

ESHB 2849 - S COMM AMD

By Committee on Housing Stability & Affordability

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 43.185.010 and 1991 c 356 s 1 are each amended to
4 read as follows:

5 The legislature finds that current economic conditions, federal
6 housing policies, and declining resources at the federal, state, and
7 local level adversely affect the ability of low and very low-income
8 persons to obtain safe, decent, and affordable housing.

9 The legislature further finds that members of over one hundred
10 (~~twenty thousand households live in housing units which are~~
11 ~~overcrowded, lack plumbing, are otherwise threatening to health and~~
12 ~~safety, and have rents and utility payments which exceed thirty~~
13 ~~percent of their income~~) fifty thousand households pay more than
14 fifty percent of their income for rent and housing costs.

15 The legislature further finds that minorities, rural households,
16 and migrant farmworkers require housing assistance at a rate which
17 significantly exceeds their proportion of the general population.

18 The legislature further finds that one of the most dramatic
19 housing needs is that of persons needing special housing-related
20 services, such as (~~the mentally ill~~) individuals with mental
21 illness, recovering alcoholics, frail elderly persons, families with
22 members who have disabilities, and single parents. These services
23 include medical assistance, counseling, chore services, and child
24 care, resulting in a need for a significant investment of ongoing
25 operating funding in addition to the underlying capital investments.

26 The legislature further finds that (~~housing assistance programs~~
27 ~~in the past have often failed to help those in greatest need~~)
28 through the housing trust fund program, since 1986 the state has
29 invested more than one billion dollars in order to provide over fifty
30 thousand units of safe and affordable housing to low-income
31 individuals.

1 (~~The legislature declares that it is in the public interest to~~
2 ~~establish a continuously renewable resource known as the housing~~
3 ~~trust fund and housing assistance program to assist low and very low-~~
4 ~~income citizens in meeting their basic housing needs, and that the~~
5 ~~needs of very low-income citizens should be given priority and that~~
6 ~~whenever feasible, assistance should be in the form of loans.))~~

7 **Sec. 2.** RCW 43.185A.010 and 2013 c 145 s 4 are each amended to
8 read as follows:

9 Unless the context clearly requires otherwise, the definitions in
10 this section apply throughout this chapter.

11 (1) "Affordable housing" means residential housing for rental
12 occupancy which, as long as the same is occupied by low-income
13 households, requires payment of monthly housing costs, including
14 utilities other than telephone, of no more than thirty percent of the
15 family's income. The department must adopt policies for residential
16 homeownership housing, occupied by low-income households, which
17 specify the percentage of family income that may be spent on monthly
18 housing costs, including utilities other than telephone, to qualify
19 as affordable housing.

20 (2) "Contracted amount" (~~has the same meaning as provided in RCW~~
21 ~~43.185.020~~) means the aggregate amount of all state funding for
22 which the department has monitoring and compliance responsibility.

23 (3) "Department" means the department of commerce.

24 (4) "Director" means the director of the department of commerce.

25 (5) "Extremely low-income household" means a single person,
26 family, or unrelated persons living together whose adjusted income is
27 either:

28 (a) Up to thirty percent of the median family income, adjusted
29 for household size, for the county where the project is located; or

30 (b) Up to fifty percent of the median family income, adjusted for
31 household size, for the county where the project is located, when the
32 project is located in a rural area, as defined by the department.

33 (6) "First-time home buyer" means an individual who meets any of
34 the following criteria:

35 (a) An individual or ((his or her)) the individual's spouse ((or
36 domestic partner)) who ((have not owned a home)) has had no ownership

37 in a principal residence during the three-year period ((prior to
38 purchase of a home)) ending on the date of purchase of the property;

1 (b) A single parent who has only owned a home with a former
2 spouse while married;

3 (c) An individual who is a displaced homemaker as defined in 24
4 C.F.R. Sec. 93.2 as it exists on the effective date of this section,
5 or such subsequent date as may be provided by the department by rule,
6 consistent with the purposes of this section, and has only owned a
7 home with a spouse;

8 (d) An individual who has only owned a principal residence not
9 permanently affixed to a permanent foundation in accordance with
10 applicable regulations; or

11 (e) An individual who has only owned a property that is discerned
12 by a licensed building inspector as being uninhabitable.

13 ~~((+6))~~ (7) "Low-income household" means a single person, family,
14 or unrelated persons living together whose adjusted income is (~~less~~
15 ~~than~~) up to eighty percent of the median family income, adjusted for
16 household size, for the county where the project is located.

17 **Sec. 3.** RCW 43.185.030 and 2016 sp.s. c 36 s 936 are each
18 amended to read as follows:

19 (1) There is hereby created in the state treasury an account to
20 be known as the Washington housing trust fund. The housing trust fund
21 shall include revenue from the sources established by this chapter,
22 appropriations by the legislature, private contributions, repayment
23 of loans, and all other sources. (~~During the 2015-2017 fiscal~~
24 ~~biennium, the legislature may transfer from the Washington housing~~
25 ~~trust fund to the home security fund account and to the state general~~
26 ~~fund such amounts as reflect the excess balance in the fund.))~~ Moneys
27 in the account may be spent only after appropriation.

28 (2) The housing portfolio monitoring account is created in the
29 state treasury. Revenues in the account consist of moneys transferred
30 to the account pursuant to this section and any other moneys
31 appropriated or transferred to the account by the legislature. Moneys
32 in the account may be spent only after appropriation. Expenditures
33 from the account may be used only for costs associated with technical
34 assistance, portfolio preservation activities, and compliance and
35 monitoring activities of the department as required in RCW
36 43.185A.070.

37 (3) The department shall, on or before June 30th of each year,
38 certify to the state treasurer the amount needed for administrative
39 costs for compliance and monitoring activities in the following

1 fiscal year. This amount may not exceed seven-twentieths of one
2 percent of the annual contracted amount of state investment in the
3 housing trust fund program.

4 (4) On July 1st of each year, the state treasurer shall transfer
5 from the housing trust fund account to the housing portfolio
6 monitoring account an amount equal to the amount certified by the
7 department in this section.

8 **Sec. 4.** RCW 43.185A.020 and 1995 c 399 s 103 are each amended to
9 read as follows:

10 The (~~affordable~~) housing trust fund program is created in the
11 department for the purpose of developing and preserving affordable
12 housing and coordinating public and private resources targeted to
13 meet the affordable housing needs of low-income households in the
14 state of Washington. The program shall be developed and administered
15 by the department with advice and input from the affordable housing
16 advisory board established in RCW 43.185B.020.

17 **Sec. 5.** RCW 43.185.050 and 2018 c 223 s 4 are each amended to
18 read as follows:

19 (1) The department must use moneys from the housing trust fund
20 and other legislative appropriations to finance in whole or in part
21 any (~~loans~~) loan or grant projects that will provide affordable
22 housing for persons and families with special housing needs and
23 (~~with incomes at or below fifty percent of the median family income~~
24 ~~for the county or standard metropolitan statistical area where the~~
25 ~~project is located~~) who are low-income households. At least thirty
26 percent of these moneys used in any given funding cycle must be for
27 the benefit of projects located in rural areas of the state as
28 defined by the department. If the department determines that it has
29 not received an adequate number of suitable applications for rural
30 projects during any given funding cycle, the department may allocate
31 unused moneys for projects in nonrural areas of the state.

