means services in performing light work and household and other personal tasks which eligible persons are unable to do for themselves because of frailty or handicapping conditions.

(2) Persons eligible for chore services are adult individuals having resources less than a level determined by the department, and whose ((level of)) need for chore services and risk of being placed in a residential care facility have been determined by the department.

(a) Persons are eligible for the level or amount of services determined by the department under RCW 74.08.545 if the persons are: (i) Adult recipients of supplemental security income((;)) or state supplementation((; or)); (ii) eligible at the time their eligibility for chore services is determined or redetermined, for limited casualty program medical care as defined by RCW 74.09.010((, are eligible for services at no cost. Other individuals are eligible for needed chore services at a reduced level based on their ability to purchase the services.)); or (iii) have an income at or below thirty percent of the state median income.

(b) ~~For other persons, the department shall develop a scale ((of reduced services in comparison to determined need so that recipient participation does not reduce income below thirty percent of the state median income. Subject to the availability of funds, the department shall develop a sliding scale of participation considering a portion of income between thirty percent and fifty percent of the state median income and all income above~~