

E2SHB 1277 - S COMM AMD
By Committee on Ways & Means

ADOPTED AND ENGROSSED 04/24/2021

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

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 36.22
4 RCW to read as follows:

5 (1) Except as provided in subsection (2) of this section, a
6 surcharge of \$100 must be charged by the county auditor for each
7 document recorded, which is in addition to any other charge or
8 surcharge allowed by law. The auditor must remit the funds to the
9 state treasurer to be deposited and used as follows:

10 (a) Twenty percent of funds must be deposited in the affordable
11 housing for all account for operations, maintenance, and service
12 costs for permanent supportive housing as defined in RCW 36.70A.030;

13 (b) From July 1, 2021, through June 30, 2023, four percent of the
14 funds must be deposited into the landlord mitigation program account
15 created in RCW 43.31.615 for the purposes of RCW 43.31.605(1).
16 Thereafter, two percent of funds must be deposited into the landlord
17 mitigation program account created in RCW 43.31.615 for purposes of
18 RCW 43.31.605(1); and

19 (c) The remainder of funds must be distributed to the home
20 security fund account, with 60 percent of funds to be used for
21 project-based vouchers for nonprofit housing providers or public
22 housing authorities, housing services, rapid rehousing, emergency
23 housing, or acquisition. Priority for use must be given to project-
24 based vouchers and related services, housing acquisition, or
25 emergency housing, for persons who are chronically homeless,
26 including families with children. At least 50 percent of persons
27 receiving a project-based voucher, rapid rehousing, emergency
28 housing, or benefiting from housing acquisition must be living
29 unsheltered at the time of initial engagement. In addition, funds may
30 be used for eviction prevention rental assistance pursuant to section
31 2 of this act, foreclosure prevention services, dispute resolution

1 center eviction prevention services, rental assistance for people
2 experiencing homelessness, and tenant education and legal assistance.

3 (2) The surcharge imposed in this section does not apply to: (a)
4 Assignments or substitutions of previously recorded deeds of trust;
5 (b) documents recording a birth, marriage, divorce, or death; (c) any
6 recorded documents otherwise exempted from a recording fee or
7 additional surcharges under state law; (d) marriage licenses issued
8 by the county auditor; or (e) documents recording a federal, state,
9 county, city, or water-sewer district, or wage lien or satisfaction
10 of lien.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.185C
12 RCW to read as follows:

13 (1) The eviction prevention rental assistance program is created
14 in the department to prevent evictions by providing resources to
15 households most likely to become homeless or suffer severe health
16 consequences, or both, after an eviction, while promoting equity by
17 prioritizing households, including communities of color,
18 disproportionately impacted by public health emergencies and by
19 homelessness and housing instability. The department must provide
20 grants to eligible organizations, as described in RCW 43.185.060, to
21 provide assistance to program participants. The eligible
22 organizations must use grant moneys for:

23 (a) Rental assistance, including rental arrears and future rent
24 if needed to stabilize the applicant's housing and prevent their
25 eviction;

26 (b) Utility assistance for households if needed to prevent an
27 eviction; and

28 (c) Administrative costs of the eligible organization, which must
29 not exceed limits prescribed by the department.

30 (2) Households eligible to receive assistance through the
31 eviction prevention rental assistance program are those:

32 (a) With incomes at or below 80 percent of the county area median
33 income;

34 (b) Who are families with children, living in doubled up
35 situations, young adults, senior citizens, and others at risk of
36 homelessness or significant physical or behavioral health
37 complications from homelessness; and

38 (c) That meet any other eligibility requirements as established
39 by the department after consultation with stakeholder groups,

1 including persons at risk of homelessness due to unpaid rent,
2 representatives of communities of color, homeless service providers,
3 landlord representatives, local governments that administer
4 homelessness assistance, a statewide association representing cities,
5 a statewide association representing counties, a representative of
6 homeless youth and young adults, and affordable housing advocates.