32 (2) Activities eligible for assistance from the housing trust
33 fund and other legislative appropriations include, but are not
34 limited to:

35 (a) New construction, rehabilitation, or acquisition of (~~low and~~
36 ~~very~~) low-income housing units;

37 (b) (~~Rent subsidies;~~

1 ~~(c) Matching funds for social services directly related to~~
2 ~~providing housing for special-need tenants in assisted projects;~~

3 ~~(d)) Down payment or closing costs assistance for low-income~~
4 ~~first-time home buyers;~~

5 (c) Technical assistance, design and finance services and
6 consultation, and administrative costs for eligible nonprofit
7 community or neighborhood-based organizations;

8 ~~((c) Administrative costs for housing assistance groups or~~
9 ~~organizations when such grant or loan will substantially increase the~~
10 ~~recipient's access to housing funds other than those available under~~
11 ~~this chapter;~~

12 ~~(f)) (d) Shelters ((and related services)) for the homeless,~~
13 ~~including emergency shelters and overnight youth shelters;~~

14 ~~((g) Mortgage subsidies, including temporary rental and mortgage~~
15 ~~payment subsidies to prevent homelessness;~~

16 ~~(h) Mortgage insurance guarantee or payments for eligible~~
17 ~~projects;~~

18 ~~(i) Down payment or closing cost assistance for eligible first-~~
19 ~~time home buyers;~~

20 ~~(j)) (e) Acquisition of housing units for the purpose of~~
21 ~~preservation as low-income ((or very low-income)) housing;~~

22 ~~((k) Projects)) (f) Affordable housing projects making housing~~
23 ~~more accessible to ((families)) low-income households with members~~
24 ~~who have disabilities; and~~

25 ~~((l)) (g) Remodeling and improvements as required to meet~~
26 ~~building code, licensing requirements, or legal operations to~~
27 ~~residential properties owned and operated by an entity eligible under~~
28 ~~RCW 43.185A.040, which were transferred as described in RCW~~
29 ~~82.45.010(3)(t) by the parent of a child with developmental~~
30 ~~disabilities.~~

31 ~~(3) ((Preference must be given for projects that include an early~~
32 ~~learning facility.~~

33 ~~(4)) Legislative appropriations from capital bond proceeds may~~
34 ~~not be used ((only)) for the costs ((of projects)) authorized under~~
35 ~~subsection (2) ((a), (i), and (j)) (c) of this section((, and not~~
36 ~~for the administrative costs of the department)).~~

37 ~~((5)) (4) Moneys received from repayment of housing trust fund~~
38 ~~loans that were made from appropriations from capital bond proceeds~~
39 ~~may be used for all activities necessary for the proper functioning~~
40 ~~of the housing ((assistance)) trust fund program ((except for~~

1 ~~activities authorized under subsection (2)(b) and (c) of this~~
2 ~~section)) including, but not limited to, providing preservation~~
3 ~~funding, as provided in section 8 of this act.~~

4 ~~((6) Administrative)) (5)(a) The department may spend up to~~
5 ~~three percent of the housing trust fund appropriation for~~
6 ~~administrative costs associated with application, distribution, and~~
7 ~~project development activities of the department ((may not exceed~~
8 ~~three percent of the annual funds available for the housing~~
9 ~~assistance program. Reappropriations must not be included in the~~
10 ~~calculation of the annual funds available for determining the~~
11 ~~administrative costs)).~~

12 ~~((7)) (b) Administrative costs associated with compliance and~~
13 ~~monitoring activities of the department may not exceed ((one-~~
14 ~~quarter)) seven-twentieths of one percent annually of the contracted~~
15 ~~amount of state investment in the housing ((assistance)) trust fund~~
16 ~~program.~~

17 (c) In addition to the administrative costs authorized under (a)
18 of this subsection, the department may spend up to an additional one
19 percent of the housing trust fund appropriation on application,
20 distribution, and project development activities if the following
21 conditions are met:

22 (i) The department submits a spending plan to the office of
23 financial management and the appropriate fiscal committees of the
24 legislature detailing total anticipated administrative costs;

25 (ii) The director of the office of financial management finds
26 that the spending plan exceeds the funding authorized in this
27 subsection (5) and provides written authorization for the department
28 to spend up to an additional one percent of the housing trust fund
29 appropriation for administrative costs associated with (a) of this
30 subsection; and

31 (iii) The director of the office of financial management shall
32 notify the appropriate fiscal committees of the legislature in
33 writing ten days prior to authorizing additional expenditures under
34 this subsection.

35 (d) The department may not charge fees under RCW 43.330.152 for
36 the housing trust fund program.

37 **Sec. 6.** RCW 43.185.070 and 2019 c 325 s 5013 are each amended to
38 read as follows:

1 (1) During each calendar year in which funds from the housing
2 trust fund or other legislative appropriations are available for use
3 by the department for the housing (~~assistance~~) trust fund program,
4 the department must announce to all known interested parties, and
5 (~~through major media throughout the state~~) on its web site, a grant
6 and loan application period of at least ninety days' duration. This
7 announcement must be made as often as the director deems appropriate
8 for proper utilization of resources. The department must then
9 promptly (~~grant~~) award as many applications as will utilize
10 available funds less appropriate administrative costs of the
11 department as provided in RCW 43.185.050 (as recodified by this act).

12 (2) In awarding funds under this chapter, the department must:

13 (a) Provide for a geographic distribution on a statewide basis;
14 and

15 (b) (~~Until June 30, 2013, consider~~) Consider the total cost and
16 per-unit cost of each project for which an application is submitted
17 for funding (~~under RCW 43.185.050(2) (a) and (j)~~), as compared to
18 similar housing projects constructed or renovated within the same
19 geographic area.

20 (3) (~~The department, with advice and input from the affordable
21 housing advisory board established in RCW 43.185B.020, or a
22 subcommittee of the affordable housing advisory board, must report
23 recommendations for awarding funds in a cost-effective manner. The
24 report must include an implementation plan, timeline, and any other
25 items the department identifies as important to consider to the
26 legislature by December 1, 2012.~~

27 ~~(4))~~ The department must give first priority to applications for
28 projects and activities (~~which utilize existing privately owned
29 housing stock including privately owned housing stock purchased by
30 nonprofit public development authorities and public housing
31 authorities as created in chapter 35.82 RCW. As used in this
32 subsection, privately owned housing stock includes housing that is
33 acquired by a federal agency through a default on the mortgage by the
34 private owner. Such projects and activities must be evaluated under
35 subsection (5) of this section. Second priority must be given to
36 activities and projects which utilize existing publicly owned housing
37 stock~~) that increase the total number of units of affordable housing
38 in the state. All projects and activities must be evaluated by some
39 or all of the criteria under subsection (5) of this section, and

1 similar projects and activities shall be evaluated under the same
2 criteria.

3 (4) The department must use a separate application form for
4 applications to provide homeownership opportunities and evaluate
5 homeownership project applications as allowed under chapter 43.185A
6 RCW.

