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**SUBSTITUTE SENATE BILL 5898**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senator Rolfes)

READ FIRST TIME 02/28/19.

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.

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