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**SUBSTITUTE SENATE BILL 5283**

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**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** Senate Financial Institutions, Housing & Insurance (originally sponsored by Senators Hobbs, Benton, Schoesler, Honeyford, Zarelli, Prentice, and Shin)

READ FIRST TIME 02/17/11.

1           AN ACT Relating to the allocation of vouchers in awarding resources  
2 for low-income housing; amending RCW 36.22.178, 36.22.179, and  
3 36.22.1791; and adding a new section to chapter 36.22 RCW.

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

5           **Sec. 1.** RCW 36.22.178 and 2007 c 427 s 1 are each amended to read  
6 as follows:

7           The surcharge provided for in this section shall be named the  
8 affordable housing for all surcharge.

9           (1) Except as provided in subsection (3) of this section, a  
10 surcharge of ten dollars per instrument shall be charged by the county  
11 auditor for each document recorded, which will be in addition to any  
12 other charge authorized by law. The county may retain up to five  
13 percent of these funds collected solely for the collection,  
14 administration, and local distribution of these funds. Of the  
15 remaining funds, forty percent of the revenue generated through this  
16 surcharge will be transmitted monthly to the state treasurer who will  
17 deposit the funds into the affordable housing for all account created  
18 in RCW 43.185C.190. The department of (~~community, trade, and economic~~  
19 ~~development~~) commerce must use these funds to provide housing and

1 shelter for extremely low-income households with incomes at or below  
2 thirty percent of the area median income, including ((but not limited  
3 to)) using a minimum of twenty-six percent of the funds for rental  
4 vouchers in locations where a majority of the dwelling units occupied  
5 by the tenants using these vouchers are privately owned units that are  
6 not operating under any program licensed by the state of Washington.  
7 The remaining funds must be used for grants for building operation and  
8 maintenance costs of housing projects or units within housing projects  
9 that are affordable to extremely low-income households with incomes at  
10 or below thirty percent of the area median income, and that require a  
11 supplement to rent income to cover ongoing operating expenses.

12 (2) All of the remaining funds generated by this surcharge will be  
13 retained by the county and be deposited into a fund that must be used  
14 by the county and its cities and towns for eligible housing activities  
15 as described in this subsection that serve very low-income households  
16 with incomes at or below fifty percent of the area median income. The  
17 portion of the surcharge retained by a county shall be allocated to  
18 eligible housing activities that serve extremely low and very low-  
19 income households in the county and the cities within a county  
20 according to an interlocal agreement between the county and the cities  
21 within the county consistent with countywide and local housing needs  
22 and policies. A priority must be given to eligible housing activities  
23 that serve extremely low-income households with incomes at or below  
24 thirty percent of the area median income. Eligible housing activities  
25 to be funded by these county funds are limited ((to)) as follows:

26 (a) A minimum of twenty-six percent of funds received must be (i)  
27 allocated for rental vouchers for housing units that are affordable to  
28 very low-income households with incomes at or below fifty percent of  
29 the area median income, and (ii) administered by a local public housing  
30 authority or other local organization that has an existing rental  
31 assistance voucher program or the authority to offer a voucher program,  
32 consistent with or similar to the United States department of housing  
33 and urban development's section 8 rental assistance voucher program  
34 standards, which provides vouchers for as long as necessary, as opposed  
35 to providing vouchers for a limited period of time, in order to provide  
36 renters with consistency and an opportunity to live where they desire.  
37 The rental vouchers must be payable to the landlord, including vouchers  
38 for first and last month's rent and security and other required

1 deposits, except pet deposits, required of all other new tenants. The  
2 administering authority or organization must ensure that a majority of  
3 the dwelling units occupied by tenants using these vouchers are  
4 privately owned units that are not operating under any program licensed  
5 by the state of Washington;

6 (b) The remaining funds may be used for:

7 (i) Acquisition, construction, or rehabilitation of housing  
8 projects or units within housing projects that are affordable to very  
9 low-income households with incomes at or below fifty percent of the  
10 area median income, including units for homeownership, rental units,  
11 seasonal and permanent farm worker housing units, and single room  
12 occupancy units;