7 (3) A landlord may assist an eligible household in applying for
8 assistance through the eviction prevention rental assistance program
9 or may apply for assistance on an eligible household's behalf.

10 (4)(a) Eligible grantees must actively work with organizations
11 rooted in communities of color to assist and serve marginalized
12 populations within their communities.

13 (b) At least 10 percent of the grant total must be subgranted to
14 organizations that serve and are substantially governed by
15 marginalized populations to pay the costs associated with program
16 outreach, assistance completing applications for assistance, rent
17 assistance payments, activities that directly support the goal of
18 improving access to rent assistance for people of color, and related
19 costs. Upon request by an eligible grantee or the county or city in
20 which it exists, the department must provide a list of organizations
21 that serve and are substantially governed by marginalized
22 populations, if known.

23 (c) An eligible grantee may request an exemption from the
24 department from the requirements under (b) of this subsection. The
25 department must consult with the stakeholder group established under
26 subsection (2)(c) of this section before granting an exemption. An
27 eligible grantee may request an exemption only if the eligible
28 grantee:

29 (i) Is unable to subgrant with an organization that serves and is
30 substantially governed by marginalized populations; or

31 (ii) Provides the department with a plan to spend 10 percent of
32 the grant total in a manner that the department determines will
33 improve racial equity for historically underserved communities more
34 effectively than a subgrant.

35 (5) The department must ensure equity by developing performance
36 measures and benchmarks that promote both equitable program access
37 and equitable program outcomes. Performance measures and benchmarks
38 must be developed by the department in consultation with stakeholder
39 groups, including persons at risk of homelessness due to unpaid rent,
40 representatives of communities of color, homeless service providers,

1 landlord representatives, local governments that administer
2 homelessness assistance, a statewide association representing cities,
3 a statewide association representing counties, a representative of
4 homeless youth and young adults, and affordable housing advocates.
5 Performance measures and benchmarks must also ensure that the race
6 and ethnicity of households served under the program are proportional
7 to the numbers of people at risk of homelessness in each county for
8 each of the following groups:

- 9 (a) Black or African American;
- 10 (b) American Indian and Alaska Native;
- 11 (c) Native Hawaiian or other Pacific Islander;
- 12 (d) Hispanic or Latinx;
- 13 (e) Asian;
- 14 (f) Other multiracial.

15 (6) The department may develop additional rules, requirements,
16 procedures, and guidelines as necessary to implement and operate the
17 eviction prevention rental assistance program.

18 (7)(a) The department must award funds under this section to
19 eligible grantees in a manner that is proportional to the amount of
20 revenue collected under section 1 of this act from the county being
21 served by the grantee.

22 (b) The department must provide counties with the right of first
23 refusal to receive grant funds distributed under this subsection. If
24 a county refuses the funds or does not respond within a time frame
25 established by the department, the department must identify an
26 alternative grantee. The alternative grantee must distribute the
27 funds in a manner that is in compliance with this chapter.

28 **Sec. 3.** RCW 43.185C.045 and 2018 c 85 s 9 are each amended to
29 read as follows:

30 (1) By December 1st of each year, the department must provide an
31 update on the state's homeless housing strategic plan and its
32 activities for the prior fiscal year. The report must include, but
33 not be limited to, the following information:

34 (a) An assessment of the current condition of homelessness in
35 Washington state and the state's performance in meeting the goals in
36 the state homeless housing strategic plan;

37 (b) A report on the results of the annual homeless point-in-time
38 census conducted statewide under RCW 43.185C.030;

1 (c) The amount of federal, state, local, and private funds spent
2 on homelessness assistance, categorized by funding source and the
3 following major assistance types:

4 (i) Emergency shelter;

5 (ii) Homelessness prevention and rapid rehousing;

6 (iii) Permanent housing;

7 (iv) Permanent supportive housing;

8 (v) Transitional housing;