7 (5) The department must give preference for applications based on
8 some or all of the criteria under this subsection, and similar
9 projects and activities must be evaluated under the same criteria:

10 (a) The degree of leveraging of other funds that will occur;

11 (b) The degree of commitment from programs to provide necessary
12 habilitation and support services for projects focusing on special
13 needs populations;

14 (c) Recipient contributions to total project costs, including
15 allied contributions from other sources such as professional, craft
16 and trade services, and lender interest rate subsidies;

17 (d) Local government project contributions in the form of
18 infrastructure improvements, affordable housing financing, and
19 others;

20 (e) Projects that encourage ownership, management, and other
21 project-related responsibility opportunities;

22 (f) Projects that demonstrate a strong probability of serving the
23 original target group or income level for a period of at least
24 twenty-five years;

25 (g) The applicant has the demonstrated ability, stability and
26 resources to implement the project;

27 (h) Projects which demonstrate serving the greatest need;

28 (i) Projects that provide housing for persons and families with
29 the lowest incomes;

30 (j) Projects serving special needs populations which (~~are~~
31 ~~under~~) fulfill statutory (~~mandate~~) mandates to develop community
32 housing;

33 (k) Project location and access to employment centers in the
34 region or area;

35 (l) Projects that provide employment and training opportunities
36 for disadvantaged youth under a youthbuild or youthbuild-type program
37 as defined in RCW 50.72.020;

38 (m) Project location and access to available public
39 transportation services; (~~and~~)

1 (n) Projects involving collaborative partnerships between local
2 school districts and either public housing authorities or nonprofit
3 housing providers, that help children of low-income families succeed
4 in school. To receive this preference, the local school district must
5 provide an opportunity for community members to offer input on the
6 proposed project at the first scheduled school board meeting
7 following submission of the grant application to the department;

8 (o) The degree of funding that has already been committed to the
9 project by nonstate entities; and

10 (p) Projects that demonstrate a strong readiness to proceed to
11 construction.

12 (5) Preference must be given for projects that include an early
13 learning facility.

14 (6) The department must develop, with advice and input from the
15 affordable housing advisory board established in RCW 43.185B.020, or
16 a subcommittee of the affordable housing advisory board:

17 (a) Additional criteria to evaluate applications for assistance
18 under this chapter; and

19 (b) Recommendations for awarding funding under RCW 43.185.050 (as
20 recodified by this act) in a cost-effective manner.

21 **Sec. 7.** RCW 43.185.110 and 2019 c 325 s 5014 are each amended to
22 read as follows:

23 The affordable housing advisory board established in RCW
24 43.185B.020 shall advise the director on housing needs in this state,
25 including housing needs for persons with mental illness or
26 developmental disabilities or youth who are blind or deaf or
27 otherwise disabled, operational aspects of the grant and loan program
28 or revenue collection programs established by ~~((this))~~ chapter
29 43.185A RCW, and implementation of the policy and goals of ~~((this))~~
30 that chapter. ~~((Such advice shall be consistent with policies and~~
31 ~~plans developed by behavioral health administrative services~~
32 ~~organizations according to chapter 71.24 RCW for individuals with~~
33 ~~mental illness and the developmental disabilities planning council~~
34 ~~for individuals with developmental disabilities.))~~

35 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.185A
36 RCW to read as follows:

37 PRESERVATION PROGRAM. (1) In order to maintain the long-term
38 viability of affordable housing, using funding from the housing trust

1 fund account established under RCW 43.185.030 (as recodified by this
2 act) or from other legislative appropriations, the department may
3 make competitive grant or loan awards to projects in need of major
4 building improvements, preservation repairs, or system replacements.

5 (2) The department must solicit and review applications and
6 evaluate projects based on the following criteria:

7 (a) The age of the property, with priority given to buildings
8 that are more than fifteen years old;

9 (b) The population served, with priority given to projects
10 serving persons or families with the lowest incomes;

11 (c) The degree to which the applicant demonstrates that the
12 improvements will result in a reduction of operating or utility
13 costs, or both;

14 (d) The potential for additional years added to the affordability
15 commitment period of the property; and

16 (e) Other criteria that the department considers necessary to
17 achieve the purpose of the housing trust fund program.

18 (3) The department must require an award recipient to submit a
19 property capital needs assessment, in a form acceptable to the
20 department, prior to contract execution.

21 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.185A
22 RCW to read as follows:

23 REPORTING. (1) The department must report on its web site on an
24 annual basis, for each funding cycle:

25 (a) The number of homeownership and multifamily rental projects
26 funded;

27 (b) The percentage of funding allocated to homeownership and
28 multifamily rental projects; and

29 (c) For both homeownership and multifamily rental projects, the
30 total number of households being served at up to eighty percent of
31 the area median income, up to fifty percent of the area median
32 income, and up to thirty percent of the area median income.

33 (2) All housing trust fund loan or grant recipients must provide
34 certified final development cost reports to the department in a form
35 acceptable to the department. The department must use the certified
36 final development cost reports data as part of its cost containment
37 policy and to report to the legislature. Beginning December 1, 2021,
38 and continuing every odd-numbered year, the department must provide
39 the appropriate committees of the legislature with a report of its

1 final cost data for each project funded through the housing trust
2 fund. Such cost data must, at a minimum, include:

3 (a) Total development cost per unit for each project completed
4 within the past two complete fiscal years; and

5 (b) Descriptive statistics such as average and median per unit
6 costs, regional cost variation, and other costs that the department
7 deems necessary to improve cost controls and enhance understanding of
8 development costs.

9 (3) The department must coordinate with the housing finance
10 commission to identify relevant development costs data and ensure
11 that the measures are consistent across relevant agencies.

12 NEW SECTION. **Sec. 10.** A new section is added to chapter 43.185A
13 RCW to read as follows:

14 (1) The department may provide project funding in the form of
15 loans or grants.

16 (2)(a) When the department provides a loan for projects
17 dedicating at least half of their housing units or beds to very low-
18 income households as defined in RCW 43.63A.510, or to homeless
19 persons as defined in RCW 43.185C.010, or to people in need of
20 permanent supportive housing as defined in RCW 36.70A.030, the
21 department must defer all loan payments. Loans subject to deferred
22 payments under this subsection must be payable in full, including
23 accrued one percent simple interest, at the end of the project's loan
24 term, on the sale, or on change of use of the project, unless
25 otherwise negotiated with the department and annual loan payments are
26 reinstated. However, if the sale of the property is to the original
27 project sponsor or to an entity in which the original sponsor has
28 controlling authority, the department may continue the deferral.

29 (b) When the department provides a loan for a project that is not
30 subject to deferred payments under (a) of this subsection, the
31 department must define cash-flow payment loan terms and conditions.
32 For projects that receive a low-income tax credit, the loan payment
33 must start when the low-income housing tax credit investor exits or
34 the project refinances, whichever comes first, but in no case before
35 the end of the initial low-income housing tax credit fifteen year
36 compliance period.

37 (3) With advice and input from the affordable housing advisory
38 board established in RCW 43.185B.020, the department must develop
39 recommendations for loan terms and conditions for projects not

1 covered by subsection (2)(a) of this section. The department must
2 submit a report containing these recommendations to the governor and
3 the legislature by December 31, 2020.

