
ENGROSSED SUBSTITUTE HOUSE BILL 2368

State of Washington

63rd Legislature

2014 Regular Session

By House Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Sawyer, Walsh, Gregerson, Jinkins, Orwall, Robinson, Bergquist, Reykdal, Hansen, Van De Wege, Goodman, Sullivan, S. Hunt, Pettigrew, Ryu, Kagi, Lytton, Tarleton, Freeman, Ormsby, Walkinshaw, Morrell, Pollet, Appleton, and Riccelli; by request of Washington State Department of Commerce)

READ FIRST TIME 01/31/14.

1 AN ACT Relating to a surcharge for local homeless housing and
2 assistance; amending RCW 36.22.179, 43.185C.060, and 43.185C.240; and
3 providing an effective date.

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

5 **Sec. 1.** RCW 36.22.179 and 2012 c 90 s 1 are each amended to read
6 as follows:

7 (1) In addition to the surcharge authorized in RCW 36.22.178, and
8 except as provided in subsection (2) of this section, an additional
9 surcharge (~~of ten dollars~~) shall be charged by the county auditor for
10 each document recorded, which will be in addition to any other charge
11 allowed by law. (~~From July 1, 2009, through August 31, 2012, and from~~
12 ~~July 1, 2015, through June 30, 2017, the surcharge shall be thirty~~
13 ~~dollars. From September 1, 2012, through June 30, 2015,)) Beginning
14 July 1, 2015, the surcharge shall be forty dollars. The funds
15 collected pursuant to this section are to be distributed and used as
16 follows:~~

17 (a) The auditor shall retain two percent for collection of the fee,
18 and of the remainder shall remit sixty percent to the county to be
19 deposited into a fund that must be used by the county and its cities

1 and towns to accomplish the purposes of chapter 484, Laws of 2005, six
2 percent of which may be used by the county for administrative costs
3 related to its homeless housing plan, and the remainder for programs
4 which directly accomplish the goals of the county's local homeless
5 housing plan, except that for each city in the county which elects as
6 authorized in RCW 43.185C.080 to operate its own local homeless housing
7 program, a percentage of the surcharge assessed under this section
8 equal to the percentage of the city's local portion of the real estate
9 excise tax collected by the county shall be transmitted at least
10 quarterly to the city treasurer, without any deduction for county
11 administrative costs, for use by the city for program costs which
12 directly contribute to the goals of the city's local homeless housing
13 plan; of the funds received by the city, it may use six percent for
14 administrative costs for its homeless housing program.

15 (b) The auditor shall remit the remaining funds to the state
16 treasurer for deposit in the home security fund account. The
17 department may use twelve and one-half percent of this amount for
18 administration of the program established in RCW 43.185C.020, including
19 the costs of creating the statewide homeless housing strategic plan,
20 measuring performance, providing technical assistance to local
21 governments, and managing the homeless housing grant program. Of the
22 remaining eighty-seven and one-half percent, at least forty-five
23 percent must be set aside for the use of private rental housing
24 payments, and the remainder is to be used by the department to:

25 (i) Provide housing and shelter for homeless people including, but
26 not limited to: Grants to operate, repair, and staff shelters; grants
27 to operate transitional housing; partial payments for rental
28 assistance; consolidated emergency assistance; overnight youth
29 shelters; grants and vouchers designated for victims of human
30 trafficking and their families; and emergency shelter assistance; and

31 (ii) Fund the homeless housing grant program.

32 (2) ~~((The surcharge imposed in this section applies to documents~~
33 ~~required to be recorded or filed under RCW 65.04.030(1) including, but~~
34 ~~not limited to: Full reconveyance; deeds of trust; deeds; liens~~
35 ~~related to real property; release of liens related to real property;~~
36 ~~notice of trustee sales; judgments related to real property; and all~~
37 ~~other documents pertaining to real property as determined by the~~
38 ~~department. However, the surcharge does not apply to (a) assignments~~

1 or substitutions of previously recorded deeds of trust, or (b)
2 documents recording a birth, marriage, divorce, or death or any
3 documents otherwise exempted from a recording fee under state law.

4 ~~(3) By August 31, 2012, the department shall submit to each county~~
5 ~~auditor a list of documents that are subject to the surcharge~~
6 ~~established in subsection (1) of this section.~~

7 ~~(4) If section 2, chapter 90, Laws of 2012 is not enacted into law~~
8 ~~by July 31, 2012, section 1, chapter 90, Laws of 2012 is null and~~
9 ~~void.)~~ The surcharge imposed in this section does not apply to (a)
10 assignments or substitutions of previously recorded deeds of trust, (b)
11 documents recording a birth, marriage, divorce, or death, (c) any
12 recorded documents otherwise exempted from a recording fee or
13 additional surcharges under state law, (d) marriage licenses issued by
14 the county auditor, or (e) documents recording a state, county, or city
15 lien or satisfaction of lien.

16 **Sec. 2.** RCW 43.185C.060 and 2007 c 427 s 6 are each amended to
17 read as follows:

18 The home security fund account is created in the state treasury,
19 subject to appropriation. The state's portion of the surcharge
20 established in RCW 36.22.179 and 36.22.1791 must be deposited in the
21 account. Expenditures from the account may be used only for homeless
22 housing programs as described in this chapter. If the department fails
23 to comply with the reporting requirements of RCW 43.185C.240, the
24 department is prohibited from expending funds under RCW 36.22.179, and
25 the office of financial management may not allot such funds until it
26 determines the reporting requirements are met.