9 (vi) Services only; and

10 (vii) Any other activity in which more than five hundred thousand
11 dollars of category funds were expended;

12 (d) A report on the expenditures, performance, and outcomes of
13 state funds distributed through the consolidated homeless grant
14 program, including the grant recipient, award amount expended, use of
15 the funds, counties served, and households served;

16 (e) A report on state and local homelessness document recording
17 fee expenditure by county, including the total amount of fee
18 spending, percentage of total spending from fees, number of people
19 served by major assistance type, and amount of expenditures for
20 private rental housing payments required in RCW 36.22.179;

21 (f) A report on the expenditures, performance, and outcomes of
22 the essential needs and housing support program meeting the
23 requirements of RCW 43.185C.220; (~~and~~)

24 (g) A report on the expenditures, performance, and outcomes of
25 the independent youth housing program meeting the requirements of RCW
26 43.63A.311;

27 (h) A county-level report on the expenditures, performance, and
28 outcomes of the eviction prevention rental assistance program under
29 section 2 of this act. The report must include, but is not limited
30 to:

31 (i) The number of adults without minor children served in each
32 county;

33 (ii) The number of households with adults and minor children
34 served in each county; and

35 (iii) The number of unaccompanied youth and young adults who are
36 being served in each county; and

37 (i) A county-level report on the expenditures, performance, and
38 outcomes of the rapid rehousing, project-based vouchers, and housing
39 acquisition programs under section 1 of this act. The report must
40 include, but is not limited to:

1 (i) The number of persons who are unsheltered receiving shelter
2 through a project-based voucher in each county;

3 (ii) The number of units acquired or built via rapid rehousing
4 and housing acquisition in each county; and

5 (iii) The number of adults without minor children, households
6 with adults and minor children, unaccompanied youth, and young adults
7 who are being served by the programs under section 1 of this act in
8 each county.

9 (2) The report required in subsection (1) of this section must be
10 posted to the department's website and may include links to updated
11 or revised information contained in the report.

12 (3) Any local government receiving state funds for homelessness
13 assistance or state or local homelessness document recording fees
14 under RCW 36.22.178, 36.22.179, or 36.22.1791 must provide an annual
15 report on the current condition of homelessness in its jurisdiction,
16 its performance in meeting the goals in its local homeless housing
17 plan, and any significant changes made to the plan. The annual report
18 must be posted on the department's website. Along with each local
19 government annual report, the department must produce and post
20 information on the local government's homelessness spending from all
21 sources by project during the prior state fiscal year in a format
22 similar to the department's report under subsection (1)(c) of this
23 section. If a local government fails to report or provides an
24 inadequate or incomplete report, the department must take corrective
25 action, which may include withholding state funding for homelessness
26 assistance to the local government to enable the department to use
27 such funds to contract with other public or nonprofit entities to
28 provide homelessness assistance within the jurisdiction.

29 **Sec. 4.** RCW 43.185C.060 and 2020 c 357 s 915 are each amended to
30 read as follows:

31 (1) The home security fund account is created in the state
32 treasury, subject to appropriation. The state's portion of the
33 surcharge established in RCW 36.22.179 and 36.22.1791 and section 1
34 of this act must be deposited in the account. Expenditures from the
35 account may be used only for homeless housing programs as described
36 in this chapter, including the eviction prevention rental assistance
37 program established in section 2 of this act.

38 (2)(a) By December 15, 2021, the department, in consultation with
39 stakeholder groups specified in section 2(2)(c) of this act, must

1 create a set of performance metrics for each county receiving funding
2 under section 1 of this act. The metrics must target actions within a
3 county's control that will prevent and reduce homelessness, such as
4 increasing the number of permanent supportive housing units and
5 increasing or maintaining an adequate number of noncongregate shelter
6 beds.

