

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2868**

Chapter 91, Laws of 2020

66th Legislature  
2020 Regular Session

HISTORIC PROPERTY SPECIAL VALUATION--EXTENSIONS

EFFECTIVE DATE: June 11, 2020

Passed by the House February 13, 2020  
Yeas 96 Nays 0

LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate March 3, 2020  
Yeas 49 Nays 0

CYRUS HABIB

**President of the Senate**

Approved March 19, 2020 2:45 PM

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 **SUBSTITUTE HOUSE BILL 2868** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

March 19, 2020

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2868**

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Passed Legislature - 2020 Regular Session

**State of Washington                      66th Legislature                      2020 Regular Session**

**By** House Finance (originally sponsored by Representatives Blake and Walsh)

READ FIRST TIME 02/11/20.

1            AN ACT Relating to allowing for extensions of the special  
2 valuation of historic property for certain properties; amending RCW  
3 84.26.070 and 84.26.050; and creating a new section.

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

5            **Sec. 1.** RCW 84.26.070 and 1986 c 221 s 5 are each amended to  
6 read as follows:

7            (1) The county assessor shall, for ten consecutive assessment  
8 years following the calendar year in which application is made, place  
9 a special valuation on property classified as eligible historic  
10 property.

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

17            (3) At the conclusion of special valuation, the cost shall be  
18 considered as new construction.

19            (4)(a) A property is eligible for two seven-year extensions of  
20 the special valuation if:

1 (i) The property is located in a county that is listed as a  
2 distressed area as reported by the state employment security  
3 department and the city is under twenty thousand in population; and

4 (ii) The property continues to meet the criteria provided in RCW  
5 84.26.030.

6 (b) Extensions must be applied for by the owner, upon forms  
7 prescribed by the department of revenue and supplied by the county  
8 assessor, at least ninety days prior to the expiration of the special  
9 valuation.

10 (c) All extensions must be reviewed by the local review board and  
11 may be approved or denied at the local review board's discretion.

12 (d) No extension may be provided under this subsection on or  
13 after January 1, 2057.

14 **Sec. 2.** RCW 84.26.050 and 1986 c 221 s 4 are each amended to  
15 read as follows:

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

19 (2) The review board shall approve the application if the  
20 property meets the criterion of RCW 84.26.030 and is not altered in a  
21 way which adversely affects those elements which qualify it as  
22 historically significant, and the owner enters into an agreement with  
23 the review board which requires the owner for the ten-year period of  
24 the classification to:

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

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

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

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

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

36 (3) Once an agreement between an owner and a review board has  
37 become effective pursuant to this chapter, there shall be no changes  
38 in standards of maintenance, public access, alteration, or report  
39 requirements, or any other provisions of the agreement, during the

1 period of the classification without the approval of all parties to  
2 the agreement.

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

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

8 (6) No new applications may be approved on or after January 1,  
9 2031.

10 NEW SECTION. **Sec. 3.** (1) This section is the tax preference  
11 performance statement for the tax preference contained in sections 1  
12 and 2, chapter . . ., Laws of 2020 (sections 1 and 2 of this act).  
13 This performance statement is only intended to be used for subsequent  
14 evaluation of the tax preference. It is not intended to create a  
15 private right of action by any party or to be used to determine  
16 eligibility for preferential tax treatment.

17 (2) The legislature categorizes this tax preference as one  
18 intended to provide tax relief for certain businesses or individuals  
19 as provided in RCW 82.32.808(2)(e).

20 (3) It is the legislature's specific public policy objective to  
21 promote the revitalization of historic properties.

22 (4) If the review finds that the number of taxpayers claiming  
23 this preference increases, then the legislature intends to extend the  
24 expiration date of this tax preference.

25 (5) In order to obtain the data necessary to perform the review  
26 in subsection (4) of this section, the joint legislative audit and  
27 review committee may refer to any data collected by the state.

Passed by the House February 13, 2020.  
Passed by the Senate March 3, 2020.  
Approved by the Governor March 19, 2020.  
Filed in Office of Secretary of State March 19, 2020.

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