

SHB 1250 - S COMM AMD
By Committee on Housing

ADOPTED 04/12/2023

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

3 "Sec. 1. RCW 43.330.480 and 2017 c 285 s 1 are each amended to
4 read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

7 (1) "Home" means a single-family residential structure.

8 (2) "Home rehabilitation" means residential repairs and
9 improvements that address health, safety, and durability issues in
10 existing housing in rural areas.

11 (3) "Homeowner" means a person who owns and resides permanently
12 in the home the person occupies.

13 (4) "Low-income" means persons or households with income at or
14 below (~~two hundred~~) 200 percent of the federal poverty level
15 (~~as~~), 80 percent of the area median income for the county in which
16 the home receiving rehabilitation is located, or 60 percent of the
17 state median income, whichever is greater, and adjusted for
18 (~~family~~) household size (~~and determined annually by the federal~~
19 ~~department of health and human services~~)).

20 (5) "Rehabilitation agency" means any approved department
21 grantee, tribal nation, or any public service company, municipality,
22 public utility district, mutual or cooperative, or other entity that
23 bears the responsibility for rehabilitating residences under this
24 chapter and has been approved by the department.

25 (6) "Rural areas" means areas of Washington state defined as
26 nonentitlement areas by the United States department of housing and
27 urban development.

28 "Sec. 2. RCW 43.330.482 and 2017 c 285 s 2 are each amended to
29 read as follows:

1 (1) ~~((Subject to availability of amounts appropriated for this~~
2 ~~specific purpose, the low-income home rehabilitation revolving loan~~
3 ~~program is created within the department.~~

4 ~~(2) The program must include the following elements:~~

5 ~~(a) Eligible homeowners must be low-income and live in rural~~
6 ~~areas.~~

7 ~~(b) Homeowners who are senior citizens, persons with~~
8 ~~disabilities, families with children five years old and younger, and~~
9 ~~veterans must receive priority for loans.~~

10 ~~(c) The cost of the home rehabilitation must be the lesser of~~
11 ~~eighty percent of the assessed value of the property post~~
12 ~~rehabilitation or forty thousand dollars.~~

13 ~~(d) The maximum amount that may be loaned under this program may~~
14 ~~not exceed the cost of the home rehabilitation as provided in (c) of~~
15 ~~this subsection, and must not result in total loans borrowed against~~
16 ~~the property equaling more than eighty percent of the assessed value.~~

17 ~~(e) The interest rate of the loan must be equal to the previous~~
18 ~~calendar year's annual average consumer price index compiled by the~~
19 ~~bureau of labor statistics, United States department of labor.~~

20 ~~(f))~~ On July 1, 2023, the low-income home rehabilitation
21 revolving loan program is terminated except for purposes of
22 addressing outstanding loans as provided in this section, and the
23 department and partnering rehabilitation agencies must immediately
24 cease issuing new loans under the program.

25 (2) The department must allow participating homeowners to defer
26 repayment of the loan principal and interest and any fees related to
27 the administration or issuance of the loan. Any amounts deferred
28 pursuant to this section become a lien in favor of the state. The
29 lien is subordinate to liens for general taxes, amounts deferred
30 under chapter 84.37 or 84.38 RCW, or special assessments as defined
31 in RCW 84.38.020. The lien is also subordinate to the first deed of
32 trust or the first mortgage on the real property but has priority
33 over all other privileges, liens, monetary encumbrances, or other
34 security interests affecting the real property, whenever incurred,
35 filed, or recorded. The department must take such necessary action to
36 file and perfect the state's lien. ((All amounts due under the loan
37 become due and payable upon the sale of the home or upon change in
38 ownership of the home.))

39 (3) The balance of any loan previously issued under this section
40 that is outstanding as of the effective date of this section is

1 forgiven. The forgiveness applies to all remaining amounts owed,
2 including loan principal, interest, and fees. Loan forgiveness is not
3 retroactive, and does not apply to any loans issued under this
4 section paid in full before the effective date of this section.

5 (4) All moneys from repayments must be deposited into the low-
6 income home rehabilitation (~~(revolving loan program)~~) account created
7 in RCW 43.330.488.

8 ~~((4))~~ (5) The department must adopt rules for implementation of
9 this program.

10 NEW SECTION. Sec. 3. A new section is added to chapter 43.330
11 RCW to read as follows:

12 (1) Subject to availability of amounts appropriated for this
13 specific purpose, the low-income home rehabilitation grant program is
14 created within the department.

15 (2) The program must include the following elements:

16 (a) Eligible homeowners must be low-income and live in rural
17 areas.