7 (b)(i) Beginning July 1, 2023, and by July 1st every two years
8 thereafter, the department must award funds for project-based
9 vouchers for nonprofit housing providers and related services, rapid
10 rehousing, and housing acquisition under section 1 of this act to
11 eligible grantees in a manner that 15 percent of funding is
12 distributed as a performance-based allocation based on performance
13 metrics created under (a) of this subsection, in addition to any base
14 allocation of funding for the county.

15 (ii) Any county that demonstrates that it has met or exceeded the
16 majority of the target actions to prevent and reduce homelessness
17 over the previous two years must receive the remaining 15 percent
18 performance-based allocation. Any county that fails to meet or exceed
19 the majority of target actions to prevent and reduce homelessness
20 must enter into a corrective action plan with the department. To
21 receive its performance-based allocation, a county must agree to
22 undertake the corrective actions outlined in the corrective action
23 plan and any reporting and monitoring deemed necessary by the
24 department. Any county that fails to meet or exceed the majority of
25 targets for two consecutive years after entering into a corrective
26 action plan may be subject to a reduction in the performance-based
27 portion of the funds received in (b)(i) of this subsection, at the
28 discretion of the department in consultation with stakeholder groups
29 specified in section 2(2)(c) of this act. Performance-based
30 allocations unspent due to lack of compliance with a corrective
31 action plan created under this subsection (2)(b) may be distributed
32 to other counties that have met or exceeded their target actions.

33 (3) The department must distinguish allotments from the account
34 made to carry out the activities in RCW 43.330.167, 43.330.700
35 through 43.330.715, 43.330.911, 43.185C.010, 43.185C.250 through
36 43.185C.320, and 36.22.179(1)(b).

37 ~~((3))~~ (4) The office of financial management must secure an
38 independent expenditure review of state funds received under RCW
39 36.22.179(1)(b) on a biennial basis. The purpose of the review is to
40 assess the consistency in achieving policy priorities within the

1 private market rental housing segment for housing persons
2 experiencing homelessness. The independent reviewer must notify the
3 department and the office of financial management of its findings.
4 The first biennial expenditure review, for the 2017-2019 fiscal
5 biennium, is due February 1, 2020. Independent reviews conducted
6 thereafter are due February 1st of each even-numbered year.

7 ~~((4))~~ (5) During the 2019-2021 fiscal biennium, expenditures
8 from the account may also be used for shelter capacity grants.

9 **Sec. 5.** RCW 43.185C.190 and 2011 1st sp.s. c 50 s 955 are each
10 amended to read as follows:

11 The affordable housing for all account is created in the state
12 treasury, subject to appropriation. The state's portion of the
13 surcharges established in RCW 36.22.178 and section 1 of this act
14 shall be deposited in the account. Expenditures from the account may
15 only be used for affordable housing programs ~~((During the 2011-2013~~
16 ~~fiscal biennium, moneys in the account may be transferred to the home~~
17 ~~security fund))~~, including operations, maintenance, and services as
18 described in section 1(1)(a) of this act.

19 NEW SECTION. **Sec. 6.** (1)(a) The legislature finds that
20 affordable housing, housing instability, and homelessness are
21 persistent and increasing problems throughout the state. Despite
22 significant increases in financial resources by the federal, state,
23 and local governments to address these problems, homelessness and the
24 risk of becoming homeless has worsened in Washington since the
25 legislature authorized the first homeless housing document recording
26 surcharge in 2005. The number of unsheltered homeless encampments in
27 greenbelts, under bridges, and on our streets is a visible reminder
28 that the current system is not working.

29 (b) The legislature finds that the COVID-19 pandemic has
30 exacerbated and shed new light on the state's homelessness problems
31 and forced communities and providers to reexamine the types and
32 delivery of housing and services to individuals and families who are
33 homeless or at risk of homelessness. As a result of the changing
34 conditions COVID-19 created, the federal government has provided an
35 infusion of funding for housing and services for homelessness
36 populations in its COVID-19 relief bills to pursue different
37 strategies to improve outcomes. Moreover, there are various proposals
38 to increase state funding to address housing insecurity and

1 homelessness, including this act to impose an additional document
2 recording fee to fund an eviction prevention rental assistance
3 program and other services to persons at risk or experiencing
4 homelessness.

