
HOUSE BILL 2849

State of Washington

66th Legislature

2020 Regular Session

By Representatives Tharinger, DeBolt, Macri, Robinson, Chopp, Harris, Leavitt, Ramel, and Lekanoff

Read first time 01/27/20. Referred to Committee on Capital Budget.

1 AN ACT Relating to housing programs administered by the
2 department of commerce; amending RCW 43.185.010, 43.185A.010,
3 43.185.030, 43.185A.020, 43.185.050, 43.185.070, 43.185.110,
4 43.185A.060, 43.185A.070, 43.185.074, 18.85.285, 18.85.311,
5 31.04.025, 39.35D.080, 43.63A.680, 43.185C.200, 43.185C.210,
6 47.12.063, 59.24.060, 82.14.400, and 82.45.100; adding new sections
7 to chapter 43.185A RCW; adding a new section to chapter 43.185B RCW;
8 recodifying RCW 43.185.010, 43.185.030, 43.185.050, 43.185.070,
9 43.185.074, 43.185.080, 43.185.140, and 43.185.110; and repealing RCW
10 43.185.015, 43.185.020, 43.185A.030, 43.185A.050, 43.185.060,
11 43.185.076, 43.185.090, 43.185.100, 43.185A.090, 43.185A.100,
12 43.185A.110, 43.185A.120, 43.185.120, 43.185.130, 43.185A.900, and
13 43.185.910.

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

15 **Sec. 1.** RCW 43.185.010 and 1991 c 356 s 1 are each amended to
16 read as follows:

17 The legislature finds that current economic conditions, federal
18 housing policies, and declining resources at the federal, state, and
19 local level adversely affect the ability of low and very low-income
20 persons to obtain safe, decent, and affordable housing.

1 The legislature further finds that members of over one hundred
2 (~~twenty thousand households live in housing units which are~~
3 ~~overcrowded, lack plumbing, are otherwise threatening to health and~~
4 ~~safety, and have rents and utility payments which exceed thirty~~
5 ~~percent of their income~~) fifty thousand households pay more than
6 fifty percent of their income for rent and housing costs.

7 The legislature further finds that minorities, rural households,
8 and migrant farmworkers require housing assistance at a rate which
9 significantly exceeds their proportion of the general population.

10 The legislature further finds that one of the most dramatic
11 housing needs is that of persons needing special housing-related
12 services, such as (~~the mentally ill~~) individuals with mental
13 illness, recovering alcoholics, frail elderly persons, families with
14 members who have disabilities, and single parents. These services
15 include medical assistance, counseling, chore services, and child
16 care, resulting in a need for a significant investment of ongoing
17 operating funding in addition to the underlying capital investments.

18 The legislature further finds that (~~housing assistance programs~~
19 ~~in the past have often failed to help those in greatest need~~)
20 through the housing trust fund program, since 1986 the state has
21 invested more than one billion dollars in order to provide over fifty
22 thousand units of safe and affordable housing to low-income
23 individuals.

24 The legislature declares that it is in the public interest to
25 (~~establish~~) maintain a continuously renewable resource known as the
26 housing trust fund (~~and housing assistance program~~) to assist low
27 and very low-income citizens in meeting their basic housing needs,
28 and that the needs of very low-income citizens should be given
29 priority and that whenever feasible, assistance should be in the form
30 of loans.

31 **Sec. 2.** RCW 43.185A.010 and 2013 c 145 s 4 are each amended to
32 read as follows:

33 Unless the context clearly requires otherwise, the definitions in
34 this section apply throughout this chapter.

35 (1) "Affordable housing" means residential housing for rental
36 occupancy which, as long as the same is occupied by low-income
37 households, requires payment of monthly housing costs, including
38 utilities other than telephone, of no more than thirty percent of the
39 family's income. The department must adopt policies for residential

1 homeownership housing, occupied by low-income households, which
2 specify the percentage of family income that may be spent on monthly
3 housing costs, including utilities other than telephone, to qualify
4 as affordable housing.

5 (2) "Contracted amount" (~~((has the same meaning as provided in RCW~~
6 ~~43.185.020))~~) means the aggregate amount of all state funding for
7 which the department has monitoring and compliance responsibility.

8 (3) "Department" means the department of commerce.

9 (4) "Director" means the director of the department of commerce.

10 (5) "Extremely low-income household" means a single person,
11 family, or unrelated persons living together whose adjusted income is
12 either:

13 (a) Up to thirty percent of the median family income, adjusted
14 for household size, for the county where the project is located; or

15 (b) Up to fifty percent of the median family income, adjusted for
16 household size, for the county where the project is located, when the
17 project is located in a rural area, as defined by the department.

18 (6) "First-time home buyer" means an individual who meets any of
19 the following criteria:

20 (a) An individual or ((his or her)) the individual's spouse ((or
21 domestic partner)) who ((have not owned a home)) has had no ownership
22 in a principal residence during the three-year period ((prior to
23 purchase of a home)) ending on the date of purchase of the property;

24 (b) A single parent who has only owned a home with a former
25 spouse while married;

26 (c) An individual who is a displaced homemaker as defined in 24
27 C.F.R. Sec. 93.2 as it exists on the effective date of this section,
28 or such subsequent date as may be provided by the department by rule,
29 consistent with the purposes of this section, and has only owned a
30 home with a spouse;

31 (d) An individual who has only owned a principal residence not
32 permanently affixed to a permanent foundation in accordance with
33 applicable regulations; or

34 (e) An individual who has only owned a property that is discerned
35 by a licensed building inspector as being uninhabitable.

36 ~~((+6))~~ (7) "Low-income household" means a single person, family,
37 or unrelated persons living together whose adjusted income is ~~((less~~
38 ~~than))~~ up to eighty percent of the median family income, adjusted for
39 household size, for the county where the project is located.

1 **Sec. 3.** RCW 43.185.030 and 2016 sp.s. c 36 s 936 are each
2 amended to read as follows:

3 (1) There is hereby created in the state treasury an account to
4 be known as the Washington housing trust fund. The housing trust fund
5 shall include revenue from the sources established by this chapter,
6 appropriations by the legislature, private contributions, repayment
7 of loans, and all other sources. (~~During the 2015-2017 fiscal~~
8 biennium, the legislature may transfer from the Washington housing
9 trust fund to the home security fund account and to the state general
10 fund such amounts as reflect the excess balance in the fund.)) Moneys
11 in the account may be spent only after appropriation.

12 (2) The housing portfolio monitoring account is created in the
13 state treasury. Revenues in the account consist of moneys transferred
14 to the account pursuant to this section and any other moneys
15 appropriated or transferred to the account by the legislature. Moneys
16 in the account may be spent only after appropriation. Expenditures
17 from the account may be used only for costs associated with
18 compliance and monitoring activities of the department as required in
19 RCW 43.185A.070.

20 (3) The department shall, on or before June 30th of each year,
21 certify to the state treasurer the amount needed for administrative
22 costs for compliance and monitoring activities in the following
23 fiscal year. This amount may not exceed one-quarter of one percent of
24 the annual contracted amount of state investment in the housing trust
25 fund program.

