
SUBSTITUTE SENATE BILL 5225

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Financial Services, Insurance & Housing
(originally sponsored by Senators Benton, Prentice, Zarelli and Esser)

READ FIRST TIME 02/07/03.

1 AN ACT Relating to providing rent vouchers for low-income persons
2 to pay for rent and security deposits; amending RCW 36.22.178; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes housing
6 affordability has become a significant problem for a large portion of
7 society in many parts of the state in recent years. To address this
8 problem, there is a need to allocate funding from the surcharge of ten
9 dollars per instrument charged by the county auditor for each document
10 recorded as established under RCW 36.22.178, to provide low-income
11 persons with rent vouchers to pay for permanent multifamily and single-
12 family, private, for-profit, market rate rental housing.

13 **Sec. 2.** RCW 36.22.178 and 2002 c 294 s 2 are each amended to read
14 as follows:

15 (1) Except as provided in subsection (~~(2)~~) (4) of this section,
16 a surcharge of ten dollars per instrument shall be charged by the
17 county auditor for each document recorded, which will be in addition to
18 any other charge authorized by law. The auditor may retain up to five

1 percent of these funds collected to administer the collection of these
2 funds. Of the remaining funds, forty percent of the revenue generated
3 through this surcharge will be transmitted monthly to the state
4 treasurer who will deposit the funds into the Washington housing trust
5 account. The office of community development of the department of
6 community, trade, and economic development will develop guidelines for
7 the use of these funds to support building operation and maintenance
8 costs of housing projects or units within housing projects that are
9 affordable to extremely low-income persons with incomes at or below
10 thirty percent of the area median income, and that require a supplement
11 to rent income to cover ongoing operating expenses.

12 (2) Sixty percent of the revenue generated by this surcharge will
13 be retained by the county and be deposited into a fund that must be
14 used by the county and its cities and towns for housing projects or
15 units within housing projects that are affordable to very low-income
16 persons with incomes at or below fifty percent of the area median
17 income. The portion of the surcharge retained by a county shall be
18 allocated to very low-income housing projects or units within such
19 housing projects in the county and the cities within a county according
20 to an interlocal agreement between the county and the cities within the
21 county, consistent with countywide and local housing needs and
22 policies. The funds generated with this surcharge shall not be used
23 for construction of new housing if at any time the vacancy rate for
24 available low-income housing within the county rises above ~~((ten))~~
25 seven percent. The vacancy rate for each county shall be developed
26 using the state low-income vacancy rate standard developed under
27 subsection ~~((+3+))~~ (5) of this section. Permissible uses of these
28 local funds are limited to:

29 (a) Acquisition, construction, or rehabilitation of housing
30 projects or units within housing projects that are affordable to very
31 low-income persons with incomes at or below fifty percent of the area
32 median income;

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

1 (c) Rental assistance vouchers for housing projects or units within
2 housing projects that are affordable to very low-income persons with
3 incomes at or below fifty percent of the area median income, to be
4 administered by a local public housing authority or other local
5 organization that has an existing rental assistance voucher program,
6 consistent with the United States department of housing and urban
7 development's section 8 rental assistance voucher program standards;
8 (~~and~~)

9 (d) Operating costs for emergency shelters and licensed overnight
10 youth shelters; and

11 (e) Rental assistance or vouchers for payment of first and last
12 month's rent and security and other deposits required by a landlord,
13 payable directly to the landlord by the agency administering the county
14 funds, for housing that is affordable to very low-income persons with
15 incomes at or below fifty percent of the area median income.

16 (~~(+2)~~) (3) If a very low-income person uses rental assistance or
17 a voucher as described in subsection (2)(c) of this section, and
18 remains in the same rental unit for twelve consecutive months, the
19 landlord shall return the amount collected as security and other
20 deposits and last month's rent to the county fund. Upon the
21 termination of the tenant's tenancy, should the landlord need to
22 collect the security and other deposits, or the last month's rent, the
23 landlord may then collect that money, pursuant to chapter 59.18 RCW,
24 from the county fund holding the money.

25 (4) The surcharge imposed in this section does not apply to
26 assignments or substitutions of previously recorded deeds of trust.

27 (~~(+3)~~) (5) The real estate research center at Washington State
28 University shall develop a vacancy rate standard for low-income housing
29 in the state as described in RCW 18.85.540(1)(i).

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