

FINAL BILL REPORT

ESHB 2048

C 90 L 12
Synopsis as Enacted

Brief Description: Concerning low-income and homeless housing assistance surcharges.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Kenney, Darneille, Dunshee, Hasegawa, Green, Upthegrove, Ormsby, Haigh, McCoy, Pedersen, Ryu, Pettigrew, Ladenburg, Moscoso, Hunt, Kagi, Dickerson, Appleton, Sells, Roberts, Reykdal, Frockt, Fitzgibbon, Finn, Goodman and Rolfes).

House Committee on Ways & Means
Senate Committee on Financial Institutions, Housing & Insurance
Senate Committee on Ways & Means

Background:

Duties and Authority of County Auditors.

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 the following three document recording surcharges totaling \$48 that are used to fund programs that provide affordable housing for low-income persons and housing assistance for the homeless:

1. an Affordable Housing for All surcharge of \$10;
2. a surcharge for local homeless housing and assistance of \$30; and
3. an additional surcharge for local homeless housing and assistance of \$8.

Each of the three document recording surcharges includes a portion which is provided to counties and a portion which is provided for state administered housing and homeless programs. The state's portion of the first of the surcharges is deposited into the Affordable Housing for All Account. The state's portion of the remaining two surcharges is deposited into the Home Security Fund.

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.

Homeless Housing and Assistance Act.

The Homeless Housing and Assistance Act (Act) was enacted in 2005, with the goal of reducing homelessness by 50 percent statewide and in each county by 2015. The Department of Commerce (COM), with the support of the Interagency Council on Homelessness and the Affordable Housing Advisory Board, is responsible for preparing and publishing a 10-year homeless housing strategic plan with statewide goals and performance measures, and providing biennial progress reports to the Governor and the Legislature. Local areas must also have 10-year plans that are substantially consistent with the state plan.

The \$30 surcharge for local homeless housing and assistance was originally authorized in 2005 as a \$10 surcharge under the Act. In 2009 legislation enacted increased the surcharge to \$30 during the 2009-11 and 2011-13 biennia.

Enacted operating budgets have authorized expenditures from the Home Security Fund to support the following programs administered by the COM and the Department of Social and Health Services (DSHS):

- the Homeless Housing Program (COM);
- Homeless Family Shelters (COM);
- Independent Youth Housing (COM);
- Housing Division Administration (COM);
- the Transitional Housing Operating and Rent Program (COM);
- Secure Crisis Residential Centers (DSHS);
- Crisis Residential Centers (DSHS);
- Hope Centers (DSHS); and
- Grants and vouchers designated for victims of human trafficking and their families (COM).

Summary:

The \$30 surcharge for local homeless housing and assistance: increases to \$40 from September 1, 2012, through June 30, 2015; becomes \$30 from July 1, 2015, to June 30, 2017; and returns to \$10, beginning July 1, 2017.

The types of documents for which the homeless housing surcharge must be applied is clarified to include: full reconveyance; deeds of trust; deeds; liens related to real property; release of liens related to real property; notice of trustee sales; judgments related to real property; and all other documents pertaining to real property as determined by the COM. By August 31, 2012, the COM must produce and submit to each county auditor a list of documents that are subject to the surcharge.

Through June 30, 2017, any local government that has the authority to issue housing vouchers paid for with funds obtained from document recording fees is required to:

- in conjunction with local landlord and tenant associations, develop, maintain and update at least quarterly an interested landlord list that includes information on rental properties in buildings with fewer than 50 units;
- distribute the list to agencies providing services to individuals and households receiving housing vouchers;

- ensure that a copy of the list or information for accessing the list online is provided with voucher paperwork;
- semi-annually convene interested landlords and agencies that provide services to households receiving housing vouchers to identify successes, barriers, and process improvements; and
- develop and submit annual data, in consultation with landlords and agencies, on specified expenditures made and services provided with document recording fees to the COM. If such data are not readily available, the local government may request that the COM obtain the information by using a sampling methodology.

Through June 30, 2017, a city or county receiving more than \$3.5 million in document recording surcharges is required to receive a Washington State Quality Award program or similar assessment of its quality management, accountability, and performance system every two years. The initial assessment may be a "lite" assessment.

Through June 30, 2017, the COM is required to:

- require its contractors to distribute the interested landlord list;
- annually convene local governments, landlord association representatives, and agencies to identify successes, barriers, and process improvements;
- develop a sampling methodology to obtain required data when a local government or contractor does not have such information readily available;
- develop and submit an annual report to the Legislature that is developed in consultation with local governments, landlord association representatives, and agencies that includes specified expenditures made and services provided with document recording fees; and
- work with local governments and the Washington State Quality Award program on scheduling required assessments.

"Housing vouchers" are payments funded by one of the three housing-related document recording surcharges that are made by a local government or contractor to secure a rental unit on behalf of an individual tenant, or a block of units on behalf of multiple tenants.

"Housing placement payments" are one-time payments funded by document recording surcharges that are made to secure a unit on behalf of a tenant.

"Interested landlord list" is a list of landlords who have indicated to a local government or contractor interest in renting to individuals or households receiving a housing voucher funded by document recording surcharges.

The changes to the local homeless housing and assistance surcharge are null and void if the provisions regarding new requirements for the COM and local governments that have the authority to issue housing vouchers are not enacted. The additional requirements for the COM and local governments that have the authority to issue housing vouchers are null and void if the surcharge changes are not enacted.

Votes on Final Passage:

House 52 44

House 55 42
Senate 30 18 (Senate amended)
House 55 41 (House concurred)

Effective: June 7, 2012