26 (4) On July 1st of each year, the state treasurer shall transfer
27 from the housing trust fund account to the housing portfolio
28 monitoring account an amount equal to the amount certified by the
29 department in this section.

30 **Sec. 4.** RCW 43.185A.020 and 1995 c 399 s 103 are each amended to
31 read as follows:

32 The (~~affordable~~) housing trust fund program is created in the
33 department for the purpose of developing and preserving affordable
34 housing and coordinating public and private resources targeted to
35 meet the affordable housing needs of low-income households in the
36 state of Washington. The program shall be developed and administered
37 by the department with advice and input from the affordable housing
38 advisory board established in RCW 43.185B.020.

1 **Sec. 5.** RCW 43.185.050 and 2018 c 223 s 4 are each amended to
2 read as follows:

3 (1) The department must use moneys from the housing trust fund
4 and other legislative appropriations to finance in whole or in part
5 any ~~((loans))~~ loan or grant projects that will provide affordable
6 housing for persons and families with special housing needs and
7 ~~((with incomes at or below fifty percent of the median family income~~
8 ~~for the county or standard metropolitan statistical area where the~~
9 ~~project is located))~~ who are low-income households. At least thirty
10 percent of these moneys used in any given funding cycle must be for
11 the benefit of projects located in rural areas of the state as
12 defined by the department. If the department determines that it has
13 not received an adequate number of suitable applications for rural
14 projects during any given funding cycle, the department may allocate
15 unused moneys for projects in nonrural areas of the state.

16 (2) Activities eligible for assistance from the housing trust
17 fund and other legislative appropriations include, but are not
18 limited to:

19 (a) New construction, rehabilitation, or acquisition of ~~((low and~~
20 ~~very))~~ low-income housing units;

21 (b) ~~((Rent subsidies;~~

22 ~~(c) Matching funds for social services directly related to~~
23 ~~providing housing for special-need tenants in assisted projects;~~

24 ~~(d))~~ Down payment or closing costs assistance for low-income
25 first-time home buyers;

26 (c) Technical assistance, design and finance services and
27 consultation, and administrative costs for eligible nonprofit
28 community or neighborhood-based organizations;

29 ~~((c) Administrative costs for housing assistance groups or~~
30 ~~organizations when such grant or loan will substantially increase the~~
31 ~~recipient's access to housing funds other than those available under~~
32 ~~this chapter;~~

33 ~~(f))~~ (d) Shelters ~~((and related services))~~ for the homeless,
34 including emergency shelters and overnight youth shelters;

35 ~~((g) Mortgage subsidies, including temporary rental and mortgage~~
36 ~~payment subsidies to prevent homelessness;~~

37 ~~(h) Mortgage insurance guarantee or payments for eligible~~
38 ~~projects;~~

39 ~~(i) Down payment or closing cost assistance for eligible first-~~
40 ~~time home buyers;~~

1 ~~((j))~~ (e) Acquisition of ((housing units)) land for the purpose
2 of ~~((preservation as))~~ developing low-income ~~((or very low-income))~~
3 housing;

4 ~~((k) Projects))~~ (f) Affordable housing projects making housing
5 more accessible to ~~((families))~~ low-income households with members
6 who have disabilities; and

7 ~~((l))~~ (g) Remodeling and improvements as required to meet
8 building code, licensing requirements, or legal operations to
9 residential properties owned and operated by an entity eligible under
10 RCW 43.185A.040, which were transferred as described in RCW
11 82.45.010(3)(t) by the parent of a child with developmental
12 disabilities.

13 ~~(3) ((Preference must be given for projects that include an early~~
14 ~~learning facility.~~

15 ~~(4))~~ Legislative appropriations from capital bond proceeds may
16 not be used ~~((only))~~ for the costs ~~((of projects))~~ authorized under
17 subsection (2) ~~((a), (i), and (j))~~ (c) of this section ~~((, and not))~~
18 or for the administrative costs of the department.

19 ~~((5))~~ (4) Moneys received from repayment of housing trust fund
20 loans that were made from appropriations from capital bond proceeds
21 may be used for all activities necessary for the proper functioning
22 of the housing ((assistance)) trust fund program ((except for
23 activities authorized under subsection (2)(b) and (c) of this
24 section)) including, but not limited to, providing preservation
25 funding, as provided in section 8 of this act.

26 ~~((6) Administrative))~~ (5) The department may spend up to three
27 percent of the housing trust fund appropriation for administrative
28 costs associated with application, distribution, and project
29 development activities of the department ((may not exceed three
30 percent of the annual funds available for the housing assistance
31 program. Reappropriations must not be included in the calculation of
32 the annual funds available for determining the administrative
33 costs)). The department may not charge fees under RCW 43.330.152 for
34 this purpose.

35 ~~((7))~~ (6) Administrative costs associated with compliance and
36 monitoring activities of the department may not exceed one-quarter of
37 one percent annually of the contracted amount of state investment in
38 the housing ((assistance)) trust fund program. The department may not
39 charge fees under RCW 43.330.152 for this purpose.

1 **Sec. 6.** RCW 43.185.070 and 2019 c 325 s 5013 are each amended to
2 read as follows:

3 (1) During each calendar year in which funds from the housing
4 trust fund or other legislative appropriations are available for use
5 by the department for the housing (~~(assistance)~~) trust fund program,
6 the department must announce to all known interested parties, and
7 (~~(through major media throughout the state)~~) on its web site, a grant
8 and loan application period of at least ninety days' duration. This
9 announcement must be made as often as the director deems appropriate
10 for proper utilization of resources. The department must then
11 promptly (~~(grant)~~) award as many applications as will utilize
12 available funds less appropriate administrative costs of the
13 department as provided in RCW 43.185.050 (as recodified by this act).

14 (2) In awarding funds under this chapter, the department must:

15 (a) Provide for a geographic distribution on a statewide basis;
16 and

17 (b) (~~(Until June 30, 2013, consider)~~) Consider the total cost and
18 per-unit cost of each project for which an application is submitted
19 for funding (~~(under RCW 43.185.050(2) (a) and (j))~~), as compared to
20 similar housing projects constructed or renovated within the same
21 geographic area.

22 (3) (~~(The department, with advice and input from the affordable
23 housing advisory board established in RCW 43.185B.020, or a
24 subcommittee of the affordable housing advisory board, must report
25 recommendations for awarding funds in a cost-effective manner. The
26 report must include an implementation plan, timeline, and any other
27 items the department identifies as important to consider to the
28 legislature by December 1, 2012.~~

29 ~~(4))~~) The department must give first priority to applications for
30 projects and activities (~~(which utilize existing privately owned
31 housing stock including privately owned housing stock purchased by
32 nonprofit public development authorities and public housing
33 authorities as created in chapter 35.82 RCW. As used in this
34 subsection, privately owned housing stock includes housing that is
35 acquired by a federal agency through a default on the mortgage by the
36 private owner. Such projects and activities must be evaluated under
37 subsection (5) of this section. Second priority must be given to
38 activities and projects which utilize existing publicly owned housing
39 stock)) that increase the total number of units of affordable housing
40 in the state. All projects and activities must be evaluated by some~~

1 or all of the criteria under subsection ~~((5))~~ (4) of this section,
2 and similar projects and activities shall be evaluated under the same
3 criteria.