4 **Sec. 11.** RCW 43.185A.060 and 1991 c 356 s 15 are each amended to
5 read as follows:

6 The department shall adopt policies to ensure that the state's
7 interest will be protected upon either the sale or change of use of
8 projects financed in whole or in part under RCW (~~43.185A.030(2)(a),~~
9 ~~(b), (c), (d), and (e))~~) 43.185.050 (as recodified by this act).
10 These policies may include, but are not limited to: (1) Requiring
11 payment to the state of a share of the appreciation in the project in
12 proportion to the state's contribution to the project; (2) requiring
13 a lump-sum repayment of the loan or grant upon the sale or change of
14 use of the project; or (3) requiring a deferred payment of principal
15 or principal and interest on loans after a specified time period. The
16 policies must require projects to remain as affordable housing for a
17 minimum of forty years except for projects that provide homes for
18 low-income first-time home buyers, which must remain affordable for a
19 minimum of twenty-five years.

20 **Sec. 12.** RCW 43.185A.070 and 1991 c 356 s 16 are each amended to
21 read as follows:

22 The director shall monitor, to the extent funds are appropriated
23 for this purpose, the activities of recipients of grants and loans
24 under this chapter to determine compliance with the terms and
25 conditions set forth in its application or stated by the department
26 in connection with the grant or loan.

27 **Sec. 13.** RCW 43.185.074 and 1987 c 513 s 11 are each amended to
28 read as follows:

29 The director shall designate grant and loan applications for
30 approval and for funding under the revenue from remittances made
31 pursuant to RCW (~~18.85.310~~) 18.85.285. (~~These applications shall~~
32 ~~then be reviewed for final approval by the broker's trust account~~
33 ~~board created by RCW 18.85.500.~~

34 ~~The director shall submit to the broker's trust account board~~
35 ~~within any fiscal year only such applications which in their~~
36 ~~aggregate total funding requirements do not exceed the revenue to the~~

1 ~~housing trust fund [fund] from remittances made pursuant to RCW~~
2 ~~18.85.310 for the previous fiscal year.))~~

3 **Sec. 14.** RCW 18.85.285 and 2008 c 23 s 37 are each amended to
4 read as follows:

5 (1) Brokers and managing brokers must submit complete copies of
6 their transactions to their firm. The designated broker shall keep
7 adequate records of all real estate transactions handled by or
8 through the firm or firms to which the designated broker is
9 registered. The records shall include, but are not limited to, a copy
10 of the purchase and sale agreement, earnest money receipt, and an
11 itemization of the receipts and disbursements with each transaction.
12 These records and all other records specified by the director by rule
13 are open to inspection by the director or the director's authorized
14 representatives.

15 (2) If any licensee exercises control over real estate
16 transaction funds, those funds are considered trust funds.

17 (3) Every real estate licensee shall deliver or cause to be
18 delivered to all parties signing the same, within a reasonable time
19 after signing, purchase and sale agreements, listing agreements, and
20 all other like or similar instruments signed by the parties.

21 (4) Every real estate firm that keeps separate real estate trust
22 fund accounts must keep the accounts in a recognized Washington state
23 depository. A real estate firm must maintain an adequate amount of
24 funds in the trust fund accounts to facilitate the opening of the
25 trust fund accounts or to prevent the closing of the trust fund
26 accounts.

27 (5) All licensees shall keep separate and apart and physically
28 segregated from the licensees' own funds, all funds or moneys
29 including advance fees of clients that are being held by the
30 licensees pending the closing of a real estate sale or transaction,
31 or that have been collected for the clients and are being held for
32 disbursement for or to the clients.

33 (6) A firm is not required to maintain a trust fund account for
34 transactions concerning a purchase and sale agreement that instructs
35 the broker to deliver the earnest money check directly to a named
36 closing agent or to the seller.

37 (7) Brokers must deposit all funds into their firm's trust bank
38 account the next banking day following receipt of the funds unless
39 the purchase and sale agreement provides for deferred deposit or

1 delivery. In that event, the broker must promptly deposit or deliver
2 funds in accordance with the terms of the purchase and sale
3 agreement.

4 (8) (a) If a real estate broker receives or maintains earnest
5 money or client funds for deposit, the real estate firm shall
6 maintain a pooled interest-bearing trust account for deposit of
7 client funds, with the exception of property management trust
8 accounts.

9 (b) The interest accruing on this account, net of any reasonable
10 and appropriate financial institution service charges or fees, shall
11 be paid to the state treasurer for deposit in the Washington housing
12 trust fund created in RCW 43.185.030 (as recodified by this act) and
13 the real estate education program account created in RCW 18.85.321.
14 Appropriate service charges or fees are those charges made by
15 financial institutions on other demand deposit or "now" accounts. The
16 firm or designated broker is not required to notify the client of the
17 intended use of the funds.

18 (c) The department shall adopt rules that will serve as
19 guidelines in the choice of an account specified in this subsection.

20 (9) If trust funds are claimed by more than one party, the
21 designated broker or designated broker's delegate must promptly
22 provide written notification to all contracting parties to a real
23 estate transaction of the intent of the designated broker or
24 designated broker's delegate to disburse client funds. The
25 notification must include the names and addresses of all parties to
26 the contract, the amount of money held and to whom it will be
27 disbursed, and the date of disbursement that must occur no later than
28 thirty consecutive days after the notification date.

29 (10) For an account created under subsection (8) of this section,
30 the designated or managing broker shall direct the depository
31 institution to:

32 (a) Remit interest or dividends, net of any reasonable and
33 appropriate service charges or fees, on the average monthly balance
34 in the account, or as otherwise computed in accordance with an
35 institution's standard accounting practice, at least quarterly, to
36 the state treasurer for deposit in the housing trust fund created by
37 RCW 43.185.030 (as recodified by this act) and the real estate
38 education program account created in RCW 18.85.321; and

39 (b) Transmit to the director of (~~community, trade, and economic~~
40 ~~development~~) commerce a statement showing the name of the person or

1 entity for whom the remittance is spent, the rate of interest
2 applied, and the amount of service charges deducted, if any, and the
3 account balance(s) of the period in which the report is made, with a
4 copy of the statement to be transmitted to the depositing person or
5 firm.

6 (11) The director of (~~community, trade, and economic~~
7 ~~development~~) commerce shall forward a copy of the reports required
8 by subsection (10) of this section to the department to aid in the
9 enforcement of the requirements of this section consistent with the
10 normal enforcement and auditing practices of the department.

11 (12)(a) This section does not relieve any real estate broker,
12 managing broker, or firm of any obligation with respect to the
13 safekeeping of clients' funds.

14 (b) Any violation by real estate brokers, managing brokers, or
15 firms of any of the provisions of this section, RCW 18.85.361, or
16 chapter 18.235 RCW is grounds for disciplinary action against the
17 licenses issued to the brokers, managing brokers, or firms.

18 **Sec. 15.** RCW 18.85.311 and 2008 c 23 s 38 are each amended to
19 read as follows:

20 Remittances received by the state treasurer pursuant to RCW
21 18.85.285 shall be divided between the housing trust fund created by
22 RCW 43.185.030 (as recodified by this act), which shall receive
23 seventy-five percent and the real estate education program account
24 created by RCW 18.85.321, which shall receive twenty-five percent.

25 **Sec. 16.** RCW 31.04.025 and 2015 c 229 s 20 are each amended to
26 read as follows:

27 (1) Each loan made to a resident of this state by a licensee, or
28 persons subject to this chapter, is subject to the authority and
29 restrictions of this chapter.