13 ~~((b))~~ (ii) Supporting building operation and maintenance costs of  
14 housing projects or units within housing projects eligible to receive  
15 housing trust funds, that are affordable to very low-income households  
16 with incomes at or below fifty percent of the area median income, and  
17 that require a supplement to rent income to cover ongoing operating  
18 expenses;

19 ~~((c))~~ (iii) Other rental assistance vouchers for housing units  
20 that are affordable to very low-income households with incomes at or  
21 below fifty percent of the area median income, to be administered by a  
22 local public housing authority or other local organization that has an  
23 existing rental assistance voucher program, consistent with or similar  
24 to the United States department of housing and urban development's  
25 section 8 rental assistance voucher program standards; and

26 ~~((d))~~ (iv) Operating costs for emergency shelters and licensed  
27 overnight youth shelters.

28 (3) The surcharge imposed in this section does not apply to  
29 assignments or substitutions of previously recorded deeds of trust.

30 **Sec. 2.** RCW 36.22.179 and 2009 c 462 s 1 are each amended to read  
31 as follows:

32 (1) In addition to the surcharge authorized in RCW 36.22.178, and  
33 except as provided in subsection (2) of this section, an additional  
34 surcharge of ten dollars shall be charged by the county auditor for  
35 each document recorded, which will be in addition to any other charge  
36 allowed by law. During the 2009-11 and 2011-13 biennia, the surcharge

1 shall be thirty dollars. The funds collected pursuant to this section  
2 are to be distributed and used as follows:

3 (a) The auditor shall retain two percent for collection of the fee,  
4 and of the remainder shall remit sixty percent to the county to be  
5 deposited into a fund that must be used by the county and its cities  
6 and towns to accomplish the purposes of chapter 484, Laws of 2005, (i)  
7 six percent of which may be used by the county for administrative costs  
8 related to its homeless housing plan, (ii) a minimum of twenty-six  
9 percent of which must be used for rental vouchers to provide housing  
10 for homeless people in locations where a majority of the dwelling units  
11 occupied by the tenants using these vouchers are privately owned units  
12 that are not operating under any program licensed by the state of  
13 Washington, to be administered by a local public housing authority or  
14 other local organization that has an existing rental assistance voucher  
15 program, consistent with or similar to the United States department of  
16 housing and urban development's section 8 rental assistance voucher  
17 program standards, and (iii) the remainder for programs which directly  
18 accomplish the goals of the county's local homeless housing plan,  
19 except that for each city in the county which elects as authorized in  
20 RCW 43.185C.080 to operate its own local homeless housing program, a  
21 percentage of the surcharge assessed under this section equal to the  
22 percentage of the city's local portion of the real estate excise tax  
23 collected by the county shall be transmitted at least quarterly to the  
24 city treasurer, without any deduction for county administrative costs,  
25 for use by the city for program costs which directly contribute to the  
26 goals of the city's local homeless housing plan; of the funds received  
27 by the city, it may use six percent for administrative costs for its  
28 homeless housing program.

29 (b) The auditor shall remit the remaining funds to the state  
30 treasurer for deposit in the home security fund account. The  
31 department may use twelve and one-half percent of this amount for  
32 administration of the program established in RCW 43.185C.020, including  
33 the costs of creating the statewide homeless housing strategic plan,  
34 measuring performance, providing technical assistance to local  
35 governments, and managing the homeless housing grant program. A  
36 minimum of twenty-six percent of the remaining eighty-seven and one-  
37 half percent is to be used by the department to((+)

1        ~~(i)~~) provide housing and shelter for homeless people through the  
2 use of rental vouchers. The remaining moneys must be used to (i)  
3 provide housing and shelter for homeless people including, but not  
4 limited to: Grants to operate, repair, and staff shelters; grants to  
5 operate transitional housing; ~~((partial payments for rental~~  
6 ~~assistance))~~ consolidated emergency assistance; overnight youth  
7 shelters; and emergency shelter assistance~~((+))~~ and (ii) fund the  
8 homeless housing grant program.