4 ~~((5))~~ (4) The department must give preference for applications
5 based on some or all of the criteria under this subsection, and
6 similar projects and activities must be evaluated under the same
7 criteria:

8 (a) The degree of leveraging of other funds that will occur;

9 (b) The degree of commitment from programs to provide necessary
10 habilitation and support services for projects focusing on special
11 needs populations;

12 (c) Recipient contributions to total project costs, including
13 allied contributions from other sources such as professional, craft
14 and trade services, and lender interest rate subsidies;

15 (d) Local government project contributions in the form of
16 infrastructure improvements, affordable housing financing, and
17 others;

18 ~~((Projects that encourage ownership, management, and other
19 project-related responsibility opportunities;~~

20 ~~(f))~~ Projects that demonstrate a strong probability of serving
21 the original target group or income level for a period of at least
22 twenty-five years;

23 ~~((g))~~ (f) The applicant has the demonstrated ability, stability
24 and resources to implement the project;

25 ~~((h))~~ (g) Projects which demonstrate serving the greatest need;

26 ~~((i))~~ (h) Projects that provide housing for persons and
27 families with the lowest incomes;

28 ~~((j))~~ (i) Projects serving special needs populations which
29 ~~((are under))~~ fulfill statutory ~~((mandate))~~ mandates to develop
30 community housing;

31 ~~((k))~~ (j) Project location and access to employment centers in
32 the region or area;

33 ~~((l))~~ (k) Projects that provide employment and training
34 opportunities for disadvantaged youth under a youthbuild or
35 youthbuild-type program as defined in RCW 50.72.020;

36 ~~((m))~~ (l) Project location and access to available public
37 transportation services; ~~((and~~

38 ~~(n))~~ (m) Projects involving collaborative partnerships between
39 local school districts and either public housing authorities or
40 nonprofit housing providers, that help children of low-income

1 families succeed in school. To receive this preference, the local
2 school district must provide an opportunity for community members to
3 offer input on the proposed project at the first scheduled school
4 board meeting following submission of the grant application to the
5 department;

6 (n) The degree of funding that has already been committed to the
7 project by nonstate entities; and

8 (o) Projects that demonstrate a strong readiness to proceed to
9 construction.

10 (5) Preference must be given for projects that include an early
11 learning facility.

12 (6) The department must develop, with advice and input from the
13 affordable housing advisory board established in RCW 43.185B.020, or
14 a subcommittee of the affordable housing advisory board:

15 (a) Additional criteria to evaluate applications for assistance
16 under this chapter; and

17 (b) Recommendations for awarding funding under RCW 43.185.050 (as
18 recodified by this act) in a cost-effective manner.

19 **Sec. 7.** RCW 43.185.110 and 2019 c 325 s 5014 are each amended to
20 read as follows:

21 The affordable housing advisory board established in RCW
22 43.185B.020 shall advise the director on housing needs in this state,
23 including housing needs for persons with mental illness or
24 developmental disabilities or youth who are blind or deaf or
25 otherwise disabled, operational aspects of the grant and loan program
26 or revenue collection programs established by ~~((this))~~ chapter
27 43.185A RCW, and implementation of the policy and goals of ~~((this))~~
28 that chapter. ~~((Such advice shall be consistent with policies and~~
29 ~~plans developed by behavioral health administrative services~~
30 ~~organizations according to chapter 71.24 RCW for individuals with~~
31 ~~mental illness and the developmental disabilities planning council~~
32 ~~for individuals with developmental disabilities.))~~

33 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.185A
34 RCW to read as follows:

35 PRESERVATION PROGRAM. (1) In order to maintain the long-term
36 viability of affordable housing, using funding from the housing trust
37 fund account established under RCW 43.185.030 (as recodified by this
38 act) or from other legislative appropriations, the department may

1 make competitive grant or loan awards to projects in need of major
2 building improvements, preservation repairs, or system replacements.

3 (2) The department must solicit and review applications and
4 evaluate projects based on the following criteria:

5 (a) The age of the property, with priority given to buildings
6 that are more than fifteen years old;

7 (b) The population served, with priority given to projects
8 serving persons or families with the lowest incomes;

9 (c) The degree to which the applicant demonstrates that the
10 improvements will result in a reduction of operating or utility
11 costs, or both;

12 (d) The potential for additional years added to the affordability
13 commitment period of the property; and

14 (e) Other criteria that the department considers necessary to
15 achieve the purpose of the housing trust fund program.

16 (3) The department must require an award recipient to submit a
17 property capital needs assessment, in a form acceptable to the
18 department, prior to contract execution.

19 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.185A
20 RCW to read as follows:

21 REPORTING. (1) The department must report on its web site on an
22 annual basis, for each funding cycle:

23 (a) The number of homeownership and multifamily rental projects
24 funded;

25 (b) The percentage of funding allocated to homeownership and
26 multifamily rental projects; and

27 (c) For both homeownership and multifamily rental projects, the
28 total number of households being served at up to eighty percent of
29 the area median income, up to fifty percent of the area median
30 income, and up to thirty percent of the area median income.

31 (2) All housing trust fund loan or grant recipients must provide
32 certified final development cost reports to the department in a form
33 acceptable to the department. The department must use the certified
34 final development cost reports data as part of its cost containment
35 policy and to report to the legislature. Beginning December 1, 2021,
36 and continuing every odd-numbered year, the department must provide
37 the appropriate committees of the legislature with a report of its
38 final cost data for each project funded through the housing trust
39 fund. Such cost data must, at a minimum, include:

1 (a) Total development cost per unit for each project completed
2 within the past two complete fiscal years; and

3 (b) Descriptive statistics such as average and median per unit
4 costs, regional cost variation, and other costs that the department
5 deems necessary to improve cost controls and enhance understanding of
6 development costs.

7 (3) The department must coordinate with the housing finance
8 commission to identify relevant development costs data and ensure
9 that the measures are consistent across relevant agencies.

10 NEW SECTION. **Sec. 10.** A new section is added to chapter 43.185A
11 RCW to read as follows:

12 (1)(a) When the department provides a loan for a project that
13 meets the criteria in (b) of this subsection, the department must
14 defer loan payments until the end of the project's loan term. Loans
15 subject to deferred payments under this section must be payable in
16 full on the sale or on change of use of the project.

17 (b) Deferral under (a) of this subsection is required when:

18 (i) At least half of the housing units are dedicated to serving
19 extremely low-income households; or

20 (ii) At least half of the housing units will be dedicated to
21 providing permanent supportive housing and at least a quarter of the
22 housing units are dedicated to serving extremely low-income
23 households.

24 (2)(a) When the department provides a loan for a project that is
25 not subject to deferred payments under subsection (1) of this
26 section, annual loan payments must be no more than fifty percent of
27 the net cash flow of the project, prorated based on other public
28 funding sources and social impact investments to the project.

29 (b) When a project receives a low-income tax credit, the loan
30 payment must start when the low-income housing tax credit investor
31 exits or the project refinances, whichever comes first.