5 (c) The legislature also finds that there are many causes of
6 homelessness and housing instability, including: (i) A shortage of
7 affordable housing; (ii) local land use planning and property
8 management policies that discourage the development of private sector
9 housing stock to serve low and extremely low-income households; (iii)
10 unemployment and lack of education and job skills to acquire an
11 adequate wage job; (iv) mental health, developmental, and physical
12 disabilities; (v) chemical and alcohol dependency; and (vi) family
13 instability and conflict. The legislature intends to provide for an
14 examination of the economic, social, and health causes of current and
15 expected patterns of housing instability and homelessness, and to
16 secure a common understanding of the contribution each has to the
17 current crisis. The legislature intends for this examination to
18 result in a widely accepted strategy for identifying how best to
19 address homelessness in ways that: (A) Address the root causes of the
20 problem; (B) clearly assign responsibilities of state and local
21 government to address those causes; (C) support local control and
22 provision of services at the local level to address specific
23 community needs, recognizing each community must play a part in the
24 solution; (D) respect property owner rights and encourage private
25 sector involvement in solutions and service; and (E) develop pathways
26 to permanent housing solutions and associated services to break the
27 cycle of housing insecurity and homelessness.

28 (2) (a) The department of commerce must contract with the William
29 D. Ruckelshaus center to conduct an examination of trends affecting,
30 and policies guiding, the housing and services provided to
31 individuals and families who are or at risk of homelessness in
32 Washington. The center must also facilitate meetings and discussions
33 to develop and implement a long-term strategy to improve services and
34 outcomes for persons at risk or experiencing homelessness and develop
35 pathways to permanent housing solutions.

36 (b) In fulfilling the requirements of this section, the center
37 must work and consult with (i) willing participants representing
38 tribal and local governments, local providers of housing and services
39 for homeless populations, advocates and stakeholders representing the
40 interests of homeless populations, mental health and substance abuse

1 professionals, representatives of the business community and other
2 organizations, and other representatives the center determines is a
3 necessary participant to examine these issues; (ii) a group of
4 legislators consisting of one member from each of the two largest
5 caucuses in the senate and in the house of representatives appointed
6 by the president of the senate and the speaker of the house of
7 representatives, respectively; and (iii) three representatives of the
8 executive branch appointed by the governor.

9 (c) (i) The center must conduct fact-finding and stakeholder
10 discussions with participants identified in (b) of this subsection.
11 These discussions must identify stakeholder concerns, barriers,
12 opportunities, and desired principles for a long-term strategy to
13 improve the outcomes and services for persons at risk or experiencing
14 homelessness and develop pathways to permanent housing solutions.

15 (ii) The center must conduct fact-finding and stakeholder
16 discussions with participants identified in (b) of this subsection to
17 identify root causes of housing instability and homelessness within
18 Washington state. This fact-finding should address root causes
19 demographically within subpopulations of persons at risk or
20 experiencing homelessness such as veterans and persons suffering from
21 mental health or substance abuse issues. The fact-finding should also
22 address root causes that may differ geographically or regionally. The
23 fact-finding must identify existing statutory and regulatory issues
24 that impede efforts to address root causes of housing instability and
25 homelessness within Washington state.

26 (iii) The center must issue two reports of its fact-finding
27 efforts and stakeholder discussions to the governor and the
28 appropriate committees of the house of representatives and the
29 senate. One report on the subjects covered in (c)(i) of this
30 subsection is due December 1, 2021, and one on the subjects covered
31 in (c)(ii) of this subsection is due December 1, 2022.