18 (b) Homeowners who are senior citizens, persons with
19 disabilities, families with children five years old and younger, and
20 veterans must receive priority for grants.

21 (c) The cost of the home rehabilitation must be the lesser of:

22 (i) 80 percent of the assessed or appraised value of the property
23 post rehabilitation, whichever is greater; or

24 (ii) \$50,000.

25 (d) The maximum amount that may be granted under this program may
26 not exceed the cost of the home rehabilitation as provided in (c) of
27 this subsection.

28 (3) The department must adopt rules for implementation of this
29 grant program.

30 NEW SECTION. Sec. 4. A new section is added to chapter 43.330
31 RCW to read as follows:

32 (1) The department must contract with rehabilitation agencies to
33 provide home rehabilitation to participating homeowners. Preference
34 must be given to local agencies delivering programs and services with
35 similar eligibility criteria.

36 (2) Any rehabilitation agency receiving funding under this
37 section must report to the department at least quarterly, or in
38 alignment with federal reporting, whichever is the greater frequency,

1 the project costs and the number of homes repaired or rehabilitated.
2 The department must review the accuracy of these reports.

3 **Sec. 5.** RCW 43.330.488 and 2017 c 285 s 4 are each amended to
4 read as follows:

5 The low-income home rehabilitation (~~revolving loan program~~)
6 account is created in the custody of the state treasury. All
7 transfers and appropriations by the legislature, repayments of loans,
8 private contributions, and all other sources must be deposited into
9 the account. Expenditures from the account may be used only for the
10 purposes of the low-income home rehabilitation revolving loan program
11 created in RCW 43.330.482 and the low-income home rehabilitation
12 grant program created in section 3 of this act. After July 1, 2023,
13 the director may expend moneys in the account only for wind-down
14 costs of the loan program in RCW 43.330.482 until the loan program
15 terminates pursuant to this act, and for the grant program created in
16 section 3 of this act. Only the director or the director's designee
17 may authorize expenditures from the account. The account is subject
18 to allotment procedures under chapter 43.88 RCW, but an appropriation
19 is not required for expenditures.

20 **Sec. 6.** RCW 43.79A.040 and 2022 c 244 s 3, 2022 c 206 s 8, 2022
21 c 183 s 16, and 2022 c 162 s 6 are each reenacted and amended to read
22 as follows:

23 (1) Money in the treasurer's trust fund may be deposited,
24 invested, and reinvested by the state treasurer in accordance with
25 RCW 43.84.080 in the same manner and to the same extent as if the
26 money were in the state treasury, and may be commingled with moneys
27 in the state treasury for cash management and cash balance purposes.

28 (2) All income received from investment of the treasurer's trust
29 fund must be set aside in an account in the treasury trust fund to be
30 known as the investment income account.

31 (3) The investment income account may be utilized for the payment
32 of purchased banking services on behalf of treasurer's trust funds
33 including, but not limited to, depository, safekeeping, and
34 disbursement functions for the state treasurer or affected state
35 agencies. The investment income account is subject in all respects to
36 chapter 43.88 RCW, but no appropriation is required for payments to
37 financial institutions. Payments must occur prior to distribution of
38 earnings set forth in subsection (4) of this section.

1 (4) (a) Monthly, the state treasurer must distribute the earnings
2 credited to the investment income account to the state general fund
3 except under (b), (c), and (d) of this subsection.

4 (b) The following accounts and funds must receive their
5 proportionate share of earnings based upon each account's or fund's
6 average daily balance for the period: The 24/7 sobriety account, the
7 Washington promise scholarship account, the Gina Grant Bull memorial
8 legislative page scholarship account, the Rosa Franklin legislative
9 internship program scholarship account, the Washington advanced
10 college tuition payment program account, the Washington college
11 savings program account, the accessible communities account, the
12 Washington achieving a better life experience program account, the
13 Washington career and college pathways innovation challenge program
14 account, the community and technical college innovation account, the
15 agricultural local fund, the American Indian scholarship endowment
16 fund, the behavioral health loan repayment program account, the
17 foster care scholarship endowment fund, the foster care endowed
18 scholarship trust fund, the contract harvesting revolving account,
19 the Washington state combined fund drive account, the commemorative
20 works account, the county (~~enhanced~~) 911 excise tax account, the
21 county road administration board emergency loan account, the toll
22 collection account, the developmental disabilities endowment trust
23 fund, the energy account, the energy facility site evaluation council
24 account, the fair fund, the family and medical leave insurance
25 account, the fish and wildlife federal lands revolving account, the
26 natural resources federal lands revolving account, the food animal
27 veterinarian conditional scholarship account, the forest health
28 revolving account, the fruit and vegetable inspection account, the
29 educator conditional scholarship account, the game farm alternative
30 account, the GET ready for math and science scholarship account, the
31 Washington global health technologies and product development
32 account, the grain inspection revolving fund, the Washington history
33 day account, the industrial insurance rainy day fund, the juvenile
34 accountability incentive account, the law enforcement officers' and
35 firefighters' plan 2 expense fund, the local tourism promotion
36 account, the low-income home rehabilitation (~~revolving—loan
37 program~~) account, the multiagency permitting team account, the
38 northeast Washington wolf-livestock management account, the produce
39 railcar pool account, the public use general aviation airport loan
40 revolving account, the regional transportation investment district

