

SENATE BILL REPORT

HB 1980

As Passed Senate, April 11, 2019

Title: An act relating to exempting federal tax lien documents from recording surcharges.

Brief Description: Exempting federal tax lien documents from recording surcharges.

Sponsors: Representatives Macri and Ryu.

Brief History: Passed House: 3/05/19, 98-0.

Committee Activity: Ways & Means: 3/18/19 [DP, w/oRec].

Floor Activity:

Passed Senate: 4/11/19, 46-0.

Brief Summary of Bill

- Excludes documents recording a federal lien from three surcharges assessed for homeless housing and assistance.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Hunt, Keiser, Liias, Palumbo, Pedersen, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

Minority Report: That it be referred without recommendation.

Signed by Senator Hasegawa.

Staff: Claire Goodwin (786-7736)

Background: In 2005, the Legislature enacted the Homeless Housing and Assistance Act. The act applied a surcharge to certain documents recorded by county auditors to increase funding for homelessness. A document recording surcharge is a fee applied to various types of documents recorded by county auditors. One such fee is a \$62 surcharge that supports homelessness housing and other assistance for individuals and families experiencing homelessness.

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

The \$62 document recording surcharge for homeless housing and assistance does not apply to:

- assignments or substitutions of previously recorded deeds of trust;
- documents recording a birth, marriage, divorce, or death;
- any recorded documents otherwise exempted from a recording fee or additional surcharges under state law;
- marriage licenses issued by the county auditor; or
- documents recording a state, county, or city lien or satisfaction of lien.

Of the \$62 surcharge, approximately \$38 is retained by the county for homeless assistance programs and approximately \$3.50 is retained for administration. The county auditor remits the remaining funds to the state treasurer for deposit in the Home Security Fund Account. The Department of Commerce uses these funds primarily for the Consolidated Homeless Grant Program.

A federal lien is any lien prepared by the federal government. The percentage of federal liens recorded by county auditors is less than 1 percent of the total documents recorded annually. The Internal Revenue Service has been withholding payment of the document recording surcharges related to homelessness assistance.

Summary of Bill: Federal liens are exempt from all three document recording surcharges related to homeless housing and assistance.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: No public hearing was held.

Persons Testifying: N/A

Persons Signed In To Testify But Not Testifying: N/A