32 (d) The center must facilitate discussions between the
33 stakeholders identified in this subsection (2) for the purposes of
34 identifying options and recommendations to develop and implement a
35 long-term strategy to improve the outcomes and service for persons at
36 risk or experiencing homelessness and develop pathways to permanent
37 housing solutions, including the manner and amount in which the state
38 funds homelessness housing and services and performance measures that
39 must be achieved to receive state funding. A report on this effort is

1 due to the governor and the appropriate committees of the house of
2 representatives and the senate by December 1, 2023.

3 **Sec. 7.** RCW 36.22.178 and 2019 c 136 s 1 are each amended to
4 read as follows:

5 The surcharge provided for in this section shall be named the
6 affordable housing for all surcharge.

7 (1) Except as provided in subsection (3) of this section, a
8 surcharge of thirteen dollars per instrument shall be charged by the
9 county auditor for each document recorded, which will be in addition
10 to any other charge authorized by law. The county may retain up to
11 five percent of these funds collected solely for the collection,
12 administration, and local distribution of these funds. Of the
13 remaining funds, forty percent of the revenue generated through this
14 surcharge will be transmitted monthly to the state treasurer who will
15 deposit: (a) The portion of the funds attributable to ten dollars of
16 the surcharge into the affordable housing for all account created in
17 RCW 43.185C.190. The department of commerce must use these funds to
18 provide housing and shelter for extremely low-income households,
19 including but not limited to housing for victims of human trafficking
20 and their families and grants for building operation and maintenance
21 costs of housing projects or units within housing projects that are
22 affordable to extremely low-income households with incomes at or
23 below thirty percent of the area median income, and that require a
24 supplement to rent income to cover ongoing operating expenses; and
25 (b) the portion of the funds attributable to three dollars of the
26 surcharge into the landlord mitigation program account created in RCW
27 43.31.615.

28 (2) All of the remaining funds generated by this surcharge will
29 be retained by the county and be deposited into a fund that must be
30 used by the county and its cities and towns for eligible housing
31 activities as described in this subsection that serve very low-income
32 households with incomes at or below fifty percent of the area median
33 income. The portion of the surcharge retained by a county shall be
34 allocated to eligible housing activities that serve extremely low and
35 very low-income households in the county and the cities within a
36 county according to an interlocal agreement between the county and
37 the cities within the county consistent with countywide and local
38 housing needs and policies. A priority must be given to eligible
39 housing activities that serve extremely low-income households with

1 incomes at or below thirty percent of the area median income.
2 Eligible housing activities to be funded by these county funds are
3 limited to:

4 (a) Acquisition, construction, or rehabilitation of housing
5 projects or units within housing projects that are affordable to very
6 low-income households with incomes at or below fifty percent of the
7 area median income, including units for homeownership, rental units,
8 seasonal and permanent farmworker housing units, units reserved for
9 victims of human trafficking and their families, and single room
10 occupancy units;

11 (b) Supporting building operation and maintenance costs of
12 housing projects or units within housing projects eligible to receive
13 housing trust funds, that are affordable to very low-income
14 households with incomes at or below fifty percent of the area median
15 income, and that require a supplement to rent income to cover ongoing
16 operating expenses;

17 (c) Rental assistance vouchers for housing units that are
18 affordable to very low-income households with incomes at or below
19 fifty percent of the area median income, including rental housing
20 vouchers for victims of human trafficking and their families, to be
21 administered by a local public housing authority or other local
22 organization that has an existing rental assistance voucher program,
23 consistent with or similar to the United States department of housing
24 and urban development's section 8 rental assistance voucher program
25 standards; and

26 (d) Operating costs for emergency shelters and licensed overnight
27 youth shelters.

28 (3) The surcharge imposed in this section does not apply to
29 assignments or substitutions of previously recorded deeds of trust or
30 to documents recording a federal lien, or water-sewer district lien,
31 wage lien, or satisfaction of lien.