30 (2) This chapter does not apply to the following:

31 (a) Any person doing business under, and as permitted by, any law
32 of this state or of the United States relating to banks, savings
33 banks, trust companies, savings and loan or building and loan
34 associations, or credit unions;

35 (b) Entities making loans under chapter 19.60 RCW (pawnbroking);

36 (c) Entities conducting transactions under chapter 63.14 RCW
37 (retail installment sales of goods and services), unless credit is
38 extended to purchase merchandise certificates, coupons, open or

1 closed loop stored value, or other similar items issued and
2 redeemable by a retail seller other than the retail seller extending
3 the credit;

4 (d) Entities making loans under chapter 31.45 RCW (check cashers
5 and sellers);

6 (e) Any person making a loan primarily for business, commercial,
7 or agricultural purposes unless the loan is secured by a lien on the
8 borrower's primary dwelling;

9 (f) Any person selling property owned by that person who provides
10 financing for the sale when the property does not contain a dwelling
11 and when the property serves as security for the financing. This
12 exemption is available for five or fewer transactions in a calendar
13 year. This exemption is not available to individuals subject to the
14 federal S.A.F.E. act or any person in the business of constructing or
15 acting as a contractor for the construction of residential dwellings;

16 (g) Any person making loans made to government or government
17 agencies or instrumentalities or making loans to organizations as
18 defined in the federal truth in lending act;

19 (h) Entities making loans under chapter (~~43.185~~) 43.185A RCW
20 (housing trust fund);

21 (i) Entities making loans under programs of the United States
22 department of agriculture, department of housing and urban
23 development, or other federal government program that provides
24 funding or access to funding for single-family housing developments
25 or grants to low-income individuals for the purchase or repair of
26 single-family housing;

27 (j) Nonprofit housing organizations making loans, or loans made,
28 under housing programs that are funded in whole or in part by federal
29 or state programs if the primary purpose of the programs is to assist
30 low-income borrowers with purchasing or repairing housing or the
31 development of housing for low-income Washington state residents;

32 (k) Entities making loans which are not residential mortgage
33 loans under a credit card plan;

34 (l) Individuals employed by a licensed residential mortgage loan
35 servicing company engaging in activities related to servicing, unless
36 licensing is required by federal law or regulation; and

37 (m) Entities licensed under chapter 18.44 RCW that process
38 payments on seller-financed loans secured by liens on real or
39 personal property.

1 (3) The director may, at his or her discretion, waive
2 applicability of the consumer loan company licensing provisions of
3 this chapter to other persons, not including individuals subject to
4 the S.A.F.E. act, making or servicing loans when the director
5 determines it necessary to facilitate commerce and protect consumers.

6 (4) The burden of proving the application for an exemption or
7 exception from a definition, or a preemption of a provision of this
8 chapter, is upon the person claiming the exemption, exception, or
9 preemption.

10 (5) The director may adopt rules interpreting this section.

11 **Sec. 17.** RCW 39.35D.080 and 2005 c 12 s 12 are each amended to
12 read as follows:

13 Except as provided in this section, affordable housing projects
14 funded out of the state capital budget are exempt from the provisions
15 of this chapter. On or before July 1, 2008, the department of
16 (~~community, trade, and economic development~~) commerce shall
17 identify, implement, and apply a sustainable building program for
18 affordable housing projects that receive housing trust fund (under
19 chapter (~~43.185~~) 43.185A RCW) funding in a state capital budget.
20 The department of (~~community, trade, and economic development~~)
21 commerce shall not develop its own sustainable building standard, but
22 shall work with stakeholders to adopt an existing sustainable
23 building standard or criteria appropriate for affordable housing. Any
24 application of the program to affordable housing, including any
25 monitoring to track the performance of either sustainable features or
26 energy standards or both, is the responsibility of the department of
27 (~~community, trade, and economic development~~) commerce. Beginning in
28 2009 and ending in 2016, the department of (~~community, trade, and~~
29 ~~economic development~~) commerce shall report to the department as
30 required under RCW 39.35D.030(3)(b).

31 **Sec. 18.** RCW 43.63A.680 and 1993 c 478 s 19 are each amended to
32 read as follows:

33 (1) The department may develop and administer a home-matching
34 program for the purpose of providing grants and technical assistance
35 to eligible organizations to operate local home-matching programs.
36 For purposes of this section, "eligible organizations" are those
37 organizations eligible to receive assistance through the Washington
38 housing trust fund, chapter (~~43.185~~) 43.185A RCW.

1 (2) The department may select up to five eligible organizations
2 for the purpose of implementing a local home-matching program. The
3 local home-matching programs are designed to facilitate: (a)
4 Intergenerational homesharing involving older homeowners sharing
5 homes with younger persons; (b) homesharing arrangements that involve
6 an exchange of services such as cooking, housework, gardening, or
7 babysitting for room and board or some financial consideration such
8 as rent; and (c) the more efficient use of available housing.

9 (3) In selecting local pilot programs under this section, the
10 department shall consider:

11 (a) The eligible organization's ability, stability, and resources
12 to implement the local home-matching program;

13 (b) The eligible organization's efforts to coordinate other
14 support services needed by the individual or family participating in
15 the local home-matching program; and

16 (c) Other factors the department deems appropriate.

17 (4) The eligible organizations shall establish criteria for
18 participation in the local home-matching program. The eligible
19 organization shall make a determination of eligibility regarding the
20 individuals' or families' participation in the local home-matching
21 program. The determination shall include, but is not limited to a
22 verification of the individual's or family's history of making rent
23 payments in a consistent and timely manner.

24 **Sec. 19.** RCW 43.185C.200 and 2007 c 483 s 604 are each amended
25 to read as follows:

26 (1) The department of (~~community, trade, and economic~~
27 ~~development~~) commerce shall establish a pilot program to provide
28 grants to eligible organizations, as described in RCW (~~43.185.060~~)
29 43.185A.040, to provide transitional housing assistance to offenders
30 who are reentering the community and are in need of housing.

31 (2) There shall be a minimum of two pilot programs established in
32 two counties. The pilot programs shall be selected through a request
33 for proposal process and in consultation with the department of
34 corrections. The department shall select the pilot sites by January
35 1, 2008.

36 (3) The pilot program shall:

37 (a) Be operated in collaboration with the community justice
38 center existing in the location of the pilot site;

1 (b) Offer transitional supportive housing that includes
2 individual support and mentoring available on an ongoing basis, life
3 skills training, and close working relationships with community
4 justice centers and community corrections officers. Supportive
5 housing services can be provided directly by the housing operator, or
6 in partnership with community-based organizations;

7 (c) In providing assistance, give priority to offenders who are
8 designated as high risk or high needs as well as those determined not
9 to have a viable release plan by the department of corrections;

10 (d) Optimize available funding by utilizing cost-effective
11 community-based shared housing arrangements or other noninstitutional
12 living arrangements; and

13 (e) Provide housing assistance for a period of time not to exceed
14 twelve months for a participating offender.

15 (4) The department may also use up to twenty percent of the
16 funding appropriated in the operating budget for this section to
17 support the development of additional supportive housing resources
18 for offenders who are reentering the community.

19 (5) The department shall:

20 (a) Collaborate with the department of corrections in developing
21 criteria to determine who will qualify for housing assistance; and

22 (b) Gather data, and report to the legislature by November 1,
23 2008, on the number of offenders seeking housing, the number of
24 offenders eligible for housing, the number of offenders who receive
25 the housing, and the number of offenders who commit new crimes while
26 residing in the housing to the extent information is available.

