

# SENATE BILL REPORT

## SB 5898

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As Reported by Senate Committee On:  
Ways & Means, February 25, 2019

**Title:** An act relating to the surcharge for local homeless housing and assistance.

**Brief Description:** Concerning the surcharge for local homeless housing and assistance.  
[**Revised for 1st Substitute:** Exempting federal tax lien documents from recording surcharges.]

**Sponsors:** Senator Rolfes.

**Brief History:**

**Committee Activity:** Ways & Means: 2/21/19, 2/25/19 [DPS].

**Brief Summary of First Substitute Bill**

- Excludes documents recording a federal lien from three surcharges assessed for homeless housing and assistance.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5898 be substituted therefor, and the substitute bill do pass.

Signed by Senators Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Bailey, Becker, Billig, Carlyle, Hasegawa, Hunt, Keiser, Liias, Palumbo, Pedersen, Rivers, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

**Staff:** Claire Goodwin (786-7736)

**Background:** In 2005, the Legislature enacted the Homeless Housing and Assistance Act. The act applied a surcharge to certain documents recorded by county auditors to increase funding for homelessness. A document recording surcharge is a fee applied to various types of documents recorded by county auditors. One such fee is a \$62 surcharge that supports homelessness housing and other assistance for individuals and families experiencing homelessness.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The \$62 document recording surcharge for homeless housing and assistance does not apply to:

- assignments or substitutions of previously recorded deeds of trust;
- documents recording a birth, marriage, divorce, or death;
- any recorded documents otherwise exempted from a recording fee or additional surcharges under state law;
- marriage licenses issued by the county auditor; or
- documents recording a state, county, or city lien or satisfaction of lien.

Of the \$62 surcharge, approximately \$38 is retained by the county for homeless assistance programs and approximately \$3.50 is retained for administration. The county auditor remits the remaining funds to the state treasurer for deposit in the Home Security Fund Account. The Department of Commerce uses these funds primarily for the Consolidated Homeless Grant Program.

A federal lien is any lien prepared by the federal government. The percentage of federal liens recorded by county auditors is less than 1 percent of the total documents recorded annually. The Internal Revenue Service has been withholding payment of the document recording surcharges related to homelessness assistance.

**Summary of Bill (First Substitute):** Federal liens are added to the documents excluded from the \$62 homeless housing and assistance surcharge.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):**

- Exempts federal liens from all three document recording surcharges related to homeless housing and assistance.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: I am hoping we can pass this to clean up the code for the counties.

**Persons Testifying:** PRO: Senator Christine Rolfes, Prime Sponsor.

**Persons Signed In To Testify But Not Testifying:** No one.