

ESB 5647 - H COMM AMD
By Committee on Capital Budget

ADOPTED AS AMENDED 04/12/2017

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330
4 RCW to read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

7 (1) "Home" means a single-family residential structure.

8 (2) "Home rehabilitation" means residential repairs and
9 improvements that address health, safety, and durability issues in
10 existing housing in rural areas.

11 (3) "Homeowner" means a person who owns and resides permanently
12 in the home the person occupies.

13 (4) "Low-income" means persons or households with income at or
14 below two hundred percent of the federal poverty level as adjusted
15 for family size and determined annually by the federal department of
16 health and human services.

17 (5) "Rehabilitation agency" means any approved department
18 grantee, tribal nation, or any public service company, municipality,
19 public utility district, mutual or cooperative, or other entity that
20 bears the responsibility for rehabilitating residences under this
21 chapter and has been approved by the department.

22 (6) "Rural areas" means areas of Washington state defined as non-
23 entitlement areas by the United States department of housing and
24 urban development.

25 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330
26 RCW to read as follows:

27 (1) Subject to availability of amounts appropriated for this
28 specific purpose, the low-income home rehabilitation revolving loan
29 program is created within the department.

30 (2) The program must include the following elements:

1 (a) Eligible homeowners must be low-income and live in rural
2 areas.

3 (b) Homeowners who are senior citizens, persons with
4 disabilities, families with children five years old and younger, and
5 veterans must receive priority for loans.

6 (c) The cost of the home rehabilitation must be the lesser of
7 eighty percent of the assessed value of the property post
8 rehabilitation or forty thousand dollars.

9 (d) The maximum amount that may be loaned under this program may
10 not exceed the cost of the home rehabilitation as provided in (c) of
11 this subsection, and must not result in total loans borrowed against
12 the property equaling more than eighty percent of the assessed value.

13 (e) The interest rate of the loan must be equal to the previous
14 calendar year's annual average consumer price index compiled by the
15 bureau of labor statistics, United States department of labor.

16 (f) The department must allow participating homeowners to defer
17 repayment of the loan principal and interest and any fees related to
18 the administration or issuance of the loan. Any amounts deferred
19 pursuant to this section become a lien in favor of the state. The
20 lien is subordinate to liens for general taxes, amounts deferred
21 under chapter 84.37 or 84.38 RCW, or special assessments as defined
22 in RCW 84.38.020. The lien is also secondary in rank to all other
23 privileges, liens, monetary encumbrances, or other security interests
24 affecting the real property, whenever incurred, filed, or recorded.
25 The department must take such necessary action to file and perfect
26 the state's lien. All amounts due under the loan become due and
27 payable upon the sale of the home or upon change in ownership of the
28 home.

29 (3) All moneys from repayments must be deposited into the low-
30 income home rehabilitation revolving loan program account created in
31 section 4 of this act.

32 (4) The department must adopt rules for implementation of this
33 program.

34 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330
35 RCW to read as follows:

36 (1) The department must contract with rehabilitation agencies to
37 provide home rehabilitation to participating homeowners. Preference
38 must be given to local agencies delivering programs and services with
39 similar eligibility criteria.

1 (2) Any rehabilitation agency may charge participating homeowners
2 an administrative fee of no more than seven percent of the home
3 rehabilitation loan amount. The administrative fee must become a
4 component of the total loan amount to be repaid by the participating
5 homeowner.

6 (3) Any rehabilitation agency receiving funding under this
7 section must report to the department at least quarterly, or in
8 alignment with federal reporting, whichever is the greater frequency,
9 the project costs and the number of homes repaired or rehabilitated.
10 The director must review the accuracy of these reports.

11 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.330
12 RCW to read as follows:

13 The low-income home rehabilitation revolving loan program account
14 is created in the custody of the state treasury. All transfers and
15 appropriations by the legislature, repayments of loans, private
16 contributions, and all other sources must be deposited into the
17 account. Expenditures from the account may be used only for the
18 purposes of the low-income home rehabilitation revolving loan program
19 created in section 2 of this act. Only the director or the director's
20 designee may authorize expenditures from the account. The account is
21 subject to allotment procedures under chapter 43.88 RCW, but an
22 appropriation is not required for expenditures.

