

SHB 2373 - S AMD 646
By Senator Hobbs

1 On page 5, after line 15, insert the following:

2 "Sec. 5. RCW 36.22.179 and 2012 c 90 s 1 are each amended to read
3 as follows:

4 (1) In addition to the surcharge authorized in RCW 36.22.178, and
5 except as provided in subsection (2) of this section, an additional
6 surcharge (~~of ten dollars~~) shall be charged by the county auditor for
7 each document recorded, which will be in addition to any other charge
8 allowed by law. (~~From July 1, 2009, through August 31, 2012, and from~~
9 ~~July 1, 2015, through June 30, 2017, the surcharge shall be thirty~~
10 ~~dollars. From September 1, 2012, through June 30, 2015,~~) Beginning
11 July 1, 2015, the surcharge shall be forty dollars. The funds
12 collected pursuant to this section are to be distributed and used as
13 follows:

14 (a) The auditor shall retain two percent for collection of the fee,
15 and of the remainder shall remit sixty percent to the county to be
16 deposited into a fund that must be used by the county and its cities
17 and towns to accomplish the purposes of chapter 484, Laws of 2005, six
18 percent of which may be used by the county for administrative costs
19 related to its homeless housing plan, and the remainder for programs
20 which directly accomplish the goals of the county's local homeless
21 housing plan, except that for each city in the county which elects as
22 authorized in RCW 43.185C.080 to operate its own local homeless housing
23 program, a percentage of the surcharge assessed under this section
24 equal to the percentage of the city's local portion of the real estate
25 excise tax collected by the county shall be transmitted at least
26 quarterly to the city treasurer, without any deduction for county
27 administrative costs, for use by the city for program costs which
28 directly contribute to the goals of the city's local homeless housing
29 plan; of the funds received by the city, it may use six percent for
30 administrative costs for its homeless housing program.

1 (b) The auditor shall remit the remaining funds to the state
2 treasurer for deposit in the home security fund account. The
3 department may use twelve and one-half percent of this amount for
4 administration of the program established in RCW 43.185C.020, including
5 the costs of creating the statewide homeless housing strategic plan,
6 measuring performance, providing technical assistance to local
7 governments, and managing the homeless housing grant program. Of the
8 remaining eighty-seven and one-half percent, at least forty-five
9 percent must be set aside for the use of private rental housing
10 payments, and the remainder is to be used by the department to:

11 (i) Provide housing and shelter for homeless people including, but
12 not limited to: Grants to operate, repair, and staff shelters; grants
13 to operate transitional housing; partial payments for rental
14 assistance; consolidated emergency assistance; overnight youth
15 shelters; grants and vouchers designated for victims of human
16 trafficking and their families; and emergency shelter assistance; and

17 (ii) Fund the homeless housing grant program.

18 (2) ~~((The surcharge imposed in this section applies to documents~~
19 ~~required to be recorded or filed under RCW 65.04.030(1) including, but~~
20 ~~not limited to: Full reconveyance; deeds of trust; deeds; liens~~
21 ~~related to real property; release of liens related to real property;~~
22 ~~notice of trustee sales; judgments related to real property; and all~~
23 ~~other documents pertaining to real property as determined by the~~
24 ~~department. However, the surcharge does not apply to (a) assignments~~
25 ~~or substitutions of previously recorded deeds of trust, or (b)~~
26 ~~documents recording a birth, marriage, divorce, or death or any~~
27 ~~documents otherwise exempted from a recording fee under state law.~~

28 ~~(3) By August 31, 2012, the department shall submit to each county~~
29 ~~auditor a list of documents that are subject to the surcharge~~
30 ~~established in subsection (1) of this section.~~

31 ~~(4) If section 2, chapter 90, Laws of 2012 is not enacted into law~~
32 ~~by July 31, 2012, section 1, chapter 90, Laws of 2012 is null and~~
33 ~~void.)) The surcharge imposed in this section does not apply to (a)
34 assignments or substitutions of previously recorded deeds of trust, (b)
35 documents recording a birth, marriage, divorce, or death, (c) any
36 recorded documents otherwise exempted from a recording fee or
37 additional surcharges under state law, (d) marriage licenses issued by~~

1 the county auditor, or (e) documents recording a state, county, or city
2 lien or satisfaction of lien.

3 **Sec. 6.** RCW 43.185C.060 and 2007 c 427 s 6 are each amended to
4 read as follows:

5 The home security fund account is created in the state treasury,
6 subject to appropriation. The state's portion of the surcharge
7 established in RCW 36.22.179 and 36.22.1791 must be deposited in the
8 account. Expenditures from the account may be used only for homeless
9 housing programs as described in this chapter. If the department fails
10 to comply with the reporting requirements of RCW 43.185C.240, the
11 department is prohibited from expending funds under RCW 36.22.179, and
12 the office of financial management may not allot such funds until it
13 determines the reporting requirements are met.

