

E2SHB 1277 - S AMD TO WM COMM AMD (S-2934.1/21) **907**

By Senator Wilson, L.

PULLED 04/18/2021

1 On page 2, line 7, after "county," strike "or"

2

3 On page 2, line 7, after "city" insert ", or water-sewer district"

4

5 On page 10, after line 3, insert the following:

6

7 **"Sec. 7.** RCW 36.22.178 and 2019 c 136 s 1 are each amended to
8 read as follows:

9 The surcharge provided for in this section shall be named the
10 affordable housing for all surcharge.

11 (1) Except as provided in subsection (3) of this section, a
12 surcharge of thirteen dollars per instrument shall be charged by the
13 county auditor for each document recorded, which will be in addition
14 to any other charge authorized by law. The county may retain up to
15 five percent of these funds collected solely for the collection,
16 administration, and local distribution of these funds. Of the
17 remaining funds, forty percent of the revenue generated through this
18 surcharge will be transmitted monthly to the state treasurer who
19 will deposit: (a) The portion of the funds attributable to ten
20 dollars of the surcharge into the affordable housing for all account
21 created in RCW 43.185C.190. The department of commerce must use
22 these funds to provide housing and shelter for extremely low-income
23 households, including but not limited to housing for victims of
24 human trafficking and their families and grants for building
25 operation and maintenance costs of housing projects or units within
26 housing projects that are affordable to extremely low-income
27 households with incomes at or below thirty percent of the area

1 median income, and that require a supplement to rent income to cover
2 ongoing operating expenses; and (b) the portion of the funds
3 attributable to three dollars of the surcharge into the landlord
4 mitigation program account created in RCW 43.31.615.

5 (2) All of the remaining funds generated by this surcharge will
6 be retained by the county and be deposited into a fund that must be
7 used by the county and its cities and towns for eligible housing
8 activities as described in this subsection that serve very low-
9 income households with incomes at or below fifty percent of the area
10 median income. The portion of the surcharge retained by a county
11 shall be allocated to eligible housing activities that serve
12 extremely low and very low-income households in the county and the
13 cities within a county according to an interlocal agreement between
14 the county and the cities within the county consistent with
15 countywide and local housing needs and policies. A priority must be
16 given to eligible housing activities that serve extremely low-income
17 households with incomes at or below thirty percent of the area
18 median income. Eligible housing activities to be funded by these
19 county funds are limited to:

20 (a) Acquisition, construction, or rehabilitation of housing
21 projects or units within housing projects that are affordable to
22 very low-income households with incomes at or below fifty percent of
23 the area median income, including units for homeownership, rental
24 units, seasonal and permanent farmworker housing units, units
25 reserved for victims of human trafficking and their families, and
26 single room occupancy units;

27 (b) Supporting building operation and maintenance costs of
28 housing projects or units within housing projects eligible to
29 receive housing trust funds, that are affordable to very low-income
30 households with incomes at or below fifty percent of the area median
31 income, and that require a supplement to rent income to cover
32 ongoing operating expenses;

33 (c) Rental assistance vouchers for housing units that are
34 affordable to very low-income households with incomes at or below

1 fifty percent of the area median income, including rental housing
2 vouchers for victims of human trafficking and their families, to be
3 administered by a local public housing authority or other local
4 organization that has an existing rental assistance voucher program,
5 consistent with or similar to the United States department of
6 housing and urban development's section 8 rental assistance voucher
7 program standards; and

8 (d) Operating costs for emergency shelters and licensed
9 overnight youth shelters.

10 (3) The surcharge imposed in this section does not apply to
11 assignments or substitutions of previously recorded deeds of trust
12 or to documents recording a federal lien, or water-sewer district
13 lien, or satisfaction of lien.