23 **Sec. 5.** RCW 43.79A.040 and 2016 c 203 s 2, 2016 c 173 s 10, 2016
24 c 69 s 21, and 2016 c 39 s 7 are each reenacted and amended to read
25 as follows:

26 (1) Money in the treasurer's trust fund may be deposited,
27 invested, and reinvested by the state treasurer in accordance with
28 RCW 43.84.080 in the same manner and to the same extent as if the
29 money were in the state treasury, and may be commingled with moneys
30 in the state treasury for cash management and cash balance purposes.

31 (2) All income received from investment of the treasurer's trust
32 fund must be set aside in an account in the treasury trust fund to be
33 known as the investment income account.

34 (3) The investment income account may be utilized for the payment
35 of purchased banking services on behalf of treasurer's trust funds
36 including, but not limited to, depository, safekeeping, and
37 disbursement functions for the state treasurer or affected state
38 agencies. The investment income account is subject in all respects to

1 chapter 43.88 RCW, but no appropriation is required for payments to
2 financial institutions. Payments must occur prior to distribution of
3 earnings set forth in subsection (4) of this section.

4 (4)(a) Monthly, the state treasurer must distribute the earnings
5 credited to the investment income account to the state general fund
6 except under (b), (c), and (d) of this subsection.

7 (b) The following accounts and funds must receive their
8 proportionate share of earnings based upon each account's or fund's
9 average daily balance for the period: The 24/7 sobriety account, the
10 Washington promise scholarship account, the Washington advanced
11 college tuition payment program account, the Washington college
12 savings program account, the accessible communities account, the
13 Washington achieving a better life experience program account, the
14 community and technical college innovation account, the agricultural
15 local fund, the American Indian scholarship endowment fund, the
16 foster care scholarship endowment fund, the foster care endowed
17 scholarship trust fund, the contract harvesting revolving account,
18 the Washington state combined fund drive account, the commemorative
19 works account, the county enhanced 911 excise tax account, the toll
20 collection account, the developmental disabilities endowment trust
21 fund, the energy account, the fair fund, the family leave insurance
22 account, the food animal veterinarian conditional scholarship
23 account, the fruit and vegetable inspection account, the future
24 teachers conditional scholarship account, the game farm alternative
25 account, the GET ready for math and science scholarship account, the
26 Washington global health technologies and product development
27 account, the grain inspection revolving fund, the industrial
28 insurance rainy day fund, the juvenile accountability incentive
29 account, the law enforcement officers' and firefighters' plan 2
30 expense fund, the local tourism promotion account, the low-income
31 home rehabilitation revolving loan program account, the multiagency
32 permitting team account, the pilotage account, the produce railcar
33 pool account, the regional transportation investment district
34 account, the rural rehabilitation account, the Washington sexual
35 assault kit account, the stadium and exhibition center account, the
36 youth athletic facility account, the self-insurance revolving fund,
37 the children's trust fund, the Washington horse racing commission
38 Washington bred owners' bonus fund and breeder awards account, the
39 Washington horse racing commission class C purse fund account, the
40 individual development account program account, the Washington horse

1 racing commission operating account, the life sciences discovery
2 fund, the Washington state heritage center account, the reduced
3 cigarette ignition propensity account, the center for childhood
4 deafness and hearing loss account, the school for the blind account,
5 the Millersylvania park trust fund, the public employees' and
6 retirees' insurance reserve fund, and the radiation perpetual
7 maintenance fund.

8 (c) The following accounts and funds must receive eighty percent
9 of their proportionate share of earnings based upon each account's or
10 fund's average daily balance for the period: The advanced right-of-
11 way revolving fund, the advanced environmental mitigation revolving
12 account, the federal narcotics asset forfeitures account, the high
13 occupancy vehicle account, the local rail service assistance account,
14 and the miscellaneous transportation programs account.

15 (d) Any state agency that has independent authority over accounts
16 or funds not statutorily required to be held in the custody of the
17 state treasurer that deposits funds into a fund or account in the
18 custody of the state treasurer pursuant to an agreement with the
19 office of the state treasurer shall receive its proportionate share
20 of earnings based upon each account's or fund's average daily balance
21 for the period.

22 (5) In conformance with Article II, section 37 of the state
23 Constitution, no trust accounts or funds shall be allocated earnings
24 without the specific affirmative directive of this section."

25 Correct the title.

EFFECT: Clarifies that liens for amounts deferred under the loan
program do not have priority over state and local property taxes and
deferred property taxes, and are consistent with chapter 84.60 RCW.

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