32 **Sec. 8.** RCW 36.22.179 and 2019 c 136 s 2 are each amended to
33 read as follows:

34 (1) In addition to the surcharge authorized in RCW 36.22.178, and
35 except as provided in subsection (3) of this section, an additional
36 surcharge of sixty-two dollars shall be charged by the county auditor
37 for each document recorded, which will be in addition to any other
38 charge allowed by law. Except as provided in subsection (4) of this

1 section, the funds collected pursuant to this section are to be
2 distributed and used as follows:

3 (a) The auditor shall retain two percent for collection of the
4 fee, and of the remainder shall remit sixty percent to the county to
5 be deposited into a fund that must be used by the county and its
6 cities and towns to accomplish the purposes of chapter 484, Laws of
7 2005, six percent of which may be used by the county for the
8 collection and local distribution of these funds and administrative
9 costs related to its homeless housing plan, and the remainder for
10 programs which directly accomplish the goals of the county's local
11 homeless housing plan, except that for each city in the county which
12 elects as authorized in RCW 43.185C.080 to operate its own local
13 homeless housing program, a percentage of the surcharge assessed
14 under this section equal to the percentage of the city's local
15 portion of the real estate excise tax collected by the county shall
16 be transmitted at least quarterly to the city treasurer, without any
17 deduction for county administrative costs, for use by the city for
18 program costs which directly contribute to the goals of the city's
19 local homeless housing plan; of the funds received by the city, it
20 may use six percent for administrative costs for its homeless housing
21 program.

22 (b) The auditor shall remit the remaining funds to the state
23 treasurer for deposit in the home security fund account to be used as
24 follows:

25 (i) The department may use twelve and one-half percent of this
26 amount for administration of the program established in RCW
27 43.185C.020, including the costs of creating the statewide homeless
28 housing strategic plan, measuring performance, providing technical
29 assistance to local governments, and managing the homeless housing
30 grant program.

31 (ii) The remaining eighty-seven and one-half percent of this
32 amount must be used as follows:

33 (A) At least forty-five percent must be set aside for the use of
34 private rental housing payments; and

35 (B) All remaining funds are to be used by the department to:

36 (I) Provide housing and shelter for homeless people including,
37 but not limited to: Grants to operate, repair, and staff shelters;
38 grants to operate transitional housing; partial payments for rental
39 assistance; consolidated emergency assistance; overnight youth

1 shelters; grants and vouchers designated for victims of human
2 trafficking and their families; and emergency shelter assistance; and

3 (II) Fund the homeless housing grant program.

4 (2) A county issuing general obligation bonds pursuant to RCW
5 36.67.010, to carry out the purposes of subsection (1)(a) of this
6 section, may provide that such bonds be made payable from any
7 surcharge provided for in subsection (1)(a) of this section and may
8 pledge such surcharges to the repayment of the bonds.

9 (3) The surcharge imposed in this section does not apply to (a)
10 assignments or substitutions of previously recorded deeds of trust,
11 (b) 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
14 by the county auditor, or (e) documents recording a federal, state,
15 county, (~~or~~) city, or water-sewer district, or wage lien or
16 satisfaction of lien.

17 (4) Ten dollars of the surcharge imposed under subsection (1) of
18 this section must be distributed to the counties to carry out the
19 purposes of subsection (1)(a) of this section.

20 (5) For purposes of this section, "private rental housing" means
21 housing owned by a private landlord and includes housing owned by a
22 nonprofit housing entity.

23 **Sec. 9.** RCW 36.22.1791 and 2019 c 136 s 3 are each amended to
24 read as follows:

25 (1) In addition to the surcharges authorized in RCW 36.22.178 and
26 36.22.179, and except as provided in subsection (2) of this section,
27 the county auditor shall charge an additional surcharge of eight
28 dollars for each document recorded, which is in addition to any other
29 charge allowed by law. The funds collected under this section are to
30 be distributed and used as follows:

31 (a) The auditor shall remit ninety percent to the county to be
32 deposited into a fund six percent of which may be used by the county
33 for administrative costs related to its homeless housing plan, and
34 the remainder for programs that directly accomplish the goals of the
35 county's local homeless housing plan, except that for each city in
36 the county that elects, as authorized in RCW 43.185C.080, to operate
37 its own local homeless housing program, a percentage of the surcharge
38 assessed under this section equal to the percentage of the city's
39 local portion of the real estate excise tax collected by the county

1 must be transmitted at least quarterly to the city treasurer for use
2 by the city for program costs that directly contribute to the goals
3 of the city's local homeless housing plan.

