

**E2SHB 1277** - S AMD TO WM COMM AMD (S-2934.1/21) **904**

By Senator Wilson, L.

**ADOPTED 04/24/2021**

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

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

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

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

7 The surcharge provided for in this section shall be named the  
8 affordable housing for all surcharge.

9 (1) Except as provided in subsection (3) of this section, a  
10 surcharge of thirteen dollars per instrument shall be charged by the  
11 county auditor for each document recorded, which will be in addition  
12 to any other charge authorized by law. The county may retain up to  
13 five percent of these funds collected solely for the collection,  
14 administration, and local distribution of these funds. Of the  
15 remaining funds, forty percent of the revenue generated through this  
16 surcharge will be transmitted monthly to the state treasurer who will  
17 deposit: (a) The portion of the funds attributable to ten dollars of  
18 the surcharge into the affordable housing for all account created in  
19 RCW 43.185C.190. The department of commerce must use these funds to  
20 provide housing and shelter for extremely low-income households,  
21 including but not limited to housing for victims of human trafficking  
22 and their families and grants for building operation and maintenance  
23 costs of housing projects or units within housing projects that are  
24 affordable to extremely low-income households with incomes at or  
25 below thirty percent of the area median income, and that require a  
26 supplement to rent income to cover ongoing operating expenses; and  
27 (b) the portion of the funds attributable to three dollars of the  
28 surcharge into the landlord mitigation program account created in RCW  
29 43.31.615.

30 (2) All of the remaining funds generated by this surcharge will  
31 be retained by the county and be deposited into a fund that must be

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

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

21 (b) Supporting building operation and maintenance costs of  
22 housing projects or units within housing projects eligible to receive  
23 housing trust funds, that are affordable to very low-income  
24 households with incomes at or below fifty percent of the area median  
25 income, and that require a supplement to rent income to cover ongoing  
26 operating expenses;

27 (c) Rental assistance vouchers for housing units that are  
28 affordable to very low-income households with incomes at or below  
29 fifty percent of the area median income, including rental housing  
30 vouchers for victims of human trafficking and their families, to be  
31 administered by a local public housing authority or other local  
32 organization that has an existing rental assistance voucher program,  
33 consistent with or similar to the United States department of housing  
34 and urban development's section 8 rental assistance voucher program  
35 standards; and

36 (d) Operating costs for emergency shelters and licensed overnight  
37 youth shelters.

38 (3) The surcharge imposed in this section does not apply to  
39 assignments or substitutions of previously recorded deeds of trust or

1 to documents recording a federal lien, or water-sewer district lien,  
2 or satisfaction of lien.

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

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

12 (a) The auditor shall retain two percent for collection of the  
13 fee, and of the remainder shall remit sixty percent to the county to  
14 be deposited into a fund that must be used by the county and its  
15 cities and towns to accomplish the purposes of chapter 484, Laws of  
16 2005, six percent of which may be used by the county for the  
17 collection and local distribution of these funds and administrative  
18 costs related to its homeless housing plan, and the remainder for  
19 programs which directly accomplish the goals of the county's local  
20 homeless housing plan, except that for each city in the county which  
21 elects as authorized in RCW 43.185C.080 to operate its own local  
22 homeless housing program, a percentage of the surcharge assessed  
23 under this section equal to the percentage of the city's local  
24 portion of the real estate excise tax collected by the county shall  
25 be transmitted at least quarterly to the city treasurer, without any  
26 deduction for county administrative costs, for use by the city for  
27 program costs which directly contribute to the goals of the city's  
28 local homeless housing plan; of the funds received by the city, it  
29 may use six percent for administrative costs for its homeless housing  
30 program.

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

34 (i) The department may use twelve and one-half percent of this  
35 amount for administration of the program established in RCW  
36 43.185C.020, including the costs of creating the statewide homeless  
37 housing strategic plan, measuring performance, providing technical  
38 assistance to local governments, and managing the homeless housing  
39 grant program.