14

15 **Sec. 8.** RCW 36.22.179 and 2019 c 136 s 2 are each amended to
16 read as follows:

17 (1) In addition to the surcharge authorized in RCW 36.22.178,
18 and except as provided in subsection (3) of this section, an
19 additional surcharge of sixty-two dollars shall be charged by the
20 county auditor for each document recorded, which will be in addition
21 to any other charge allowed by law. Except as provided in subsection
22 (4) of this section, the funds collected pursuant to this section
23 are to be distributed and used as follows:

24 (a) The auditor shall retain two percent for collection of the
25 fee, and of the remainder shall remit sixty percent to the county to
26 be deposited into a fund that must be used by the county and its
27 cities and towns to accomplish the purposes of chapter 484, Laws of
28 2005, six percent of which may be used by the county for the
29 collection and local distribution of these funds and administrative
30 costs related to its homeless housing plan, and the remainder for
31 programs which directly accomplish the goals of the county's local
32 homeless housing plan, except that for each city in the county which
33 elects as authorized in RCW 43.185C.080 to operate its own local
34 homeless housing program, a percentage of the surcharge assessed

1 under this section equal to the percentage of the city's local
2 portion of the real estate excise tax collected by the county shall
3 be transmitted at least quarterly to the city treasurer, without any
4 deduction for county administrative costs, for use by the city for
5 program costs which directly contribute to the goals of the city's
6 local homeless housing plan; of the funds received by the city, it
7 may use six percent for administrative costs for its homeless
8 housing program.

9 (b) The auditor shall remit the remaining funds to the state
10 treasurer for deposit in the home security fund account to be used
11 as follows:

12 (i) The department may use twelve and one-half percent of this
13 amount for administration of the program established in RCW 43.185C.
14 020, including the costs of creating the statewide homeless housing
15 strategic plan, measuring performance, providing technical
16 assistance to local governments, and managing the homeless housing
17 grant program.

18 (ii) The remaining eighty-seven and one-half percent of this
19 amount must be used as follows:

20 (A) At least forty-five percent must be set aside for the use of
21 private rental housing payments; and

22 (B) All remaining funds are to be used by the department to:

23 (I) Provide housing and shelter for homeless people including,
24 but not limited to: Grants to operate, repair, and staff shelters;
25 grants to operate transitional housing; partial payments for rental
26 assistance; consolidated emergency assistance; overnight youth
27 shelters; grants and vouchers designated for victims of human
28 trafficking and their families; and emergency shelter assistance; and

29 (II) Fund the homeless housing grant program.

30 (2) A county issuing general obligation bonds pursuant to RCW
31 36.67.010, to carry out the purposes of subsection (1)(a) of this
32 section, may provide that such bonds be made payable from any
33 surcharge provided for in subsection (1)(a) of this section and may
34 pledge such surcharges to the repayment of the bonds.

1 (3) The surcharge imposed in this section does not apply to (a)
2 assignments or substitutions of previously recorded deeds of trust,
3 (b) documents recording a birth, marriage, divorce, or death, (c)
4 any recorded documents otherwise exempted from a recording fee or
5 additional surcharges under state law, (d) marriage licenses issued
6 by the county auditor, or (e) documents recording a federal, state,
7 county, water-sewer district, or city lien or satisfaction of lien.

8 (4) Ten dollars of the surcharge imposed under subsection (1) of
9 this section must be distributed to the counties to carry out the
10 purposes of subsection (1)(a) of this section.

11 (5) For purposes of this section, "private rental housing" means
12 housing owned by a private landlord and includes housing owned by a
13 nonprofit housing entity.

14

15 **Sec. 9.** RCW 36.22.1791 and 2019 c 136 s 3 are each amended to
16 read as follows:

17 (1) In addition to the surcharges authorized in RCW 36.22.178
18 and 36.22.179, and except as provided in subsection (2) of this
19 section, the county auditor shall charge an additional surcharge of
20 eight dollars for each document recorded, which is in addition to
21 any other charge allowed by law. The funds collected under this
22 section are to be distributed and used as follows:

23 (a) The auditor shall remit ninety percent to the county to be
24 deposited into a fund six percent of which may be used by the county
25 for administrative costs related to its homeless housing plan, and
26 the remainder for programs that directly accomplish the goals of the
27 county's local homeless housing plan, except that for each city in
28 the county that elects, as authorized in RCW 43.185C.080, to operate
29 its own local homeless housing program, a percentage of the
30 surcharge assessed under this section equal to the percentage of the
31 city's local portion of the real estate excise tax collected by the
32 county must be transmitted at least quarterly to the city treasurer
33 for use by the city for program costs that directly contribute to
34 the goals of the city's local homeless housing plan.