32 (3) For purposes of this section:

33 (a) "Net cash flow" means gross receipts such as rents and tenant
34 payments, less operating expenses such as insurance, utilities,
35 salaries, management fees, maintenance, debt service, and services
36 provided for permanent supportive housing.

37 (b) "Permanent supportive housing" has the same meaning as
38 defined in RCW 36.70A.030.

1 **Sec. 11.** RCW 43.185A.060 and 1991 c 356 s 15 are each amended to
2 read as follows:

3 The department shall adopt policies to ensure that the state's
4 interest will be protected upon either the sale or change of use of
5 projects financed in whole or in part under RCW (~~(43.185A.030(2) (a),~~
6 ~~(b), (c), (d), and (e))~~) 43.185.050 (as recodified by this act).
7 These policies may include, but are not limited to: (1) Requiring
8 payment to the state of a share of the appreciation in the project in
9 proportion to the state's contribution to the project; (2) requiring
10 a lump-sum repayment of the loan or grant upon the sale or change of
11 use of the project; or (3) requiring a deferred payment of principal
12 or principal and interest on loans after a specified time period. The
13 policies must require projects to remain as affordable housing for a
14 minimum of forty years except for projects that provide homes for
15 low-income first-time home buyers, which must remain affordable for a
16 minimum of twenty-five years.

17 **Sec. 12.** RCW 43.185A.070 and 1991 c 356 s 16 are each amended to
18 read as follows:

19 The director shall monitor, to the extent funds are appropriated
20 for this purpose, the activities of recipients of grants and loans
21 under this chapter to determine compliance with the terms and
22 conditions set forth in its application or stated by the department
23 in connection with the grant or loan.

24 **Sec. 13.** RCW 43.185.074 and 1987 c 513 s 11 are each amended to
25 read as follows:

26 The director shall designate grant and loan applications for
27 approval and for funding under the revenue from remittances made
28 pursuant to RCW (~~(18.85.310)~~) 18.85.285. (~~(These applications shall~~
29 ~~then be reviewed for final approval by the broker's trust account~~
30 ~~board created by RCW 18.85.500.~~

31 ~~The director shall submit to the broker's trust account board~~
32 ~~within any fiscal year only such applications which in their~~
33 ~~aggregate total funding requirements do not exceed the revenue to the~~
34 ~~housing trust fund [fund] from remittances made pursuant to RCW~~
35 ~~18.85.310 for the previous fiscal year.))~~

36 **Sec. 14.** RCW 18.85.285 and 2008 c 23 s 37 are each amended to
37 read as follows:

1 (1) Brokers and managing brokers must submit complete copies of
2 their transactions to their firm. The designated broker shall keep
3 adequate records of all real estate transactions handled by or
4 through the firm or firms to which the designated broker is
5 registered. The records shall include, but are not limited to, a copy
6 of the purchase and sale agreement, earnest money receipt, and an
7 itemization of the receipts and disbursements with each transaction.
8 These records and all other records specified by the director by rule
9 are open to inspection by the director or the director's authorized
10 representatives.

11 (2) If any licensee exercises control over real estate
12 transaction funds, those funds are considered trust funds.

13 (3) Every real estate licensee shall deliver or cause to be
14 delivered to all parties signing the same, within a reasonable time
15 after signing, purchase and sale agreements, listing agreements, and
16 all other like or similar instruments signed by the parties.

17 (4) Every real estate firm that keeps separate real estate trust
18 fund accounts must keep the accounts in a recognized Washington state
19 depository. A real estate firm must maintain an adequate amount of
20 funds in the trust fund accounts to facilitate the opening of the
21 trust fund accounts or to prevent the closing of the trust fund
22 accounts.

23 (5) All licensees shall keep separate and apart and physically
24 segregated from the licensees' own funds, all funds or moneys
25 including advance fees of clients that are being held by the
26 licensees pending the closing of a real estate sale or transaction,
27 or that have been collected for the clients and are being held for
28 disbursement for or to the clients.

29 (6) A firm is not required to maintain a trust fund account for
30 transactions concerning a purchase and sale agreement that instructs
31 the broker to deliver the earnest money check directly to a named
32 closing agent or to the seller.

33 (7) Brokers must deposit all funds into their firm's trust bank
34 account the next banking day following receipt of the funds unless
35 the purchase and sale agreement provides for deferred deposit or
36 delivery. In that event, the broker must promptly deposit or deliver
37 funds in accordance with the terms of the purchase and sale
38 agreement.

39 (8) (a) If a real estate broker receives or maintains earnest
40 money or client funds for deposit, the real estate firm shall

1 maintain a pooled interest-bearing trust account for deposit of
2 client funds, with the exception of property management trust
3 accounts.

4 (b) The interest accruing on this account, net of any reasonable
5 and appropriate financial institution service charges or fees, shall
6 be paid to the state treasurer for deposit in the Washington housing
7 trust fund created in RCW 43.185.030 (as recodified by this act) and
8 the real estate education program account created in RCW 18.85.321.
9 Appropriate service charges or fees are those charges made by
10 financial institutions on other demand deposit or "now" accounts. The
11 firm or designated broker is not required to notify the client of the
12 intended use of the funds.

13 (c) The department shall adopt rules that will serve as
14 guidelines in the choice of an account specified in this subsection.

15 (9) If trust funds are claimed by more than one party, the
16 designated broker or designated broker's delegate must promptly
17 provide written notification to all contracting parties to a real
18 estate transaction of the intent of the designated broker or
19 designated broker's delegate to disburse client funds. The
20 notification must include the names and addresses of all parties to
21 the contract, the amount of money held and to whom it will be
22 disbursed, and the date of disbursement that must occur no later than
23 thirty consecutive days after the notification date.

24 (10) For an account created under subsection (8) of this section,
25 the designated or managing broker shall direct the depository
26 institution to:

27 (a) Remit interest or dividends, net of any reasonable and
28 appropriate service charges or fees, on the average monthly balance
29 in the account, or as otherwise computed in accordance with an
30 institution's standard accounting practice, at least quarterly, to
31 the state treasurer for deposit in the housing trust fund created by
32 RCW 43.185.030 (as recodified by this act) and the real estate
33 education program account created in RCW 18.85.321; and

34 (b) Transmit to the director of (~~community, trade, and economic~~
35 ~~development~~) commerce a statement showing the name of the person or
36 entity for whom the remittance is spent, the rate of interest
37 applied, and the amount of service charges deducted, if any, and the
38 account balance(s) of the period in which the report is made, with a
39 copy of the statement to be transmitted to the depositing person or
40 firm.

1 (11) The director of (~~community, trade, and economic~~
2 ~~development~~) commerce shall forward a copy of the reports required
3 by subsection (10) of this section to the department to aid in the
4 enforcement of the requirements of this section consistent with the
5 normal enforcement and auditing practices of the department.

6 (12)(a) This section does not relieve any real estate broker,
7 managing broker, or firm of any obligation with respect to the
8 safekeeping of clients' funds.

9 (b) Any violation by real estate brokers, managing brokers, or
10 firms of any of the provisions of this section, RCW 18.85.361, or
11 chapter 18.235 RCW is grounds for disciplinary action against the
12 licenses issued to the brokers, managing brokers, or firms.

