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**Community Development, Housing &  
Tribal Affairs Committee**

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**HB 1649**

**Brief Description:** Concerning the recoument of certain costs by collection agencies.

**Sponsors:** Representatives Sawyer and Shea.

**Brief Summary of Bill**

- Allows a collection agency to recoup the cost of the homeless housing and assistance surcharge on documents recording a lien or satisfaction of a lien.

**Hearing Date:** 2/12/15

**Staff:** Sean Flynn (786-7124).

**Background:**

The State Homeless Housing Program.

The Homeless Housing and Assistance Act, enacted in 2005, directs the Department of Commerce (Department) to develop a statewide homeless housing program. The Department must implement the program through a 10-year strategic plan with the goal of reducing homelessness by 50 percent in the state and within each county by 2015. Local governments must develop their own 10-year homeless housing plans in coordination with the statewide plan.

The \$40 Homeless Housing Surcharge.

Both the state and local homeless housing programs receive revenues from the homeless housing and assistance surcharge collected by each county auditor when a document is recorded. The surcharge is currently \$40 per recorded document, but is scheduled to drop to \$10 in 2019. The surcharge is applied in addition to any other authorized surcharges, as well as any administrative fees collected by the county auditor. An additional homeless housing and assistance surcharge of \$8 is also collected by each county auditor.

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Both the state and the county receive a percentage of the money collected from each surcharge. Approximately 60 percent of the recording fee revenue is sent to the county for its homeless housing program. The other approximate 40 percent is sent to the Department for the state homeless housing program.

Before 2014, the \$40 homeless housing and assistance surcharge applied to certain designated documents connected to some real property interest, including liens related to real property. In that year, however, the Legislature eliminated the special designations, and applied the surcharge to all recorded documents. There is a limited category of exempted documents, including documents recording a birth, marriage, divorce, or death, and documents recording a state, county, or city lien.

#### Collection Agencies.

A collection agency includes any person engaged in collecting claims owed or due another person or soliciting claims for collection. Any person acting as a collection agency must have a state license. Collection agency practices are regulated under state law. A collection agency may not collect more than the principal amount of a claim as well as any allowable interest or collection costs expressly authorized by law.

#### **Summary of Bill:**

A collection agency may recoup the cost of the \$40 homeless housing and assistance surcharge for documents recording a lien or satisfaction of a lien.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.