

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1980

Chapter 136, Laws of 2019

66th Legislature
2019 Regular Session

FEDERAL TAX LIEN DOCUMENTS--RECORDING SURCHARGE EXEMPTION

EFFECTIVE DATE: July 28, 2019

Passed by the House March 5, 2019
Yeas 98 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 11, 2019
Yeas 46 Nays 0

CYRUS HABIB

President of the Senate

Approved April 24, 2019 2:41 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1980** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

April 25, 2019

**Secretary of State
State of Washington**

HOUSE BILL 1980

Passed Legislature - 2019 Regular Session

State of Washington

66th Legislature

2019 Regular Session

By Representatives Macri and Ryu

Read first time 02/08/19. Referred to Committee on Appropriations.

1 AN ACT Relating to exempting federal tax lien documents from
2 recording surcharges; and amending RCW 36.22.178, 36.22.179, and
3 36.22.1791.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 36.22.178 and 2018 c 66 s 5 are each amended to read
6 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

1 and their families and grants for building operation and maintenance
2 costs of housing projects or units within housing projects that are
3 affordable to extremely low-income households with incomes at or
4 below thirty percent of the area median income, and that require a
5 supplement to rent income to cover ongoing operating expenses; and
6 (b) the portion of the funds attributable to three dollars of the
7 surcharge into the landlord mitigation program account created in RCW
8 43.31.615.

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

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

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

37 (c) Rental assistance vouchers for housing units that are
38 affordable to very low-income households with incomes at or below
39 fifty percent of the area median income, including rental housing
40 vouchers for victims of human trafficking and their families, to be

1 administered by a local public housing authority or other local
2 organization that has an existing rental assistance voucher program,
3 consistent with or similar to the United States department of housing
4 and urban development's section 8 rental assistance voucher program
5 standards; and

6 (d) Operating costs for emergency shelters and licensed overnight
7 youth shelters.

8 (3) The surcharge imposed in this section does not apply to
9 assignments or substitutions of previously recorded deeds of trust or
10 to documents recording a federal lien or satisfaction of lien.

11 **Sec. 2.** RCW 36.22.179 and 2018 c 85 s 2 are each amended to read
12 as follows:

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

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

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

4 (i) The department may use twelve and one-half percent of this
5 amount for administration of the program established in RCW
6 43.185C.020, including the costs of creating the statewide homeless
7 housing strategic plan, measuring performance, providing technical
8 assistance to local governments, and managing the homeless housing
9 grant program.

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

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

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

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

21 (II) Fund the homeless housing grant program.

22 (2) A county issuing general obligation bonds pursuant to RCW
23 36.67.010, to carry out the purposes of subsection (1)(a) of this
24 section, may provide that such bonds be made payable from any
25 surcharge provided for in subsection (1)(a) of this section and may
26 pledge such surcharges to the repayment of the bonds.

27 (3) The surcharge imposed in this section does not apply to (a)
28 assignments or substitutions of previously recorded deeds of trust,
29 (b) documents recording a birth, marriage, divorce, or death, (c) any
30 recorded documents otherwise exempted from a recording fee or
31 additional surcharges under state law, (d) marriage licenses issued
32 by the county auditor, or (e) documents recording a federal, state,
33 county, or city lien or satisfaction of lien.

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

37 (5) For purposes of this section, "private rental housing" means
38 housing owned by a private landlord and includes housing owned by a
39 nonprofit housing entity.

1 **Sec. 3.** RCW 36.22.1791 and 2011 c 110 s 3 are each amended to
2 read as follows:

3 (1) In addition to the surcharges authorized in RCW 36.22.178 and
4 36.22.179, and except as provided in subsection (2) of this section,
5 the county auditor shall charge an additional surcharge of eight
6 dollars for each document recorded, which is in addition to any other
7 charge allowed by law. The funds collected under this section are to
8 be distributed and used as follows:

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

21 (b) The auditor shall remit the remaining funds to the state
22 treasurer for deposit in the home security fund account. The
23 department may use the funds for administering the program
24 established in RCW 43.185C.020, including the costs of creating and
25 updating the statewide homeless housing strategic plan, measuring
26 performance, providing technical assistance to local governments, and
27 managing the homeless housing grant program. Remaining funds may also
28 be used to:

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

35 (ii) Fund the homeless housing grant program.

36 (2) The surcharge imposed in this section does not apply to
37 assignments or substitutions of previously recorded deeds of trust or
38 to documents recording a federal lien or satisfaction of lien.

Passed by the House March 5, 2019.
Passed by the Senate April 11, 2019.

Approved by the Governor April 24, 2019.
Filed in Office of Secretary of State April 25, 2019.

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