1 account, the rural rehabilitation account, the Washington sexual
2 assault kit account, the stadium and exhibition center account, the
3 youth athletic facility account, the self-insurance revolving fund,
4 the children's trust fund, the Washington horse racing commission
5 Washington bred owners' bonus fund and breeder awards account, the
6 Washington horse racing commission class C purse fund account, the
7 individual development account program account, the Washington horse
8 racing commission operating account, the life sciences discovery
9 fund, the Washington state library-archives building account, the
10 reduced cigarette ignition propensity account, the center for deaf
11 and hard of hearing youth account, the school for the blind account,
12 the Millersylvania park trust fund, the public employees' and
13 retirees' insurance reserve fund, the school employees' benefits
14 board insurance reserve fund, the public employees' and retirees'
15 insurance account, the school employees' insurance account, the long-
16 term services and supports trust account, the radiation perpetual
17 maintenance fund, the Indian health improvement reinvestment account,
18 the department of licensing tuition recovery trust fund, the student
19 achievement council tuition recovery trust fund, the tuition recovery
20 trust fund, the Washington student loan account, the industrial
21 insurance premium refund account, the mobile home park relocation
22 fund, the natural resources deposit fund, the Washington state health
23 insurance pool account, the federal forest revolving account, and the
24 library operations account.

25 (c) The following accounts and funds must receive 80 percent of
26 their proportionate share of earnings based upon each account's or
27 fund's average daily balance for the period: The advance right-of-way
28 revolving fund, the advanced environmental mitigation revolving
29 account, the federal narcotics asset forfeitures account, the high
30 occupancy vehicle account, the local rail service assistance account,
31 and the miscellaneous transportation programs account.

32 (d) Any state agency that has independent authority over accounts
33 or funds not statutorily required to be held in the custody of the
34 state treasurer that deposits funds into a fund or account in the
35 custody of the state treasurer pursuant to an agreement with the
36 office of the state treasurer shall receive its proportionate share
37 of earnings based upon each account's or fund's average daily balance
38 for the period.

1 (5) In conformance with Article II, section 37 of the state
2 Constitution, no trust accounts or funds shall be allocated earnings
3 without the specific affirmative directive of this section.

4 NEW SECTION. **Sec. 7.** The following acts or parts of acts are
5 each repealed:

6 (1) RCW 43.330.482 (Low-income home rehabilitation revolving loan
7 program) and 2023 c . . . s 2 (section 2 of this act) & 2017 c 285 s
8 2; and

9 (2) RCW 43.330.486 (Low-income home rehabilitation revolving loan
10 program—Contracts with rehabilitation agencies—Reports) and 2017 c
11 285 s 3.

12 NEW SECTION. **Sec. 8.** (1) Section 7 of this act takes effect on
13 July 1st of the year following the closure of the last loan issued
14 under the low-income home rehabilitation revolving loan program.

15 (2) The department of commerce must provide written notice of the
16 effective date of section 7 of this act to affected parties, the
17 chief clerk of the house of representatives, the secretary of the
18 senate, the office of the code reviser, and others as deemed
19 appropriate by the department.

20 NEW SECTION. **Sec. 9.** Sections 1 through 6 of this act are
21 necessary for the immediate preservation of the public peace, health,
22 or safety, or support of the state government and its existing public
23 institutions, and take effect July 1, 2023."

SHB 1250 - S COMM AMD
By Committee on Housing

ADOPTED 04/12/2023

24 On page 1, line 2 of the title, after "program;" strike the
25 remainder of the title and insert "amending RCW 43.330.480,
26 43.330.482, and 43.330.488; reenacting and amending RCW 43.79A.040;
27 adding new sections to chapter 43.330 RCW; repealing RCW 43.330.482
28 and 43.330.486; providing an effective date; providing a contingent
29 effective date; and declaring an emergency."

EFFECT: Updates the account name under the investment income account distribution statute (RCW 43.79A.040).

--- **END** ---