27 (6) The department of corrections shall collaborate with
28 organizations receiving grant funds to:

29 (a) Help identify appropriate housing solutions in the community
30 for offenders;

31 (b) Where possible, facilitate an offender's application for
32 housing prior to discharge;

33 (c) Identify enhancements to training provided to offenders prior
34 to discharge that may assist an offender in effectively transitioning
35 to the community;

36 (d) Maintain communication between the organization receiving
37 grant funds, the housing provider, and corrections staff supervising
38 the offender; and

1 (e) Assist the offender in accessing resources and services
2 available through the department of corrections and a community
3 justice center.

4 (7) The state, department of (~~community, trade, and economic~~
5 ~~development~~) commerce, department of corrections, local governments,
6 local housing authorities, eligible organizations as described in RCW
7 (~~43.185.060~~) 43.185A.040, and their employees are not liable for
8 civil damages arising from the criminal conduct of an offender solely
9 due to the placement of an offender in housing provided under this
10 section or the provision of housing assistance.

11 (8) Nothing in this section allows placement of an offender into
12 housing without an analysis of the risk the offender may pose to that
13 particular community or other residents.

14 **Sec. 20.** RCW 43.185C.210 and 2011 c 353 s 6 are each amended to
15 read as follows:

16 (1) The transitional housing operating and rent program is
17 created in the department to assist individuals and families who are
18 homeless or who are at risk of becoming homeless to secure and retain
19 safe, decent, and affordable housing. The department shall provide
20 grants to eligible organizations, as described in RCW (~~43.185.060~~)
21 43.185A.040, to provide assistance to program participants. The
22 eligible organizations must use grant moneys for:

23 (a) Rental assistance, which includes security or utility
24 deposits, first and last month's rent assistance, and eligible moving
25 expenses to be determined by the department;

26 (b) Case management services designed to assist program
27 participants to secure and retain immediate housing and to transition
28 into permanent housing and greater levels of self-sufficiency;

29 (c) Operating expenses of transitional housing facilities that
30 serve homeless families with children; and

31 (d) Administrative costs of the eligible organization, which must
32 not exceed limits prescribed by the department.

33 (2) Eligible to receive assistance through the transitional
34 housing operating and rent program are:

35 (a) Families with children who are homeless or who are at risk of
36 becoming homeless and who have household incomes at or below fifty
37 percent of the median household income for their county;

1 (b) Families with children who are homeless or who are at risk of
2 becoming homeless and who are receiving services under chapter 13.34
3 RCW;

4 (c) Individuals or families without children who are homeless or
5 at risk of becoming homeless and who have household incomes at or
6 below thirty percent of the median household income for their county;

7 (d) Individuals or families who are homeless or who are at risk
8 of becoming homeless and who have a household with an adult member
9 who has a mental health or chemical dependency disorder; and

10 (e) Individuals or families who are homeless or who are at risk
11 of becoming homeless and who have a household with an adult member
12 who is an offender released from confinement within the past eighteen
13 months.

14 (3) All program participants must be willing to create and
15 actively participate in a housing stability plan for achieving
16 permanent housing and greater levels of self-sufficiency.

17 (4) Data on all program participants must be entered into and
18 tracked through the Washington homeless client management information
19 system as described in RCW 43.185C.180. For eligible organizations
20 serving victims of domestic violence or sexual assault, compliance
21 with this subsection must be accomplished in accordance with 42
22 U.S.C. Sec. 11383(a)(8).

23 (5)(a) Except as provided in (b) of this subsection, beginning in
24 2011, each eligible organization receiving over five hundred thousand
25 dollars during the previous calendar year from the transitional
26 housing operating and rent program and from sources including: (i)
27 State housing-related funding sources; (ii) the affordable housing
28 for all surcharge in RCW 36.22.178; (iii) the home security fund
29 surcharges in RCW 36.22.179 and 36.22.1791; and (iv) any other
30 surcharge imposed under chapter 36.22 RCW or (~~43.185C-RCW~~) this
31 chapter to fund homelessness programs or other housing programs,
32 shall apply to the Washington state quality award program for an
33 independent assessment of its quality management, accountability, and
34 performance system, once every three years.

35 (b) Cities and counties are exempt from the provisions of (a) of
36 this subsection until 2018.

37 (6) The department may develop rules, requirements, procedures,
38 and guidelines as necessary to implement and operate the transitional
39 housing operating and rent program.

1 (7) The department shall produce an annual transitional housing
2 operating and rent program report that must be included in the
3 department's homeless housing strategic plan as described in RCW
4 43.185C.040. The report must include performance measures to be
5 determined by the department that address, at a minimum, the
6 following issue areas:

7 (a) The success of the program in helping program participants
8 transition into permanent affordable housing and achieve self-
9 sufficiency or increase their levels of self-sufficiency, which shall
10 be defined by the department based upon the costs of living,
11 including housing costs, needed to support: (i) One adult individual;
12 and (ii) two adult individuals and one preschool-aged child and one
13 school-aged child;

14 (b) The financial performance of the program related to efficient
15 program administration by the department and program operation by
16 selected eligible organizations, including an analysis of the costs
17 per program participant served;

18 (c) The quality, completeness, and timeliness of the information
19 on program participants provided to the Washington homeless client
20 management information system database; and

21 (d) The satisfaction of program participants in the assistance
22 provided through the program.

23 **Sec. 21.** RCW 47.12.063 and 2015 3rd sp.s. c 13 s 2 are each
24 amended to read as follows:

25 (1) It is the intent of the legislature to continue the
26 department's policy giving priority consideration to abutting
27 property owners in agricultural areas when disposing of property
28 through its surplus property program under this section.

29 (2) Whenever the department determines that any real property
30 owned by the state of Washington and under the jurisdiction of the
31 department is no longer required for transportation purposes and that
32 it is in the public interest to do so, the department may sell the
33 property or exchange it in full or part consideration for land or
34 building improvements or for construction of highway improvements at
35 fair market value to any person through the solicitation of written
36 bids through public advertising in the manner prescribed under RCW
37 47.28.050 or in the manner prescribed under RCW 47.12.283.

1 (3) The department may forego the processes prescribed by RCW
2 47.28.050 and 47.12.283 and sell the real property to any of the
3 following entities or persons at fair market value:

4 (a) Any other state agency;

5 (b) The city or county in which the property is situated;

6 (c) Any other municipal corporation;

7 (d) Regional transit authorities created under chapter 81.112
8 RCW;

9 (e) The former owner of the property from whom the state acquired
10 title;

11 (f) In the case of residentially improved property, a tenant of
12 the department who has resided thereon for not less than six months
13 and who is not delinquent in paying rent to the state;

14 (g) Any abutting private owner but only after each other abutting
15 private owner (if any), as shown in the records of the county
16 assessor, is notified in writing of the proposed sale. If more than
17 one abutting private owner requests in writing the right to purchase
18 the property within fifteen days after receiving notice of the
19 proposed sale, the property shall be sold at public auction in the
20 manner provided in RCW 47.12.283;

21 (h) To any other owner of real property required for
22 transportation purposes;

23 (i) In the case of property suitable for residential use, any
24 nonprofit organization dedicated to providing affordable housing to
25 very low-income, low-income, and moderate-income households as
26 defined in RCW 43.63A.510 and is eligible to receive assistance
27 through the Washington housing trust fund created in chapter
28 (~~43.185~~) 43.185A RCW; or

29 (j) A federally recognized Indian tribe within whose reservation
30 boundary the property is located.