13 **Sec. 15.** RCW 18.85.311 and 2008 c 23 s 38 are each amended to
14 read as follows:

15 Remittances received by the state treasurer pursuant to RCW
16 18.85.285 shall be divided between the housing trust fund created by
17 RCW 43.185.030 (as recodified by this act), which shall receive
18 seventy-five percent and the real estate education program account
19 created by RCW 18.85.321, which shall receive twenty-five percent.

20 **Sec. 16.** RCW 31.04.025 and 2015 c 229 s 20 are each amended to
21 read as follows:

22 (1) Each loan made to a resident of this state by a licensee, or
23 persons subject to this chapter, is subject to the authority and
24 restrictions of this chapter.

25 (2) This chapter does not apply to the following:

26 (a) Any person doing business under, and as permitted by, any law
27 of this state or of the United States relating to banks, savings
28 banks, trust companies, savings and loan or building and loan
29 associations, or credit unions;

30 (b) Entities making loans under chapter 19.60 RCW (pawnbroking);

31 (c) Entities conducting transactions under chapter 63.14 RCW
32 (retail installment sales of goods and services), unless credit is
33 extended to purchase merchandise certificates, coupons, open or
34 closed loop stored value, or other similar items issued and
35 redeemable by a retail seller other than the retail seller extending
36 the credit;

37 (d) Entities making loans under chapter 31.45 RCW (check cashers
38 and sellers);

1 (e) Any person making a loan primarily for business, commercial,
2 or agricultural purposes unless the loan is secured by a lien on the
3 borrower's primary dwelling;

4 (f) Any person selling property owned by that person who provides
5 financing for the sale when the property does not contain a dwelling
6 and when the property serves as security for the financing. This
7 exemption is available for five or fewer transactions in a calendar
8 year. This exemption is not available to individuals subject to the
9 federal S.A.F.E. act or any person in the business of constructing or
10 acting as a contractor for the construction of residential dwellings;

11 (g) Any person making loans made to government or government
12 agencies or instrumentalities or making loans to organizations as
13 defined in the federal truth in lending act;

14 (h) Entities making loans under chapter (~~43.185~~) 43.185A RCW
15 (housing trust fund);

16 (i) Entities making loans under programs of the United States
17 department of agriculture, department of housing and urban
18 development, or other federal government program that provides
19 funding or access to funding for single-family housing developments
20 or grants to low-income individuals for the purchase or repair of
21 single-family housing;

22 (j) Nonprofit housing organizations making loans, or loans made,
23 under housing programs that are funded in whole or in part by federal
24 or state programs if the primary purpose of the programs is to assist
25 low-income borrowers with purchasing or repairing housing or the
26 development of housing for low-income Washington state residents;

27 (k) Entities making loans which are not residential mortgage
28 loans under a credit card plan;

29 (l) Individuals employed by a licensed residential mortgage loan
30 servicing company engaging in activities related to servicing, unless
31 licensing is required by federal law or regulation; and

32 (m) Entities licensed under chapter 18.44 RCW that process
33 payments on seller-financed loans secured by liens on real or
34 personal property.

35 (3) The director may, at his or her discretion, waive
36 applicability of the consumer loan company licensing provisions of
37 this chapter to other persons, not including individuals subject to
38 the S.A.F.E. act, making or servicing loans when the director
39 determines it necessary to facilitate commerce and protect consumers.

1 (4) The burden of proving the application for an exemption or
2 exception from a definition, or a preemption of a provision of this
3 chapter, is upon the person claiming the exemption, exception, or
4 preemption.

5 (5) The director may adopt rules interpreting this section.

6 **Sec. 17.** RCW 39.35D.080 and 2005 c 12 s 12 are each amended to
7 read as follows:

8 Except as provided in this section, affordable housing projects
9 funded out of the state capital budget are exempt from the provisions
10 of this chapter. On or before July 1, 2008, the department of
11 (~~community, trade, and economic development~~) commerce shall
12 identify, implement, and apply a sustainable building program for
13 affordable housing projects that receive housing trust fund (under
14 chapter (~~43.185~~) 43.185A RCW) funding in a state capital budget.
15 The department of (~~community, trade, and economic development~~)
16 commerce shall not develop its own sustainable building standard, but
17 shall work with stakeholders to adopt an existing sustainable
18 building standard or criteria appropriate for affordable housing. Any
19 application of the program to affordable housing, including any
20 monitoring to track the performance of either sustainable features or
21 energy standards or both, is the responsibility of the department of
22 (~~community, trade, and economic development~~) commerce. Beginning in
23 2009 and ending in 2016, the department of (~~community, trade, and~~
24 ~~economic development~~) commerce shall report to the department as
25 required under RCW 39.35D.030(3)(b).

26 **Sec. 18.** RCW 43.63A.680 and 1993 c 478 s 19 are each amended to
27 read as follows:

28 (1) The department may develop and administer a home-matching
29 program for the purpose of providing grants and technical assistance
30 to eligible organizations to operate local home-matching programs.
31 For purposes of this section, "eligible organizations" are those
32 organizations eligible to receive assistance through the Washington
33 housing trust fund, chapter (~~43.185~~) 43.185A RCW.

34 (2) The department may select up to five eligible organizations
35 for the purpose of implementing a local home-matching program. The
36 local home-matching programs are designed to facilitate: (a)
37 Intergenerational homesharing involving older homeowners sharing
38 homes with younger persons; (b) homesharing arrangements that involve

1 an exchange of services such as cooking, housework, gardening, or
2 babysitting for room and board or some financial consideration such
3 as rent; and (c) the more efficient use of available housing.

4 (3) In selecting local pilot programs under this section, the
5 department shall consider:

6 (a) The eligible organization's ability, stability, and resources
7 to implement the local home-matching program;

8 (b) The eligible organization's efforts to coordinate other
9 support services needed by the individual or family participating in
10 the local home-matching program; and

11 (c) Other factors the department deems appropriate.

12 (4) The eligible organizations shall establish criteria for
13 participation in the local home-matching program. The eligible
14 organization shall make a determination of eligibility regarding the
15 individuals' or families' participation in the local home-matching
16 program. The determination shall include, but is not limited to a
17 verification of the individual's or family's history of making rent
18 payments in a consistent and timely manner.

19 **Sec. 19.** RCW 43.185C.200 and 2007 c 483 s 604 are each amended
20 to read as follows:

21 (1) The department of (~~community, trade, and economic~~
22 ~~development~~) commerce shall establish a pilot program to provide
23 grants to eligible organizations, as described in RCW (~~43.185.060~~)
24 43.185A.040, to provide transitional housing assistance to offenders
25 who are reentering the community and are in need of housing.

26 (2) There shall be a minimum of two pilot programs established in
27 two counties. The pilot programs shall be selected through a request
28 for proposal process and in consultation with the department of
29 corrections. The department shall select the pilot sites by January
30 1, 2008.