9        (2) The surcharge imposed in this section does not apply to (a)  
10 assignments or substitutions of previously recorded deeds of trust, or  
11 (b) documents recording a birth, marriage, divorce, or death or any  
12 documents otherwise exempted from a recording fee under state law.

13        **Sec. 3.** RCW 36.22.1791 and 2007 c 427 s 5 are each amended to read  
14 as follows:

15        (1) In addition to the surcharges authorized in RCW 36.22.178 and  
16 36.22.179, and except as provided in subsection (2) of this section,  
17 the county auditor shall charge an additional surcharge of eight  
18 dollars for each document recorded, which is in addition to any other  
19 charge allowed by law. The funds collected under this section are to  
20 be distributed and used as follows:

21        (a) The auditor shall remit ninety percent to the county to be  
22 deposited into a fund, (i) six percent of which may be used by the  
23 county for administrative costs related to its homeless housing plan,  
24 (ii) a minimum of twenty-six percent of which must be used for rental  
25 vouchers to provide housing for homeless people in locations where a  
26 majority of the dwelling units occupied by the tenants using these  
27 vouchers are privately owned units that are not operating under any  
28 program licensed by the state of Washington, to be administered by a  
29 local public housing authority or other local organization that has an  
30 existing rental assistance voucher program, consistent with or similar  
31 to the United States department of housing and urban development's  
32 section 8 rental assistance voucher program standards, and (iii) the  
33 remainder for programs that directly accomplish the goals of the  
34 county's local homeless housing plan, except that for each city in the  
35 county that elects, as authorized in RCW 43.185C.080, to operate its  
36 own local homeless housing program, a percentage of the surcharge  
37 assessed under this section equal to the percentage of the city's local

1 portion of the real estate excise tax collected by the county must be  
2 transmitted at least quarterly to the city treasurer for use by the  
3 city for program costs that directly contribute to the goals of the  
4 city's local homeless housing plan.

5 (b) The auditor shall remit the remaining funds to the state  
6 treasurer for deposit in the home security fund account. The  
7 department (~~may use the funds~~) must use a minimum of twenty-six  
8 percent of the funds for rental vouchers to provide housing for  
9 homeless people, to be administered by a local public housing authority  
10 or other local organization that has an existing rental assistance  
11 voucher program, consistent with or similar to the United States  
12 department of housing and urban development's section 8 rental  
13 assistance voucher program standards, and the remaining funds must be  
14 used:

15 (i) For administering the program established in RCW 43.185C.020,  
16 including the costs of creating and updating the statewide homeless  
17 housing strategic plan, measuring performance, providing technical  
18 assistance to local governments, and managing the homeless housing  
19 grant program(~~(. Remaining funds may also be used to:~~

20 ~~(i))~~);

21 (ii) To provide housing and shelter for homeless people including,  
22 but not limited to: Grants to operate, repair, and staff shelters;  
23 grants to operate transitional housing; (~~partial payments for rental~~  
24 ~~assistance~~); consolidated emergency assistance; overnight youth  
25 shelters; and emergency shelter assistance; and

26 (~~(ii))~~ (iii) To fund the homeless housing grant program.

27 (2) The surcharge imposed in this section does not apply to  
28 assignments or substitutions of previously recorded deeds of trust.

29 NEW SECTION. Sec. 4. A new section is added to chapter 36.22 RCW  
30 to read as follows:

31 In calculating the rental voucher payment amount under RCW  
32 36.22.178, 36.22.179, and 36.22.1791, the department of commerce, local  
33 public housing authorities, and other local organizations administering  
34 the rental voucher program must use the method specified by the United  
35 States department of housing and urban development in 24 C.F.R. Part  
36 982 on the effective date of this section, or a subsequent date as may

1 be provided by the United States department of housing and urban  
2 development by rule, consistent with the purposes of this section.

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