31 (4) When selling real property pursuant to RCW 47.12.283, the
32 department may withhold or withdraw the property from an auction when
33 requested by one of the entities or persons listed in subsection (3)
34 of this section and only after the receipt of a nonrefundable deposit
35 equal to ten percent of the fair market value of the real property or
36 five thousand dollars, whichever is less. This subsection does not
37 prohibit the department from exercising its discretion to withhold or
38 withdraw the real property from an auction if the department
39 determines that the property is no longer surplus or chooses to sell
40 the property through one of the other means listed in subsection (2)

1 of this section. If a transaction under this subsection is not
2 completed within sixty days, the real property must be put back up
3 for sale.

4 (5) Sales to purchasers may, at the department's option, be for
5 cash, by real estate contract, or exchange of land or highway
6 improvements. Transactions involving the construction of improvements
7 must be conducted pursuant to chapter 47.28 RCW and Title 39 RCW, as
8 applicable, and must comply with all other applicable laws and rules.

9 (6) Conveyances made pursuant to this section shall be by deed
10 executed by the secretary of transportation and shall be duly
11 acknowledged.

12 (7) Unless otherwise provided, all moneys received pursuant to
13 the provisions of this section less any real estate broker
14 commissions paid pursuant to RCW 47.12.320 shall be deposited in the
15 motor vehicle fund.

16 (8) The department may not enter into equal value exchanges or
17 property acquisitions for building improvements without first
18 consulting with the office of financial management and the joint
19 transportation committee.

20 **Sec. 22.** RCW 59.24.060 and 1995 c 399 s 159 are each amended to
21 read as follows:

22 The department of (~~community, trade, and economic development~~)
23 commerce may receive such gifts, grants, or endowments from public or
24 private sources, as may be made from time to time, in trust or
25 otherwise, to be used by the department of (~~community, trade, and~~
26 ~~economic development~~) commerce for its programs, including the
27 rental security deposit guarantee program. Funds from the housing
28 trust fund, chapter (~~43.185~~) 43.185A RCW, up to one hundred
29 thousand dollars, may be used for the rental security deposit
30 guarantee program by the department of (~~community, trade, and~~
31 ~~economic development~~) commerce, local governments, and nonprofit
32 organizations, provided all the requirements of this chapter and
33 chapter (~~43.185~~) 43.185A RCW are met.

34 **Sec. 23.** RCW 82.14.400 and 2000 c 240 s 1 are each amended to
35 read as follows:

36 (1) Upon the joint request of a metropolitan park district, a
37 city with a population of more than one hundred fifty thousand, and a
38 county legislative authority in a county with a national park and a

1 population of more than five hundred thousand and less than one
2 million five hundred thousand, the county shall submit an authorizing
3 proposition to the county voters, fixing and imposing a sales and use
4 tax in accordance with this chapter for the purposes designated in
5 subsection (4) of this section and identified in the joint request.
6 Such proposition must be placed on a ballot for a special or general
7 election to be held no later than one year after the date of the
8 joint request.

9 (2) The proposition is approved if it receives the votes of a
10 majority of those voting on the proposition.

11 (3) The tax authorized in this section is in addition to any
12 other taxes authorized by law and shall be collected from those
13 persons who are taxable by the state under chapters 82.08 and 82.12
14 RCW upon the occurrence of any taxable event within the county. The
15 rate of tax shall equal no more than one-tenth of one percent of the
16 selling price in the case of a sales tax, or value of the article
17 used, in the case of a use tax.

18 (4) Moneys received from any tax imposed under this section shall
19 be used solely for the purpose of providing funds for:

20 (a) Costs associated with financing, design, acquisition,
21 construction, equipping, operating, maintaining, remodeling,
22 repairing, reequipping, or improvement of zoo, aquarium, and wildlife
23 preservation and display facilities that are currently accredited by
24 the American zoo and aquarium association; or

25 (b) Those costs associated with (a) of this subsection and costs
26 related to parks located within a county described in subsection (1)
27 of this section.

28 (5) The department of revenue shall perform the collection of
29 such taxes on behalf of the county at no cost to the county. In lieu
30 of the charge for the administration and collection of local sales
31 and use taxes under RCW 82.14.050 from which the county is exempt
32 under this subsection (5), a percentage of the tax revenues
33 authorized by this section equal to one-half of the maximum
34 percentage provided in RCW 82.14.050 shall be transferred annually to
35 the department of (~~community, trade, and economic development~~)
36 commerce, or its successor agency, from the funds allocated under
37 subsection (6)(b) of this section for a period of twelve years from
38 the first date of distribution of funds under subsection (6)(b) of
39 this section. The department of (~~community, trade, and economic
40 development~~) commerce, or its successor agency, shall use funds

1 transferred to it pursuant to this subsection (5) to provide,
2 operate, and maintain community-based housing under chapter
3 (~~43.185~~) 43.185A RCW for (~~persons who are mentally ill~~)
4 individuals with mental illness.

5 (6) If the joint request and the authorizing proposition include
6 provisions for funding those costs included within subsection (4)(b)
7 of this section, the tax revenues authorized by this section shall be
8 allocated annually as follows:

9 (a) Fifty percent to the zoo and aquarium advisory authority; and

10 (b) Fifty percent to be distributed on a per capita basis as set
11 out in the most recent population figures for unincorporated and
12 incorporated areas only within that county, as determined by the
13 office of financial management, solely for parks, as follows: To any
14 metropolitan park district, to cities and towns not contained within
15 a metropolitan park district, and the remainder to the county. Moneys
16 received under this subsection (6)(b) by a county may not be used to
17 replace or supplant existing per capita funding.

18 (7) Funds shall be distributed annually by the county treasurer
19 to the county, and cities and towns located within the county, in the
20 manner set out in subsection (6)(b) of this section.

21 (8) Prior to expenditure of any funds received by the county
22 under subsection (6)(b) of this section, the county shall establish a
23 process which considers needs throughout the unincorporated areas of
24 the county in consultation with community advisory councils
25 established by ordinance.

26 (9) By December 31, 2005, and thereafter, the county or any city
27 with a population greater than eighty thousand must provide at least
28 one dollar match for every two dollars received under this section.

29 (10) Properties subject to a memorandum of agreement between the
30 federal bureau of land management, the advisory council on historic
31 preservation, and the Washington state historic preservation officer
32 have priority for funding from money received under subsection (6)(b)
33 of this section for implementation of the stipulations in the
34 memorandum of agreement.

35 (a) At least one hundred thousand dollars of the first four years
36 of allocations under subsection (6)(b) of this section, to be matched
37 by the county or city with one dollar for every two dollars received,
38 shall be used to implement the stipulations of the memorandum of
39 agreement and for other historical, archaeological, architectural,
40 and cultural preservation and improvements related to the properties.

1 (b) The amount in (a) of this subsection shall come equally from
2 the allocations to the county and to the city in which the properties
3 are located, unless otherwise agreed to by the county and the city.