31 (3) The pilot program shall:

32 (a) Be operated in collaboration with the community justice
33 center existing in the location of the pilot site;

34 (b) Offer transitional supportive housing that includes
35 individual support and mentoring available on an ongoing basis, life
36 skills training, and close working relationships with community
37 justice centers and community corrections officers. Supportive
38 housing services can be provided directly by the housing operator, or
39 in partnership with community-based organizations;

1 (c) In providing assistance, give priority to offenders who are
2 designated as high risk or high needs as well as those determined not
3 to have a viable release plan by the department of corrections;

4 (d) Optimize available funding by utilizing cost-effective
5 community-based shared housing arrangements or other noninstitutional
6 living arrangements; and

7 (e) Provide housing assistance for a period of time not to exceed
8 twelve months for a participating offender.

9 (4) The department may also use up to twenty percent of the
10 funding appropriated in the operating budget for this section to
11 support the development of additional supportive housing resources
12 for offenders who are reentering the community.

13 (5) The department shall:

14 (a) Collaborate with the department of corrections in developing
15 criteria to determine who will qualify for housing assistance; and

16 (b) Gather data, and report to the legislature by November 1,
17 2008, on the number of offenders seeking housing, the number of
18 offenders eligible for housing, the number of offenders who receive
19 the housing, and the number of offenders who commit new crimes while
20 residing in the housing to the extent information is available.

21 (6) The department of corrections shall collaborate with
22 organizations receiving grant funds to:

23 (a) Help identify appropriate housing solutions in the community
24 for offenders;

25 (b) Where possible, facilitate an offender's application for
26 housing prior to discharge;

27 (c) Identify enhancements to training provided to offenders prior
28 to discharge that may assist an offender in effectively transitioning
29 to the community;

30 (d) Maintain communication between the organization receiving
31 grant funds, the housing provider, and corrections staff supervising
32 the offender; and

33 (e) Assist the offender in accessing resources and services
34 available through the department of corrections and a community
35 justice center.

36 (7) The state, department of (~~community, trade, and economic~~
37 ~~development~~) commerce, department of corrections, local governments,
38 local housing authorities, eligible organizations as described in RCW
39 (~~43.185.060~~) 43.185A.040, and their employees are not liable for
40 civil damages arising from the criminal conduct of an offender solely

1 due to the placement of an offender in housing provided under this
2 section or the provision of housing assistance.

3 (8) Nothing in this section allows placement of an offender into
4 housing without an analysis of the risk the offender may pose to that
5 particular community or other residents.

6 **Sec. 20.** RCW 43.185C.210 and 2011 c 353 s 6 are each amended to
7 read as follows:

8 (1) The transitional housing operating and rent program is
9 created in the department to assist individuals and families who are
10 homeless or who are at risk of becoming homeless to secure and retain
11 safe, decent, and affordable housing. The department shall provide
12 grants to eligible organizations, as described in RCW ((43.185.060))
13 43.185A.040, to provide assistance to program participants. The
14 eligible organizations must use grant moneys for:

15 (a) Rental assistance, which includes security or utility
16 deposits, first and last month's rent assistance, and eligible moving
17 expenses to be determined by the department;

18 (b) Case management services designed to assist program
19 participants to secure and retain immediate housing and to transition
20 into permanent housing and greater levels of self-sufficiency;

21 (c) Operating expenses of transitional housing facilities that
22 serve homeless families with children; and

23 (d) Administrative costs of the eligible organization, which must
24 not exceed limits prescribed by the department.

25 (2) Eligible to receive assistance through the transitional
26 housing operating and rent program are:

27 (a) Families with children who are homeless or who are at risk of
28 becoming homeless and who have household incomes at or below fifty
29 percent of the median household income for their county;

30 (b) Families with children who are homeless or who are at risk of
31 becoming homeless and who are receiving services under chapter 13.34
32 RCW;

33 (c) Individuals or families without children who are homeless or
34 at risk of becoming homeless and who have household incomes at or
35 below thirty percent of the median household income for their county;

36 (d) Individuals or families who are homeless or who are at risk
37 of becoming homeless and who have a household with an adult member
38 who has a mental health or chemical dependency disorder; and

1 (e) Individuals or families who are homeless or who are at risk
2 of becoming homeless and who have a household with an adult member
3 who is an offender released from confinement within the past eighteen
4 months.

5 (3) All program participants must be willing to create and
6 actively participate in a housing stability plan for achieving
7 permanent housing and greater levels of self-sufficiency.

8 (4) Data on all program participants must be entered into and
9 tracked through the Washington homeless client management information
10 system as described in RCW 43.185C.180. For eligible organizations
11 serving victims of domestic violence or sexual assault, compliance
12 with this subsection must be accomplished in accordance with 42
13 U.S.C. Sec. 11383(a)(8).

14 (5)(a) Except as provided in (b) of this subsection, beginning in
15 2011, each eligible organization receiving over five hundred thousand
16 dollars during the previous calendar year from the transitional
17 housing operating and rent program and from sources including: (i)
18 State housing-related funding sources; (ii) the affordable housing
19 for all surcharge in RCW 36.22.178; (iii) the home security fund
20 surcharges in RCW 36.22.179 and 36.22.1791; and (iv) any other
21 surcharge imposed under chapter 36.22 RCW or (~~43.185C-RCW~~) this
22 chapter to fund homelessness programs or other housing programs,
23 shall apply to the Washington state quality award program for an
24 independent assessment of its quality management, accountability, and
25 performance system, once every three years.

26 (b) Cities and counties are exempt from the provisions of (a) of
27 this subsection until 2018.

28 (6) The department may develop rules, requirements, procedures,
29 and guidelines as necessary to implement and operate the transitional
30 housing operating and rent program.

31 (7) The department shall produce an annual transitional housing
32 operating and rent program report that must be included in the
33 department's homeless housing strategic plan as described in RCW
34 43.185C.040. The report must include performance measures to be
35 determined by the department that address, at a minimum, the
36 following issue areas:

37 (a) The success of the program in helping program participants
38 transition into permanent affordable housing and achieve self-
39 sufficiency or increase their levels of self-sufficiency, which shall
40 be defined by the department based upon the costs of living,

1 including housing costs, needed to support: (i) One adult individual;
2 and (ii) two adult individuals and one preschool-aged child and one
3 school-aged child;

4 (b) The financial performance of the program related to efficient
5 program administration by the department and program operation by
6 selected eligible organizations, including an analysis of the costs
7 per program participant served;

8 (c) The quality, completeness, and timeliness of the information
9 on program participants provided to the Washington homeless client
10 management information system database; and

11 (d) The satisfaction of program participants in the assistance
12 provided through the program.

13 **Sec. 21.** RCW 47.12.063 and 2015 3rd sp.s. c 13 s 2 are each
14 amended to read as follows:

15 (1) It is the intent of the legislature to continue the
16 department's policy giving priority consideration to abutting
17 property owners in agricultural areas when disposing of property
18 through its surplus property program under this section.

19 (2) Whenever the department determines that any real property
20 owned by the state of Washington and under the jurisdiction of the
21 department is no longer required for transportation purposes and that
22 it is in the public interest to do so, the department may sell the
23 property or exchange it in full or part consideration for land or
24 building improvements or for construction of highway improvements at
25 fair market value to any person through the solicitation of written
26 bids through public advertising in the manner prescribed under RCW
27 47.28.050 or in the manner prescribed under RCW 47.12.283.

