HOUSE BILL REPORT
HB 2331

As Passed House:

April 21, 2009

Title: An act relating to the existing document recording fee for services for the homeless.

Brief Description: Concerning the existing document recording fee for services for the homeless.

Sponsors: Representatives Darneille, Dickerson, Pettigrew, Kenney, Williams, Simpson, Nelson and Ormsby.

Brief History:
Committee Activity:
Ways & Means: 4/4/09, 4/14/09 [DP].
Floor Activity
Passed House: 4/21/09, 51-44.

Brief Summary of Bill

- Increases the Homeless Housing and Assistance Act document recording surcharge from $10 to $30.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass. Signed by 14 members: Representatives Linville, Chair; Ericks, Vice Chair; Cody, Conway, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Seaquist and Sullivan.

Minority Report: Do not pass. Signed by 8 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Hinkle, Priest, Ross and Schmick.

Staff: Steve Smith (786-7178)

Background:

Duties and Authority of County Auditors.

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

The county auditor is responsible for the recording of specified documents required by law to be maintained as part of the public record kept by a county. The documents that must be recorded by a county auditor include judgments, liens, deeds, mortgages, and many other categories of documents pertaining to property ownership and real estate transactions. State law specifies requirements that must be met by an auditor when exercising his or her recording duties, including the collection of specified fees when a document is recorded. These fees include certain surcharges used for the funding of state and local programs to provide affordable housing for low income persons and housing assistance for the homeless. Among the housing programs funded by the surcharge is the Homeless Housing and Assistance Act. (See chapter 43.185C RCW.)

Homeless Housing and Assistance Act.

The Legislature enacted the Homeless Housing and Assistance Act in 2005, the goal of which was to reduce homelessness by 50 percent statewide and in each county by 2015. Thirty-seven counties participate in this program, as do many cities and the state, through the Department of Community, Trade and Economic Development (Department). The state and local programs are funded by a $10 surcharge on documents recorded by the county auditor. (See RCW 36.22.179.) In 2007 the legislature authorized an additional $8 surcharge for the program. (See RCW 36.22.1791.)

The revenues generated by both surcharges are distributed to participating counties and cities, as well as the Department. That portion of the funds allocated to the Department are deposited into an account known as the Home Security Fund (Fund), which is administered by the State Treasurer. The Department uses this Fund to administer the program statewide and to fund and administer the Homeless Grant Assistance Program, which provides additional funds for specific county homeless programs. Counties and cities use their surcharge-derived funding for purposes outlined in their local homeless housing plans.

The initial $10 surcharge authorized in 2005 under the Homeless Housing and Assistance Act is distributed as follows:
 • the county auditor retains 2 percent;
 • 60 percent of the remaining funds are allocated to the participating county of origin;
 • any city which assumes responsibility for reducing homelessness within its boundaries receives a percentage of the surcharge equal to the percentage of the city's local portion of the real estate excise tax; and
 • the remaining monies are remitted to the Department and deposited into the Fund.

Summary of Bill:

The document recording surcharge collected by county auditors under the Homeless Housing and Assistance Act of 2005 is increased from $10 to $30.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The Department of Community, Trade and Economic Development estimates that there will be an additional 20,000 homeless people in Washington. Furthermore, the trend is changing as more two-parent families, more affluent individuals, and more homeowners are becoming homeless than were previously.   The recording fee can be thought of as an insurance policy that provides for the most basic of needs: housing. Without housing, other basic needs such as employment also become very difficult. A variety of diverse communities throughout Kitsap County would benefit from these fees, including senior housing, emergency weather shelters, transitional housing and mental health services.

(Opposed) The Association of County Auditors supports ending homelessness; however, they are opposed to the document recording fee increase. The purpose of recording documents is to preserve them as public record for the county, but the recording fees would be used for a function that is unrelated to the purpose of the recording fee. Thirty-three percent of the cost of recording a document is currently related to actually preserving the document, while 66 percent goes to homelessness or housing. If this bill passes, recording fees will increase from $42 per document to $62 per document.

Persons Testifying: (In support) Nick Federici, Washington Low Income Housing Alliance; Seth Dawson, Washington State Coalition for the Homeless; and Tom McBride, Kitsap County.

(Opposed) Kim Wyman, Thurston County Auditor, Washington State Association of County Auditors.

Persons Signed In To Testify But Not Testifying: None.