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**SHB 2995** - H AMD 1475 1475 1475

By Representative Shea

On page 42, after line 34 of the striking amendment, insert the following:

"**Sec. 27.** RCW 36.22.179 and 2017 3rd sp.s. c 16 s 5 are each amended to read as follows:

(1) In addition to the surcharge authorized in RCW 36.22.178, and except as provided in subsection (2) of this section, an additional surcharge of ten dollars shall be charged by the county auditor for each document recorded, which will be in addition to any other charge allowed by law. From September 1, 2012, through June 30, 2023, the surcharge shall be forty dollars. The funds collected pursuant to this section are to be distributed and used as follows:

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

(ii) For a county located east of the crest of the Cascade mountain range that has a population of one hundred and one thousand or fewer, any funds collected and remitted to the county for the authorized purposes in (a)(i) of this subsection may be used to educate homeowners about wildfire risk and prevention measures and be used for wildfire prevention and response activities. Any eligible county must hold a public hearing before using funding for such an authorized purpose.

(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account. The department may use twelve and one-half percent of this amount for administration of the program established in RCW 43.185C.020, including the costs of creating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program. Of the remaining eighty-seven and one-half percent, at least forty-five percent must be set aside for the use of private rental housing payments, and the remainder is to be used by the department to:

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

(ii) Fund the homeless housing grant program.

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

**Sec. 28.** RCW 43.185C.060 and 2014 c 200 s 2 are each amended to read as follows:

The home security fund account is created in the state treasury, subject to appropriation. The state's portion of the surcharge established in RCW 36.22.179 and 36.22.1791 must be deposited in the account. Expenditures from the account may be used only for homeless housing programs as described in this chapter and for wildfire prevention and response activities pursuant to RCW 36.22.179(1)(a)(ii). If an independent audit finds that the department has failed to set aside at least forty-five percent of funds received under RCW 36.22.179(1)(b) after June 12, 2014, for the use of private rental housing payments, the department must submit a corrective action plan to the office of financial management within thirty days of receipt of the independent audit. The office of financial management must monitor the department's corrective action plan and expenditures from this account for the remainder of the fiscal year. If the department is not in compliance with RCW 36.22.179(1)(b) in any month of the fiscal year following submission of the corrective action plan, the office of financial management must reduce the department's allotments from this account and hold in reserve status a portion of the department's appropriation equal to the expenditures made during the month not in compliance with RCW 36.22.179(1)(b).

NEW SECTION. **Sec. 29.** A new section is added to chapter 76.04 RCW to read as follows:

Subject to the availability of amounts appropriated for this specific purpose, the department must provide funding or training for prescribed burning to local authorities in areas at risk for wildfires.

NEW SECTION. **Sec. 30.** A new section is added to chapter 82.04 RCW to read as follows:

(1)(a) In computing the tax imposed under this chapter, harvesters are allowed a credit against the amount of tax otherwise due under this chapter, as provided in this section. The credit is equal to the total amount of tax due under this chapter on any forest-derived biomass sold or transferred when the harvest of the forest-derived biomass was done for the primary purpose of wildfire prevention or mitigation.

(b) In order to claim the credit, the tax payer must self-certify in a form and manner prescribed by the department that the harvest sold or transferred and claimed for purposes of this tax credit was done for the primary purpose of wildfire prevention or mitigation.

(2) Credit may not be claimed for forest derived biomass sold or transferred before the effective date of this section.

(3) For the purposes of this section, "forest-derived biomass" means the by-products of preventative silvicultural treatment, or wildfire damage, such as trees, wood, brush, thinnings, chips, and slash, that are removed to: Reduce hazardous fuels; reduce or contain disease or insect infestation; or to restore forest health.

(4) The expiration date provisions of RCW 82.32.805 do not apply to this section.

NEW SECTION. **Sec. 31.** (1) This section is the tax preference performance statement for the fire prevention tax credit provided in section 30, chapter . . ., Laws of 2018 (section 30 of this act). The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment

(2) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers as indicated in RCW 82.32.808(2)(a).

(3) It is the legislature's specific public policy objective to provide a credit against business and occupation taxes to increase proactive thinning and clearing of lands in the state for the purpose of preventing and mitigating wildfires.

(4) To measure the effectiveness of the credit provided in section 30, chapter . . ., Laws of 2018 (section 30 of this act) in achieving the specific public policy objective described in subsection (3) of this section, the joint legislative audit and review committee must evaluate the change in acres thinned or cleared for purposes of fire prevention or mitigation."

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|  | EFFECT:  Expands the authorized uses of the $40 homeless housing and assistance surcharge to include educating homeowners about wildfire risk, prevention, and response in certain counties; requires the Department of Natural Resources to provide resources to local authorities at risk for wildfires; and creates a new fire prevention business and occupation tax credit for harvesters of forest-derived biomass. |

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