28 (3) The department may forego the processes prescribed by RCW
29 47.28.050 and 47.12.283 and sell the real property to any of the
30 following entities or persons at fair market value:

31 (a) Any other state agency;

32 (b) The city or county in which the property is situated;

33 (c) Any other municipal corporation;

34 (d) Regional transit authorities created under chapter 81.112
35 RCW;

36 (e) The former owner of the property from whom the state acquired
37 title;

1 (f) In the case of residentially improved property, a tenant of
2 the department who has resided thereon for not less than six months
3 and who is not delinquent in paying rent to the state;

4 (g) Any abutting private owner but only after each other abutting
5 private owner (if any), as shown in the records of the county
6 assessor, is notified in writing of the proposed sale. If more than
7 one abutting private owner requests in writing the right to purchase
8 the property within fifteen days after receiving notice of the
9 proposed sale, the property shall be sold at public auction in the
10 manner provided in RCW 47.12.283;

11 (h) To any other owner of real property required for
12 transportation purposes;

13 (i) In the case of property suitable for residential use, any
14 nonprofit organization dedicated to providing affordable housing to
15 very low-income, low-income, and moderate-income households as
16 defined in RCW 43.63A.510 and is eligible to receive assistance
17 through the Washington housing trust fund created in chapter
18 ((43.185)) 43.185A RCW; or

19 (j) A federally recognized Indian tribe within whose reservation
20 boundary the property is located.

21 (4) When selling real property pursuant to RCW 47.12.283, the
22 department may withhold or withdraw the property from an auction when
23 requested by one of the entities or persons listed in subsection (3)
24 of this section and only after the receipt of a nonrefundable deposit
25 equal to ten percent of the fair market value of the real property or
26 five thousand dollars, whichever is less. This subsection does not
27 prohibit the department from exercising its discretion to withhold or
28 withdraw the real property from an auction if the department
29 determines that the property is no longer surplus or chooses to sell
30 the property through one of the other means listed in subsection (2)
31 of this section. If a transaction under this subsection is not
32 completed within sixty days, the real property must be put back up
33 for sale.

34 (5) Sales to purchasers may, at the department's option, be for
35 cash, by real estate contract, or exchange of land or highway
36 improvements. Transactions involving the construction of improvements
37 must be conducted pursuant to chapter 47.28 RCW and Title 39 RCW, as
38 applicable, and must comply with all other applicable laws and rules.

1 (6) Conveyances made pursuant to this section shall be by deed
2 executed by the secretary of transportation and shall be duly
3 acknowledged.

4 (7) Unless otherwise provided, all moneys received pursuant to
5 the provisions of this section less any real estate broker
6 commissions paid pursuant to RCW 47.12.320 shall be deposited in the
7 motor vehicle fund.

8 (8) The department may not enter into equal value exchanges or
9 property acquisitions for building improvements without first
10 consulting with the office of financial management and the joint
11 transportation committee.

12 **Sec. 22.** RCW 59.24.060 and 1995 c 399 s 159 are each amended to
13 read as follows:

14 The department of (~~community, trade, and economic development~~)
15 commerce may receive such gifts, grants, or endowments from public or
16 private sources, as may be made from time to time, in trust or
17 otherwise, to be used by the department of (~~community, trade, and
18 economic development~~) commerce for its programs, including the
19 rental security deposit guarantee program. Funds from the housing
20 trust fund, chapter (~~43.185~~) 43.185A RCW, up to one hundred
21 thousand dollars, may be used for the rental security deposit
22 guarantee program by the department of (~~community, trade, and
23 economic development~~) commerce, local governments, and nonprofit
24 organizations, provided all the requirements of this chapter and
25 chapter (~~43.185~~) 43.185A RCW are met.

26 **Sec. 23.** RCW 82.14.400 and 2000 c 240 s 1 are each amended to
27 read as follows:

28 (1) Upon the joint request of a metropolitan park district, a
29 city with a population of more than one hundred fifty thousand, and a
30 county legislative authority in a county with a national park and a
31 population of more than five hundred thousand and less than one
32 million five hundred thousand, the county shall submit an authorizing
33 proposition to the county voters, fixing and imposing a sales and use
34 tax in accordance with this chapter for the purposes designated in
35 subsection (4) of this section and identified in the joint request.
36 Such proposition must be placed on a ballot for a special or general
37 election to be held no later than one year after the date of the
38 joint request.

1 (2) The proposition is approved if it receives the votes of a
2 majority of those voting on the proposition.

3 (3) The tax authorized in this section is in addition to any
4 other taxes authorized by law and shall be collected from those
5 persons who are taxable by the state under chapters 82.08 and 82.12
6 RCW upon the occurrence of any taxable event within the county. The
7 rate of tax shall equal no more than one-tenth of one percent of the
8 selling price in the case of a sales tax, or value of the article
9 used, in the case of a use tax.

10 (4) Moneys received from any tax imposed under this section shall
11 be used solely for the purpose of providing funds for:

12 (a) Costs associated with financing, design, acquisition,
13 construction, equipping, operating, maintaining, remodeling,
14 repairing, reequipping, or improvement of zoo, aquarium, and wildlife
15 preservation and display facilities that are currently accredited by
16 the American zoo and aquarium association; or

17 (b) Those costs associated with (a) of this subsection and costs
18 related to parks located within a county described in subsection (1)
19 of this section.

20 (5) The department of revenue shall perform the collection of
21 such taxes on behalf of the county at no cost to the county. In lieu
22 of the charge for the administration and collection of local sales
23 and use taxes under RCW 82.14.050 from which the county is exempt
24 under this subsection (5), a percentage of the tax revenues
25 authorized by this section equal to one-half of the maximum
26 percentage provided in RCW 82.14.050 shall be transferred annually to
27 the department of (~~community, trade, and economic development~~)
28 commerce, or its successor agency, from the funds allocated under
29 subsection (6)(b) of this section for a period of twelve years from
30 the first date of distribution of funds under subsection (6)(b) of
31 this section. The department of (~~community, trade, and economic
32 development~~) commerce, or its successor agency, shall use funds
33 transferred to it pursuant to this subsection (5) to provide,
34 operate, and maintain community-based housing under chapter
35 (~~43.185~~) 43.185A RCW for (~~persons who are mentally ill~~)
36 individuals with mental illness.

37 (6) If the joint request and the authorizing proposition include
38 provisions for funding those costs included within subsection (4)(b)
39 of this section, the tax revenues authorized by this section shall be
40 allocated annually as follows:

1 (a) Fifty percent to the zoo and aquarium advisory authority; and
2 (b) Fifty percent to be distributed on a per capita basis as set
3 out in the most recent population figures for unincorporated and
4 incorporated areas only within that county, as determined by the
5 office of financial management, solely for parks, as follows: To any
6 metropolitan park district, to cities and towns not contained within
7 a metropolitan park district, and the remainder to the county. Moneys
8 received under this subsection (6)(b) by a county may not be used to
9 replace or supplant existing per capita funding.

