

ESB 5647 - H COMM AMD
By Committee on Capital Budget

ADOPTED AND ENGROSSED 4/12/17

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

3 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330
4 RCW to 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 percent of the federal poverty level as adjusted
15 for family size and determined annually by the federal department of
16 health and human services.

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

22 (6) "Rural areas" means areas of Washington state defined as non-
23 entitlement areas by the United States department of housing and
24 urban development.

25 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330
26 RCW to read as follows:

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

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

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

3 (b) Homeowners who are senior citizens, persons with
4 disabilities, families with children five years old and younger, and
5 veterans must receive priority for loans.

6 (c) The cost of the home rehabilitation must be the lesser of
7 eighty percent of the assessed value of the property post
8 rehabilitation or forty thousand dollars.

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

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

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

30 (3) All moneys from repayments must be deposited into the low-
31 income home rehabilitation revolving loan program account created in
32 section 4 of this act.

33 (4) The department must adopt rules for implementation of this
34 program.

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330
36 RCW to read as follows:

37 (1) The department must contract with rehabilitation agencies to
38 provide home rehabilitation to participating homeowners. Preference

1 must be given to local agencies delivering programs and services with
2 similar eligibility criteria.

3 (2) Any rehabilitation agency may charge participating homeowners
4 an administrative fee of no more than seven percent of the home
5 rehabilitation loan amount. The administrative fee must become a
6 component of the total loan amount to be repaid by the participating
7 homeowner.

8 (3) Any rehabilitation agency receiving funding under this
9 section must report to the department at least quarterly, or in
10 alignment with federal reporting, whichever is the greater frequency,
11 the project costs and the number of homes repaired or rehabilitated.
12 The director must review the accuracy of these reports.

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.330
14 RCW to read as follows:

15 The low-income home rehabilitation revolving loan program account
16 is created in the custody of the state treasury. All transfers and
17 appropriations by the legislature, repayments of loans, private
18 contributions, and all other sources must be deposited into the
19 account. Expenditures from the account may be used only for the
20 purposes of the low-income home rehabilitation revolving loan program
21 created in section 2 of this act. Only the director or the director's
22 designee may authorize expenditures from the account. The account is
23 subject to allotment procedures under chapter 43.88 RCW, but an
24 appropriation is not required for expenditures.

25 **Sec. 5.** RCW 43.79A.040 and 2016 c 203 s 2, 2016 c 173 s 10, 2016
26 c 69 s 21, and 2016 c 39 s 7 are each reenacted and amended to read
27 as follows:

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

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

36 (3) The investment income account may be utilized for the payment
37 of purchased banking services on behalf of treasurer's trust funds
38 including, but not limited to, depository, safekeeping, and

1 disbursement functions for the state treasurer or affected state
2 agencies. The investment income account is subject in all respects to
3 chapter 43.88 RCW, but no appropriation is required for payments to
4 financial institutions. Payments must occur prior to distribution of
5 earnings set forth in subsection (4) of this section.

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

9 (b) The following accounts and funds must receive their
10 proportionate share of earnings based upon each account's or fund's
11 average daily balance for the period: The 24/7 sobriety account, the
12 Washington promise scholarship account, the Washington advanced
13 college tuition payment program account, the Washington college
14 savings program account, the accessible communities account, the
15 Washington achieving a better life experience program account, the
16 community and technical college innovation account, the agricultural
17 local fund, the American Indian scholarship endowment fund, the
18 foster care scholarship endowment fund, the foster care endowed
19 scholarship trust fund, the contract harvesting revolving account,
20 the Washington state combined fund drive account, the commemorative
21 works account, the county enhanced 911 excise tax account, the toll
22 collection account, the developmental disabilities endowment trust
23 fund, the energy account, the fair fund, the family leave insurance
24 account, the food animal veterinarian conditional scholarship
25 account, the fruit and vegetable inspection account, the future
26 teachers conditional scholarship account, the game farm alternative
27 account, the GET ready for math and science scholarship account, the
28 Washington global health technologies and product development
29 account, the grain inspection revolving fund, the industrial
30 insurance rainy day fund, the juvenile accountability incentive
31 account, the law enforcement officers' and firefighters' plan 2
32 expense fund, the local tourism promotion account, the low-income
33 home rehabilitation revolving loan program account, the multiagency
34 permitting team account, the pilotage account, the produce railcar
35 pool account, the regional transportation investment district
36 account, the rural rehabilitation account, the Washington sexual
37 assault kit account, the stadium and exhibition center account, the
38 youth athletic facility account, the self-insurance revolving fund,
39 the children's trust fund, the Washington horse racing commission
40 Washington bred owners' bonus fund and breeder awards account, the

1 Washington horse racing commission class C purse fund account, the
2 individual development account program account, the Washington horse
3 racing commission operating account, the life sciences discovery
4 fund, the Washington state heritage center account, the reduced
5 cigarette ignition propensity account, the center for childhood
6 deafness and hearing loss account, the school for the blind account,
7 the Millersylvania park trust fund, the public employees' and
8 retirees' insurance reserve fund, and the radiation perpetual
9 maintenance fund.

10 (c) The following accounts and funds must receive eighty percent
11 of their proportionate share of earnings based upon each account's or
12 fund's average daily balance for the period: The advanced right-of-
13 way revolving fund, the advanced environmental mitigation revolving
14 account, the federal narcotics asset forfeitures account, the high
15 occupancy vehicle account, the local rail service assistance account,
16 and the miscellaneous transportation programs account.

17 (d) Any state agency that has independent authority over accounts
18 or funds not statutorily required to be held in the custody of the
19 state treasurer that deposits funds into a fund or account in the
20 custody of the state treasurer pursuant to an agreement with the
21 office of the state treasurer shall receive its proportionate share
22 of earnings based upon each account's or fund's average daily balance
23 for the period.

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

27 Correct the title.

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