27 **Sec. 3.** RCW 43.185C.240 and 2012 c 90 s 2 are each amended to read
28 as follows:

29 (1) As a means of efficiently and cost-effectively providing
30 housing assistance to very-low income and homeless households:

31 (a) Any local government that has the authority to issue housing
32 vouchers, directly or through a contractor, using document recording
33 surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or
34 36.22.1791 must:

35 (i)(A) Maintain an interested landlord list, which at a minimum,

1 includes information on rental properties in buildings with fewer than
2 fifty units;

3 (B) Update the list at least once per quarter;

4 (C) Distribute the list to agencies providing services to
5 individuals and households receiving housing vouchers;

6 (D) Ensure that a copy of the list or information for accessing the
7 list online is provided with voucher paperwork; and

8 (E) Use reasonable best efforts to communicate and interact with
9 landlord and tenant associations located within its jurisdiction to
10 facilitate development, maintenance, and distribution of the list;

11 (ii) Using cost-effective methods of communication, convene, on a
12 semiannual or more frequent basis, landlords represented on the
13 interested landlord list and agencies providing services to individuals
14 and households receiving housing vouchers to identify successes,
15 barriers, and process improvements. The local government is not
16 required to reimburse any participants for expenses related to
17 attendance;

18 (iii) Produce data, limited to document recording fee uses and
19 expenditures, on a calendar year basis in consultation with landlords
20 represented on the interested landlord list and agencies providing
21 services to individuals and households receiving housing vouchers, that
22 include the following: Total amount expended from document recording
23 fees; amount expended on, number of households that received, and
24 number of housing vouchers issued in each of the private, public, and
25 nonprofit markets; amount expended on, number of households that
26 received, and number of housing placement payments provided in each of
27 the private, public, and nonprofit markets; amount expended on and
28 number of eviction prevention services provided in the private market;
29 and amount expended on and number of other tenant-based rent assistance
30 services provided in the private market. If these data elements are
31 not readily available, the reporting government may request the
32 department to use the sampling methodology established pursuant to
33 (c)(iii) of this subsection to obtain the data; and

34 (iv) Annually submit the calendar year data to the department by
35 October 1st, with preliminary data submitted by October 1, 2012, and
36 full calendar year data submitted beginning October 1, 2013.

37 (b) Any local government receiving more than three million five
38 hundred thousand dollars during the previous calendar year from

1 document recording surcharge funds collected pursuant to RCW 36.22.178,
2 36.22.179, and 36.22.1791, must apply to the Washington state quality
3 award program, or similar Baldrige assessment organization, for an
4 independent assessment of its quality management, accountability, and
5 performance system. The first assessment may be a lite assessment.
6 After submitting an application, a local government is required to
7 reapply at least every two years.

8 (c) The department must:

9 (i) Require contractors that provide housing vouchers to distribute
10 the interested landlord list created by the appropriate local
11 government to individuals and households receiving the housing
12 vouchers;

13 (ii) Using cost-effective methods of communication, annually
14 convene local governments issuing housing vouchers, landlord
15 association representatives, and agencies providing services to
16 individuals and households receiving housing vouchers to identify
17 successes, barriers, and process improvements. The department is not
18 required to reimburse any participants for expenses related to
19 attendance;

20 (iii) Develop a sampling methodology to obtain data required under
21 this section when a local government or contractor does not have such
22 information readily available. The process for developing the sampling
23 methodology must include providing notification to and the opportunity
24 for public comment by local governments issuing housing vouchers,
25 landlord association representatives, and agencies providing services
26 to individuals and households receiving housing vouchers;

27 (iv) Develop a report, limited to document recording fee uses and
28 expenditures, on a calendar year basis in consultation with local
29 governments, landlord association representatives, and agencies
30 providing services to individuals and households receiving housing
31 vouchers, that includes the following: Total amount expended from
32 document recording fees; amount expended on, number of households that
33 received, and number of housing vouchers issued in each of the private,
34 public, and nonprofit markets; amount expended on, number of households
35 that received, and number of housing placement payments provided in
36 each of the private, public, and nonprofit markets; amount expended on
37 and number of eviction prevention services provided in the private
38 market; and amount expended on and number of other tenant-based rent

1 assistance services provided in the private market. The information in
2 the report must include data submitted by local governments and data on
3 all additional document recording fee activities for which the
4 department contracted that were not otherwise reported;

5 (v) Annually submit the calendar year report to the legislature by
6 December 15th, with a preliminary report submitted by December 15,
7 2012, and full calendar year reports submitted beginning December 15,
8 2013; and

9 (vi) Work with the Washington state quality award program, local
10 governments, and any other organizations to ensure the appropriate
11 scheduling of assessments for all local governments meeting the
12 criteria described in subsection (1)(b) of this section.

13 (2) For purposes of this section:

14 (a) "Housing placement payments" means one-time payments, such as
15 first and last month's rent and move-in costs, funded by document
16 recording surcharges collected pursuant to RCW 36.22.178, 36.22.179, or
17 36.22.1791 that are made to secure a unit on behalf of a tenant.

18 (b) "Housing vouchers" means payments funded by document recording
19 surcharges collected pursuant to RCW 36.22.178, 36.22.179, or
20 36.22.1791 that are made by a local government or contractor to secure:
21 (i) A rental unit on behalf of an individual tenant; or (ii) a block of
22 units on behalf of multiple tenants.

23 (c) "Interested landlord list" means a list of landlords who have
24 indicated to a local government or contractor interest in renting to
25 individuals or households receiving a housing voucher funded by
26 document recording surcharges.

27 ~~((3) This section expires June 30, 2017.~~

28 ~~(4) If section 1, chapter 90, Laws of 2012 is not enacted into law~~
29 ~~by July 31, 2012, this section is null and void.))~~

30 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2015.

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