4 (c) The amount in (a) of this subsection shall not be construed
5 to displace or be offered in lieu of any lease payment from a county
6 or city to the state for the properties in question.

7 **Sec. 24.** RCW 82.45.100 and 2010 1st sp.s. c 23 s 211 are each
8 amended to read as follows:

9 (1) Payment of the tax imposed under this chapter is due and
10 payable immediately at the time of sale, and if not paid within one
11 month thereafter will bear interest from the time of sale until the
12 date of payment.

13 (a) Interest imposed before January 1, 1999, is computed at the
14 rate of one percent per month.

15 (b) Interest imposed after December 31, 1998, is computed on a
16 monthly basis at the rate as computed under RCW 82.32.050(2). The
17 rate so computed must be adjusted on the first day of January of each
18 year for use in computing interest for that calendar year. The
19 department must provide written notification to the county treasurers
20 of the variable rate on or before December 1st of the year preceding
21 the calendar year in which the rate applies.

22 (2) In addition to the interest described in subsection (1) of
23 this section, if the payment of any tax is not received by the county
24 treasurer or the department of revenue, as the case may be, within
25 one month of the date due, there is assessed a penalty of five
26 percent of the amount of the tax; if the tax is not received within
27 two months of the date due, there will be assessed a total penalty of
28 ten percent of the amount of the tax; and if the tax is not received
29 within three months of the date due, there will be assessed a total
30 penalty of twenty percent of the amount of the tax. The payment of
31 the penalty described in this subsection is collectible from the
32 seller only, and RCW 82.45.070 does not apply to the penalties
33 described in this subsection.

34 (3) If the tax imposed under this chapter is not received by the
35 due date, the transferee is personally liable for the tax, along with
36 any interest as provided in subsection (1) of this section, unless an
37 instrument evidencing the sale is recorded in the official real
38 property records of the county in which the property conveyed is
39 located.

1 (4) If upon examination of any affidavits or from other
2 information obtained by the department or its agents it appears that
3 all or a portion of the tax is unpaid, the department must assess
4 against the taxpayer the additional amount found to be due plus
5 interest and penalties as provided in subsections (1) and (2) of this
6 section. The department must notify the taxpayer by mail, or
7 electronically as provided in RCW 82.32.135, of the additional amount
8 and the same becomes due and must be paid within thirty days from the
9 date of the notice, or within such further time as the department may
10 provide.

11 (5) No assessment or refund may be made by the department more
12 than four years after the date of sale except upon a showing of:

13 (a) Fraud or misrepresentation of a material fact by the
14 taxpayer;

15 (b) A failure by the taxpayer to record documentation of a sale
16 or otherwise report the sale to the county treasurer; or

17 (c) A failure of the transferor or transferee to report the sale
18 under RCW 82.45.090(2).

19 (6) Penalties collected on taxes due under this chapter under
20 subsection (2) of this section and RCW 82.32.090 (2) through (8) must
21 be deposited in the housing trust fund as described in chapter
22 (~~43.185~~) 43.185A RCW.

23 NEW SECTION. Sec. 25. RCW 43.185.010, 43.185.030, 43.185.050,
24 43.185.070, 43.185.074, 43.185.080, and 43.185.140 are recodified as
25 sections in chapter 43.185A RCW.

26 NEW SECTION. Sec. 26. RCW 43.185.110 is recodified as a section
27 in chapter 43.185B RCW.

28 NEW SECTION. Sec. 27. The following acts or parts of acts are
29 each repealed:

30 (1) RCW 43.185.015 (Housing assistance program) and 1995 c 399 s
31 100 & 1991 c 356 s 2;

32 (2) RCW 43.185.020 (Definitions) and 2013 c 145 s 1, 2009 c 565 s
33 37, 1995 c 399 s 101, & 1986 c 298 s 3;

34 (3) RCW 43.185A.030 (Activities eligible for assistance) and 2013
35 c 145 s 5 & 2011 1st sp.s. c 50 s 954;

36 (4) RCW 43.185A.050 (Grant and loan application process—Report)
37 and 2013 c 145 s 6, 2012 c 235 s 2, & 1991 c 356 s 14;

1 (5) RCW 43.185.060 (Eligible organizations) and 2019 c 325 s
2 5012, 2014 c 225 s 61, 1994 c 160 s 2, 1991 c 295 s 1, & 1986 c 298 s
3 7;
4 (6) RCW 43.185.076 (Low-income housing grants and loans—Approval
5 —License education programs) and 1988 c 286 s 3 & 1987 c 513 s 10;
6 (7) RCW 43.185.090 (Compliance monitoring) and 1986 c 298 s 10;
7 (8) RCW 43.185.100 (Rule-making authority) and 1987 c 513 s 2 &
8 1986 c 298 s 11;
9 (9) RCW 43.185A.090 (Application process—Distribution procedure)
10 and 2006 c 349 s 4;
11 (10) RCW 43.185A.100 (Housing programs and services—Review of
12 reporting requirements—Report to the legislature) and 2006 c 349 s
13 11;
14 (11) RCW 43.185A.110 (Affordable housing land acquisition
15 revolving loan fund program) and 2017 c 274 s 1, 2008 c 112 s 1, &
16 2007 c 428 s 2;
17 (12) RCW 43.185A.120 (Affordable housing and community facilities
18 rapid response loan program) and 2008 c 112 s 2;
19 (13) RCW 43.185.120 (Protection of state's interest) and 1991 c
20 356 s 7;
21 (14) RCW 43.185.130 (Application process—Distribution procedure)
22 and 2006 c 349 s 3;
23 (15) RCW 43.185A.900 (Short title) and 1991 c 356 s 9; and
24 (16) RCW 43.185.910 (Conflict with federal requirements—1991 c
25 356) and 1991 c 356 s 8."

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By Committee on Housing Stability & Affordability

26 On page 1, line 2 of the title, after "commerce;" strike the
27 remainder of the title and insert "amending RCW 43.185.010,
28 43.185A.010, 43.185.030, 43.185A.020, 43.185.050, 43.185.070,
29 43.185.110, 43.185A.060, 43.185A.070, 43.185.074, 18.85.285,
30 18.85.311, 31.04.025, 39.35D.080, 43.63A.680, 43.185C.200,
31 43.185C.210, 47.12.063, 59.24.060, 82.14.400, and 82.45.100; adding
32 new sections to chapter 43.185A RCW; adding a new section to chapter
33 43.185B RCW; recodifying RCW 43.185.010, 43.185.030, 43.185.050,
34 43.185.070, 43.185.074, 43.185.080, 43.185.140, and 43.185.110; and

1 repealing RCW 43.185.015, 43.185.020, 43.185A.030, 43.185A.050,
2 43.185.060, 43.185.076, 43.185.090, 43.185.100, 43.185A.090,
3 43.185A.100, 43.185A.110, 43.185A.120, 43.185.120, 43.185.130,
4 43.185A.900, and 43.185.910."

EFFECT: (1) Adds technical assistance and portfolio preservation activities to the allowable expenditures from the new Housing Portfolio Monitoring account.

(2) Changes the cap for administrative expenditures associated with compliance and monitoring from 0.25 percent to 0.35 percent of the housing trust fund (HTF) portfolio.

(3) Clarifies that the additional 1 percent is for HTF application, distribution, and project development activities.

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