4 (b) The auditor shall remit the remaining funds to the state
5 treasurer for deposit in the home security fund account. The
6 department may use the funds for administering the program
7 established in RCW 43.185C.020, including the costs of creating and
8 updating the statewide homeless housing strategic plan, measuring
9 performance, providing technical assistance to local governments, and
10 managing the homeless housing grant program. Remaining funds may also
11 be used to:

12 (i) Provide housing and shelter for homeless people including,
13 but not limited to: Grants to operate, repair, and staff shelters;
14 grants to operate transitional housing; partial payments for rental
15 assistance; consolidated emergency assistance; overnight youth
16 shelters; grants and vouchers designated for victims of human
17 trafficking and their families; and emergency shelter assistance; and

18 (ii) Fund the homeless housing grant program.

19 (2) The surcharge imposed in this section does not apply to
20 assignments or substitutions of previously recorded deeds of trust or
21 to documents recording a federal or water-sewer district or wage lien
22 or satisfaction of lien.

23 **Sec. 10.** RCW 36.22.240 and 2019 c 348 s 11 are each amended to
24 read as follows:

25 (1) Except as provided in subsection (2) of this section, a
26 surcharge of two dollars and fifty cents shall be charged by the
27 county auditor for each document recorded, which will be in addition
28 to any other charge or surcharge allowed by law. The auditor shall
29 remit the funds to the state treasurer to be deposited and used as
30 follows:

31 (a) Through June 30, 2024, funds must be deposited into the
32 growth management planning and environmental review fund created in
33 RCW 36.70A.490 to be used first for grants for costs associated with
34 RCW 36.70A.600 and for costs associated with RCW 36.70A.610, and
35 thereafter for any allowable use of the fund.

36 (b) Beginning July 1, 2024, sufficient funds must be deposited
37 into the growth management planning and environmental review fund
38 created in RCW 36.70A.490 for costs associated with RCW 36.70A.610,
39 and the remainder deposited into the home security fund account

1 created in RCW 43.185C.060 to be used for maintenance and operation
2 costs of: (i) Permanent supportive housing and (ii) affordable
3 housing for very low-income and extremely low-income households.
4 Funds may only be expended in cities that have taken action under RCW
5 36.70A.600.

6 (2) The surcharge imposed in this section does not apply to: (a)
7 Assignments or substitutions of previously recorded deeds of trust;
8 (b) documents recording a birth, marriage, divorce, or death; (c) any
9 recorded documents otherwise exempted from a recording fee or
10 additional surcharges under state law; (d) marriage licenses issued
11 by the county auditor; or (e) documents recording a federal, state,
12 county, ~~((or))~~ city, or water-sewer district, or wage lien or
13 satisfaction of lien.

14 (3) For purposes of this section, the terms "permanent supportive
15 housing," "affordable housing," "very low-income households," and
16 "extremely low-income households" have the same meaning as provided
17 in RCW 36.70A.030."

E2SHB 1277 - S COMM AMD
By Committee on Ways & Means

ADOPTED AND ENGROSSED 04/24/2021

18 On page 1, line 2 of the title, after "services;" strike the
19 remainder of the title and insert "amending RCW 43.185C.045,
20 43.185C.060, 43.185C.190, 36.22.178, 36.22.179, 36.22.1791, and
21 36.22.240; adding a new section to chapter 36.22 RCW; adding a new
22 section to chapter 43.185C RCW; and creating a new section."

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