10 (7) Funds shall be distributed annually by the county treasurer
11 to the county, and cities and towns located within the county, in the
12 manner set out in subsection (6)(b) of this section.

13 (8) Prior to expenditure of any funds received by the county
14 under subsection (6)(b) of this section, the county shall establish a
15 process which considers needs throughout the unincorporated areas of
16 the county in consultation with community advisory councils
17 established by ordinance.

18 (9) By December 31, 2005, and thereafter, the county or any city
19 with a population greater than eighty thousand must provide at least
20 one dollar match for every two dollars received under this section.

21 (10) Properties subject to a memorandum of agreement between the
22 federal bureau of land management, the advisory council on historic
23 preservation, and the Washington state historic preservation officer
24 have priority for funding from money received under subsection (6)(b)
25 of this section for implementation of the stipulations in the
26 memorandum of agreement.

27 (a) At least one hundred thousand dollars of the first four years
28 of allocations under subsection (6)(b) of this section, to be matched
29 by the county or city with one dollar for every two dollars received,
30 shall be used to implement the stipulations of the memorandum of
31 agreement and for other historical, archaeological, architectural,
32 and cultural preservation and improvements related to the properties.

33 (b) The amount in (a) of this subsection shall come equally from
34 the allocations to the county and to the city in which the properties
35 are located, unless otherwise agreed to by the county and the city.

36 (c) The amount in (a) of this subsection shall not be construed
37 to displace or be offered in lieu of any lease payment from a county
38 or city to the state for the properties in question.

1 **Sec. 24.** RCW 82.45.100 and 2010 1st sp.s. c 23 s 211 are each
2 amended to read as follows:

3 (1) Payment of the tax imposed under this chapter is due and
4 payable immediately at the time of sale, and if not paid within one
5 month thereafter will bear interest from the time of sale until the
6 date of payment.

7 (a) Interest imposed before January 1, 1999, is computed at the
8 rate of one percent per month.

9 (b) Interest imposed after December 31, 1998, is computed on a
10 monthly basis at the rate as computed under RCW 82.32.050(2). The
11 rate so computed must be adjusted on the first day of January of each
12 year for use in computing interest for that calendar year. The
13 department must provide written notification to the county treasurers
14 of the variable rate on or before December 1st of the year preceding
15 the calendar year in which the rate applies.

16 (2) In addition to the interest described in subsection (1) of
17 this section, if the payment of any tax is not received by the county
18 treasurer or the department of revenue, as the case may be, within
19 one month of the date due, there is assessed a penalty of five
20 percent of the amount of the tax; if the tax is not received within
21 two months of the date due, there will be assessed a total penalty of
22 ten percent of the amount of the tax; and if the tax is not received
23 within three months of the date due, there will be assessed a total
24 penalty of twenty percent of the amount of the tax. The payment of
25 the penalty described in this subsection is collectible from the
26 seller only, and RCW 82.45.070 does not apply to the penalties
27 described in this subsection.

28 (3) If the tax imposed under this chapter is not received by the
29 due date, the transferee is personally liable for the tax, along with
30 any interest as provided in subsection (1) of this section, unless an
31 instrument evidencing the sale is recorded in the official real
32 property records of the county in which the property conveyed is
33 located.

34 (4) If upon examination of any affidavits or from other
35 information obtained by the department or its agents it appears that
36 all or a portion of the tax is unpaid, the department must assess
37 against the taxpayer the additional amount found to be due plus
38 interest and penalties as provided in subsections (1) and (2) of this
39 section. The department must notify the taxpayer by mail, or
40 electronically as provided in RCW 82.32.135, of the additional amount

1 and the same becomes due and must be paid within thirty days from the
2 date of the notice, or within such further time as the department may
3 provide.

4 (5) No assessment or refund may be made by the department more
5 than four years after the date of sale except upon a showing of:

6 (a) Fraud or misrepresentation of a material fact by the
7 taxpayer;

8 (b) A failure by the taxpayer to record documentation of a sale
9 or otherwise report the sale to the county treasurer; or

10 (c) A failure of the transferor or transferee to report the sale
11 under RCW 82.45.090(2).

12 (6) Penalties collected on taxes due under this chapter under
13 subsection (2) of this section and RCW 82.32.090 (2) through (8) must
14 be deposited in the housing trust fund as described in chapter
15 (~~43.185~~) 43.185A RCW.

16 NEW SECTION. **Sec. 25.** RCW 43.185.010, 43.185.030, 43.185.050,
17 43.185.070, 43.185.074, 43.185.080, and 43.185.140 are recodified as
18 sections in chapter 43.185A RCW.

19 NEW SECTION. **Sec. 26.** RCW 43.185.110 is recodified as a section
20 in chapter 43.185B RCW.

21 NEW SECTION. **Sec. 27.** The following acts or parts of acts are
22 each repealed:

23 (1) RCW 43.185.015 (Housing assistance program) and 1995 c 399 s
24 100 & 1991 c 356 s 2;

25 (2) RCW 43.185.020 (Definitions) and 2013 c 145 s 1, 2009 c 565 s
26 37, 1995 c 399 s 101, & 1986 c 298 s 3;

27 (3) RCW 43.185A.030 (Activities eligible for assistance) and 2013
28 c 145 s 5 & 2011 1st sp.s. c 50 s 954;

29 (4) RCW 43.185A.050 (Grant and loan application process—Report)
30 and 2013 c 145 s 6, 2012 c 235 s 2, & 1991 c 356 s 14;

31 (5) RCW 43.185.060 (Eligible organizations) and 2019 c 325 s
32 5012, 2014 c 225 s 61, 1994 c 160 s 2, 1991 c 295 s 1, & 1986 c 298 s
33 7;

34 (6) RCW 43.185.076 (Low-income housing grants and loans—Approval
35 —License education programs) and 1988 c 286 s 3 & 1987 c 513 s 10;

36 (7) RCW 43.185.090 (Compliance monitoring) and 1986 c 298 s 10;

- 1 (8) RCW 43.185.100 (Rule-making authority) and 1987 c 513 s 2 &
2 1986 c 298 s 11;
- 3 (9) RCW 43.185A.090 (Application process—Distribution procedure)
4 and 2006 c 349 s 4;
- 5 (10) RCW 43.185A.100 (Housing programs and services—Review of
6 reporting requirements—Report to the legislature) and 2006 c 349 s
7 11;
- 8 (11) RCW 43.185A.110 (Affordable housing land acquisition
9 revolving loan fund program) and 2017 c 274 s 1, 2008 c 112 s 1, &
10 2007 c 428 s 2;
- 11 (12) RCW 43.185A.120 (Affordable housing and community facilities
12 rapid response loan program) and 2008 c 112 s 2;
- 13 (13) RCW 43.185.120 (Protection of state's interest) and 1991 c
14 356 s 7;
- 15 (14) RCW 43.185.130 (Application process—Distribution procedure)
16 and 2006 c 349 s 3;
- 17 (15) RCW 43.185A.900 (Short title) and 1991 c 356 s 9; and
- 18 (16) RCW 43.185.910 (Conflict with federal requirements—1991 c
19 356) and 1991 c 356 s 8.

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