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 the funds for administering the program
4 established in RCW 43.185C.020, including the costs of creating and
5 updating the statewide homeless housing strategic plan, measuring
6 performance, providing technical assistance to local governments,
7 and managing the homeless housing grant program. Remaining funds may
8 also be used to:

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

16 (2) The surcharge imposed in this section does not apply to
17 assignments or substitutions of previously recorded deeds of trust
18 or to documents recording a federal or water-sewer district lien or
19 satisfaction of lien.

20

21 **Sec. 10.** RCW 36.22.181 and 2016 c 7 s 2 are each amended to
22 read as follows:

23 (1) Except as provided in subsection (2) of this section, a
24 surcharge of one dollar shall be charged by the county auditor at
25 the time of recording of each deed of trust, which will be in
26 addition to any other charge authorized by law. The auditor may
27 retain up to five percent of the funds collected to administer
28 collection. The remaining funds shall be transmitted monthly to the
29 state treasurer who will deposit the funds into the mortgage lending
30 fraud prosecution account created in RCW 43.320.140. The department
31 of financial institutions is responsible for the distribution of the
32 funds in the account and shall, in consultation with the attorney
33 general and local prosecutors, develop rules for the use of these
34

1 funds to pursue criminal prosecution of fraudulent activities within
2 the mortgage lending process.

3 (2) The surcharge imposed in this section does not apply to
4 assignments or substitutions of previously recorded deeds of trust,
5 or documents recording a water-sewer district lien.

6 (3) This section expires June 30, 2021.

7

8 **Sec. 11.** RCW 36.22.240 and 2019 c 348 s 11 are each amended to
9 read as follows:

10 (1) Except as provided in subsection (2) of this section, a
11 surcharge of two dollars and fifty cents shall be charged by the
12 county auditor for each document recorded, which will be in addition
13 to any other charge or surcharge allowed by law. The auditor shall
14 remit the funds to the state treasurer to be deposited and used as
15 follows:

16 (a) Through June 30, 2024, funds must be deposited into the
17 growth management planning and environmental review fund created in
18 RCW 36.70A.490 to be used first for grants for costs associated with
19 RCW 36.70A.600 and for costs associated with RCW 36.70A.610, and
20 thereafter for any allowable use of the fund.

21 (b) Beginning July 1, 2024, sufficient funds must be deposited
22 into the growth management planning and environmental review fund
23 created in RCW 36.70A.490 for costs associated with RCW 36.70A.610,
24 and the remainder deposited into the home security fund account
25 created in RCW 43.185C.060 to be used for maintenance and operation
26 costs of: (i) Permanent supportive housing and (ii) affordable
27 housing for very low-income and extremely low-income households.
28 Funds may only be expended in cities that have taken action under
29 RCW 36.70A.600.

30 (2) The surcharge imposed in this section does not apply to: (a)
31 Assignments or substitutions of previously recorded deeds of trust;
32 (b) documents recording a birth, marriage, divorce, or death; (c)
33 any recorded documents otherwise exempted from a recording fee or
34 additional surcharges under state law; (d) marriage licenses issued

1 by the county auditor; or (e) documents recording a federal, state,
2 county, water-sewer district, or city lien or satisfaction of lien.

3 (3) For purposes of this section, the terms "permanent
4 supportive housing," "affordable housing," "very low-income
5 households," and "extremely low-income households" have the same
6 meaning as provided in RCW 36.70A.030."

7

8 Renumber the remaining sections consecutively and correct any
9 internal references accordingly.

10

11 On page 10, line 5, after "amending RCW" insert "36.22.178,
12 36.22.179, 36.22.1791, 36.22.181, 36.22.240"

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EFFECT: Exempts documents recording water-sewer district liens
from all housing-related document recording fee surcharges.

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