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

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

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

6 (I) Provide housing and shelter for homeless people including,  
7 but not limited to: Grants to operate, repair, and staff shelters;  
8 grants to operate transitional housing; partial payments for rental  
9 assistance; consolidated emergency assistance; overnight youth  
10 shelters; grants and vouchers designated for victims of human  
11 trafficking and their families; and emergency shelter assistance; and

12 (II) Fund the homeless housing grant program.

13 (2) A county issuing general obligation bonds pursuant to RCW  
14 36.67.010, to carry out the purposes of subsection (1)(a) of this  
15 section, may provide that such bonds be made payable from any  
16 surcharge provided for in subsection (1)(a) of this section and may  
17 pledge such surcharges to the repayment of the bonds.

18 (3) The surcharge imposed in this section does not apply to (a)  
19 assignments or substitutions of previously recorded deeds of trust,  
20 (b) documents recording a birth, marriage, divorce, or death, (c) any  
21 recorded documents otherwise exempted from a recording fee or  
22 additional surcharges under state law, (d) marriage licenses issued  
23 by the county auditor, or (e) documents recording a federal, state,  
24 county, ~~((or))~~ city, or water-sewer district lien or satisfaction of  
25 lien.

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

29 (5) For purposes of this section, "private rental housing" means  
30 housing owned by a private landlord and includes housing owned by a  
31 nonprofit housing entity.

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

34 (1) In addition to the surcharges authorized in RCW 36.22.178 and  
35 36.22.179, and except as provided in subsection (2) of this section,  
36 the county auditor shall charge an additional surcharge of eight  
37 dollars for each document recorded, which is in addition to any other  
38 charge allowed by law. The funds collected under this section are to  
39 be distributed and used as follows:

1 (a) The auditor shall remit ninety percent to the county to be  
2 deposited into a fund six percent of which may be used by the county  
3 for administrative costs related to its homeless housing plan, and  
4 the remainder for programs that directly accomplish the goals of the  
5 county's local homeless housing plan, except that for each city in  
6 the county that elects, as authorized in RCW 43.185C.080, to operate  
7 its own local homeless housing program, a percentage of the surcharge  
8 assessed under this section equal to the percentage of the city's  
9 local portion of the real estate excise tax collected by the county  
10 must be transmitted at least quarterly to the city treasurer for use  
11 by the city for program costs that directly contribute to the goals  
12 of the city's local homeless housing plan.

13 (b) The auditor shall remit the remaining funds to the state  
14 treasurer for deposit in the home security fund account. The  
15 department may use the funds for administering the program  
16 established in RCW 43.185C.020, including the costs of creating and  
17 updating the statewide homeless housing strategic plan, measuring  
18 performance, providing technical assistance to local governments, and  
19 managing the homeless housing grant program. Remaining funds may also  
20 be used to:

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

27 (ii) Fund the homeless housing grant program.

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

32 **Sec. 10.** RCW 36.22.240 and 2019 c 348 s 11 are each amended to  
33 read as follows:

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

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

6 (b) Beginning July 1, 2024, sufficient funds must be deposited  
7 into the growth management planning and environmental review fund  
8 created in RCW 36.70A.490 for costs associated with RCW 36.70A.610,  
9 and the remainder deposited into the home security fund account  
10 created in RCW 43.185C.060 to be used for maintenance and operation  
11 costs of: (i) Permanent supportive housing and (ii) affordable  
12 housing for very low-income and extremely low-income households.  
13 Funds may only be expended in cities that have taken action under RCW  
14 36.70A.600.

15 (2) The surcharge imposed in this section does not apply to: (a)  
16 Assignments or substitutions of previously recorded deeds of trust;  
17 (b) documents recording a birth, marriage, divorce, or death; (c) any  
18 recorded documents otherwise exempted from a recording fee or  
19 additional surcharges under state law; (d) marriage licenses issued  
20 by the county auditor; or (e) documents recording a federal, state,  
21 county, ~~((or))~~ city, or water-sewer district lien or satisfaction of  
22 lien.

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

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**ADOPTED 04/24/2021**

27 On page 10, line 6, after "43.185C.060," strike "and 43.185C.190"  
28 and insert "43.185C.190, 36.22.178, 36.22.179, 36.22.1791, and  
29 36.22.240"

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

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