

# SENATE BILL REPORT

## HB 2331

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As Reported by Senate Committee On:  
Ways & Means, April 24, 2009

**Title:** An act relating to the existing document recording fee for services for the homeless.

**Brief Description:** Concerning the existing document recording fee for services for the homeless.

**Sponsors:** Representatives Darneille, Dickerson, Pettigrew, Kenney, Williams, Simpson, Nelson and Ormsby.

**Brief History:** Passed House: 4/21/09, 51-44.

**Committee Activity:** Ways & Means: 4/24/09 [DP, DNP].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Tom, Vice Chair, Operating Budget; Fairley, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Pridemore, Regala and Rockefeller.

**Minority Report:** Do not pass.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Honeyford, Parlette, Pflug and Schoesler.

**Staff:** Jenny Greenlee (786-7711)

**Background:** Duties and Authority of County Auditors. The county auditor is responsible for the recording of specified documents required by law to be maintained as part of the public record kept by a county. The documents that must be recorded by a county auditor include judgments, liens, deeds, mortgages, and many other categories of documents pertaining to property ownership and real estate transactions.

State law specifies requirements that must be met by an auditor when exercising his or her recording duties, including the collection of specified fees when a document is recorded. These fees include certain surcharges used for the funding of state and local programs to provide affordable housing for low income persons and housing assistance for the homeless. Among the housing programs funded by the surcharge is the Homeless Housing and Assistance Act (see chapter 43.185C RCW).

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*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.*

Homeless Housing and Assistance Act. The Legislature enacted the Homeless Housing and Assistance Act in 2005, the goal of which was to reduce homelessness by 50 percent statewide and in each county by 2015. Thirty-seven counties participate in this program, as do many cities and the state, through the Department of Community, Trade and Economic Development (Department). The state and local programs are funded by a \$10 surcharge on documents recorded by the county auditor (see RCW 36.22.179). In 2007 the Legislature authorized an additional \$8 surcharge for the program (see RCW 36.22.1791).

The revenues generated by both surcharges are distributed to participating counties and cities, as well as the Department. That portion of the funds allocated to the Department are deposited into an account known as the Home Security Fund (Fund), which is administered by the State Treasurer. The Department uses this Fund to administer the program statewide and to fund and administer the Homeless Grant Assistance Program, which provides additional funds for specific county homeless programs. Counties and cities use their surcharge-derived funding for purposes outlined in their local homeless housing plans.

The initial \$10 surcharge authorized in 2005 under the Homeless Housing and Assistance Act is distributed as follows:

- the county auditor retains 2 percent;
- 60 percent of the remaining funds are allocated to the participating county of origin;
- any city which assumes responsibility for reducing homelessness within its boundaries receives a percentage of the surcharge equal to the percentage of the city's local portion of the real estate excise tax; and
- the remaining monies are remitted to the Department and deposited into the Fund.

**Summary of Bill:** The document recording surcharge collected by county auditors under the Homeless Housing and Assistance Act of 2005 is increased from \$10 to \$30.

**Appropriation:** None.

**Fiscal Note:** Available.

[OFM requested ten-year cost projection pursuant to I-960.]

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill increases funding for work on addressing homelessness in local communities. We are seeing a huge increase in homelessness related to the current economic situation. Counties and the state need additional resources to address this increase and to make up for decreases in this revenue. There is a great return on investment for these dollars. As budgets tighten throughout state and local government, these dollars will assist in helping society's most vulnerable.

CON: This represents a significant increase in the surcharges charged on documents, which have already increased dramatically in the past few years. In particular, surveyors have been working to survey property boundaries to prevent future disputes and people will be less

likely to get these because they will have to pay the document recording fee. In addition, county officials have to collect these increased fees and are dealing with lots of frustration at the counter due to these fees. If this bill passes, the average document recording fee will increase from \$42 per document to \$62 per document.

**Persons Testifying:** PRO: Mia Wells, Washington State Coalition for the Homeless; Tom McBride, Kitsap County; Tera Bianchi, Mockingbird Society; Bill Block, Committee to End Homelessness; Chris Lowell, Thurston County Housing Authority.

CON: Patrick J. Beehler, Mike Sprowffske, Land Surveyor's Association of Washington; James McMahan, Washington Association of County Officials.