14 **Sec. 7.** RCW 43.185C.240 and 2012 c 90 s 2 are each amended to read
15 as follows:

16 (1) As a means of efficiently and cost-effectively providing
17 housing assistance to very-low income and homeless households:

18 (a) Any local government that has the authority to issue housing
19 vouchers, directly or through a contractor, using document recording
20 surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or
21 36.22.1791 must:

22 (i)(A) Maintain an interested landlord list, which at a minimum,
23 includes information on rental properties in buildings with fewer than
24 fifty units;

25 (B) Update the list at least once per quarter;

26 (C) Distribute the list to agencies providing services to
27 individuals and households receiving housing vouchers;

28 (D) Ensure that a copy of the list or information for accessing the
29 list online is provided with voucher paperwork; and

30 (E) Use reasonable best efforts to communicate and interact with
31 landlord and tenant associations located within its jurisdiction to
32 facilitate development, maintenance, and distribution of the list;

33 (ii) Using cost-effective methods of communication, convene, on a
34 semiannual or more frequent basis, landlords represented on the
35 interested landlord list and agencies providing services to individuals
36 and households receiving housing vouchers to identify successes,

1 barriers, and process improvements. The local government is not
2 required to reimburse any participants for expenses related to
3 attendance;

4 (iii) Produce data, limited to document recording fee uses and
5 expenditures, on a calendar year basis in consultation with landlords
6 represented on the interested landlord list and agencies providing
7 services to individuals and households receiving housing vouchers, that
8 include the following: Total amount expended from document recording
9 fees; amount expended on, number of households that received, and
10 number of housing vouchers issued in each of the private, public, and
11 nonprofit markets; amount expended on, number of households that
12 received, and number of housing placement payments provided in each of
13 the private, public, and nonprofit markets; amount expended on and
14 number of eviction prevention services provided in the private market;
15 and amount expended on and number of other tenant-based rent assistance
16 services provided in the private market. If these data elements are
17 not readily available, the reporting government may request the
18 department to use the sampling methodology established pursuant to
19 (c)(iii) of this subsection to obtain the data; and

20 (iv) Annually submit the calendar year data to the department by
21 October 1st, with preliminary data submitted by October 1, 2012, and
22 full calendar year data submitted beginning October 1, 2013.

23 (b) Any local government receiving more than three million five
24 hundred thousand dollars during the previous calendar year from
25 document recording surcharge funds collected pursuant to RCW 36.22.178,
26 36.22.179, and 36.22.1791, must apply to the Washington state quality
27 award program, or similar Baldrige assessment organization, for an
28 independent assessment of its quality management, accountability, and
29 performance system. The first assessment may be a lite assessment.
30 After submitting an application, a local government is required to
31 reapply at least every two years.

32 (c) The department must:

33 (i) Require contractors that provide housing vouchers to distribute
34 the interested landlord list created by the appropriate local
35 government to individuals and households receiving the housing
36 vouchers;

37 (ii) Using cost-effective methods of communication, annually
38 convene local governments issuing housing vouchers, landlord

1 association representatives, and agencies providing services to
2 individuals and households receiving housing vouchers to identify
3 successes, barriers, and process improvements. The department is not
4 required to reimburse any participants for expenses related to
5 attendance;

6 (iii) Develop a sampling methodology to obtain data required under
7 this section when a local government or contractor does not have such
8 information readily available. The process for developing the sampling
9 methodology must include providing notification to and the opportunity
10 for public comment by local governments issuing housing vouchers,
11 landlord association representatives, and agencies providing services
12 to individuals and households receiving housing vouchers;

13 (iv) Develop a report, limited to document recording fee uses and
14 expenditures, on a calendar year basis in consultation with local
15 governments, landlord association representatives, and agencies
16 providing services to individuals and households receiving housing
17 vouchers, that includes the following: Total amount expended from
18 document recording fees; amount expended on, number of households that
19 received, and number of housing vouchers issued in each of the private,
20 public, and nonprofit markets; amount expended on, number of households
21 that received, and number of housing placement payments provided in
22 each of the private, public, and nonprofit markets; amount expended on
23 and number of eviction prevention services provided in the private
24 market; and amount expended on and number of other tenant-based rent
25 assistance services provided in the private market. The information in
26 the report must include data submitted by local governments and data on
27 all additional document recording fee activities for which the
28 department contracted that were not otherwise reported;

29 (v) Annually submit the calendar year report to the legislature by
30 December 15th, with a preliminary report submitted by December 15,
31 2012, and full calendar year reports submitted beginning December 15,
32 2013; and

33 (vi) Work with the Washington state quality award program, local
34 governments, and any other organizations to ensure the appropriate
35 scheduling of assessments for all local governments meeting the
36 criteria described in subsection (1)(b) of this section.

37 (2) For purposes of this section:

1 (a) "Housing placement payments" means one-time payments, such as
2 first and last month's rent and move-in costs, funded by document
3 recording surcharges collected pursuant to RCW 36.22.178, 36.22.179, or
4 36.22.1791 that are made to secure a unit on behalf of a tenant.

5 (b) "Housing vouchers" means payments funded by document recording
6 surcharges collected pursuant to RCW 36.22.178, 36.22.179, or
7 36.22.1791 that are made by a local government or contractor to secure:
8 (i) A rental unit on behalf of an individual tenant; or (ii) a block of
9 units on behalf of multiple tenants.

10 (c) "Interested landlord list" means a list of landlords who have
11 indicated to a local government or contractor interest in renting to
12 individuals or households receiving a housing voucher funded by
13 document recording surcharges.

14 ~~((3) This section expires June 30, 2017.~~

15 ~~(4) If section 1, chapter 90, Laws of 2012 is not enacted into law
16 by July 31, 2012, this section is null and void.))~~

17 NEW SECTION. **Sec. 8.** Sections 5 through 7 of this act take effect
18 July 1, 2015."

19 Renumber the remaining section consecutively.

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By Senator

20 On page 1, line 2 of the title, after "students;" strike the
21 remainder of the title and insert "amending RCW 28A.300.540,
22 28A.175.010, 36.22.179, 43.185C.060, and 43.185C.240; adding a new
23 section to chapter 28A.320; creating new sections; and providing an
24 effective date."

EFFECT: Requires at least 45% of the state's share of the

homeless housing surcharge be used for private rental housing payments; directs that Commerce may not use the revenue from the homeless housing surcharge if Commerce does not comply with the reporting requirements on how such revenue is spent; the local homeless housing and assistance document recording fee surcharge is \$40, the sunset provisions reducing the surcharge are removed.

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