

HB 1367 - S COMM AMD  
By Committee on Housing

**NOT CONSIDERED 05/17/2023**

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

3 "Sec. 1. RCW 36.22.179 and 2021 c 214 s 8 are each amended to  
4 read as follows:

5 (1) In addition to the surcharge authorized in RCW 36.22.178, and  
6 except as provided in subsection (3) of this section, an additional  
7 surcharge of (~~sixty-two dollars~~) \$62 shall be charged by the county  
8 auditor for each document recorded, which will be in addition to any  
9 other charge allowed by law. Except as provided in subsection (4) of  
10 this section, the funds collected pursuant to this section are to be  
11 distributed and used as follows:

12 (a) The auditor shall retain two percent for collection of the  
13 fee, and of the remainder shall remit (~~sixty~~) 60 percent to the  
14 county to be deposited into a fund that must be used by the county  
15 and its cities and towns to accomplish the purposes of chapter 484,  
16 Laws of 2005, six percent of which may be used by the county for the  
17 collection and local distribution of these funds and administrative  
18 costs related to its homeless housing plan, and the remainder for  
19 programs which directly accomplish the goals of the county's local  
20 homeless housing plan, except that for each city in the county which  
21 elects as authorized in RCW 43.185C.080 to operate its own local  
22 homeless housing program, a percentage of the surcharge assessed  
23 under this section equal to the percentage of the city's local  
24 portion of the real estate excise tax collected by the county shall  
25 be transmitted at least quarterly to the city treasurer, without any  
26 deduction for county administrative costs, for use by the city for  
27 program costs which directly contribute to the goals of the city's  
28 local homeless housing plan; of the funds received by the city, it  
29 may use six percent for administrative costs for its homeless housing  
30 program.

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

4 (i) The department may use (~~((twelve and one-half))~~) 12.5 percent  
5 of this amount for administration of the program established in RCW  
6 43.185C.020, including the costs of creating the statewide homeless  
7 housing strategic plan, measuring performance, providing technical  
8 assistance to local governments, and managing the homeless housing  
9 grant program.

10 (ii) The remaining (~~((eighty-seven and one-half))~~) 87.5 percent of  
11 this amount must be used (~~((as follows:~~

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

14 ~~-(B) All remaining funds are to be used))~~ by the department to:

15 (~~((I))~~) (A) Provide housing and shelter for homeless people  
16 including, but not limited to: Grants to operate, repair, and staff  
17 shelters; grants to operate transitional housing; partial payments  
18 for rental assistance including, but not limited to, assistance for  
19 private rental housing; consolidated emergency assistance; overnight  
20 youth shelters; grants and vouchers designated for victims of human  
21 trafficking and their families; and emergency shelter assistance; and

22 (~~((II))~~) (B) Fund the homeless housing grant program.

23 (2) A county issuing general obligation bonds pursuant to RCW  
24 36.67.010, to carry out the purposes of subsection (1)(a) of this  
25 section, may provide that such bonds be made payable from any  
26 surcharge provided for in subsection (1)(a) of this section and may  
27 pledge such surcharges to the repayment of the bonds.

28 (3) The surcharge imposed in this section does not apply to (a)  
29 assignments or substitutions of previously recorded deeds of trust,  
30 (b) documents recording a birth, marriage, divorce, or death, (c) any  
31 recorded documents otherwise exempted from a recording fee or  
32 additional surcharges under state law, (d) marriage licenses issued  
33 by the county auditor, or (e) documents recording a federal, state,  
34 county, city, or water-sewer district, or wage lien or satisfaction  
35 of lien.

36 (4) (~~((Ten dollars))~~) \$10 of the surcharge imposed under subsection  
37 (1) of this section must be distributed to the counties to carry out  
38 the purposes of subsection (1)(a) of this section.

1 (5) For purposes of this section, "private rental housing" means  
2 housing owned by a private landlord and includes housing owned by a  
3 nonprofit housing entity.

4 **Sec. 2.** RCW 43.185C.060 and 2021 c 334 s 980 and 2021 c 214 s 4  
5 are each reenacted and amended to read as follows:

6 (1) The home security fund account is created in the state  
7 treasury, subject to appropriation. The state's portion of the  
8 surcharge established in RCW 36.22.179 (~~and~~) 36.22.1791 and  
9 36.22.176 must be deposited in the account. Expenditures from the  
10 account may be used only for homeless housing programs as described  
11 in this chapter, including the eviction prevention rental assistance  
12 program established in RCW 43.185C.185.

13 (2) (a) By December 15, 2021, the department, in consultation with  
14 stakeholder groups specified in RCW 43.185C.185(2)(c), must create a  
15 set of performance metrics for each county receiving funding under  
16 RCW 36.22.176. The metrics must target actions within a county's  
17 control that will prevent and reduce homelessness, such as increasing  
18 the number of permanent supportive housing units and increasing or  
19 maintaining an adequate number of noncongregate shelter beds.

20 (b) (i) Beginning July 1, 2023, and by July 1st every two years  
21 thereafter, the department must award funds for project-based  
22 vouchers for nonprofit housing providers and related services, rapid  
23 rehousing, and housing acquisition under RCW 36.22.176 to eligible  
24 grantees in a manner that 15 percent of funding is distributed as a  
25 performance-based allocation based on performance metrics created  
26 under (a) of this subsection, in addition to any base allocation of  
27 funding for the county.

28 (ii) Any county that demonstrates that it has met or exceeded the  
29 majority of the target actions to prevent and reduce homelessness  
30 over the previous two years must receive the remaining 15 percent  
31 performance-based allocation. Any county that fails to meet or exceed  
32 the majority of target actions to prevent and reduce homelessness  
33 must enter into a corrective action plan with the department. To  
34 receive its performance-based allocation, a county must agree to  
35 undertake the corrective actions outlined in the corrective action  
36 plan and any reporting and monitoring deemed necessary by the  
37 department. Any county that fails to meet or exceed the majority of  
38 targets for two consecutive years after entering into a corrective  
39 action plan may be subject to a reduction in the performance-based

1 portion of the funds received in (b)(i) of this subsection, at the  
2 discretion of the department in consultation with stakeholder groups  
3 specified in RCW 43.185C.185(2)(c). Performance-based allocations  
4 unspent due to lack of compliance with a corrective action plan  
5 created under this subsection (2)(b) may be distributed to other  
6 counties that have met or exceeded their target actions.

7 (3) The department must distinguish allotments from the account  
8 made to carry out the activities in RCW 43.330.167, 43.330.700  
9 through 43.330.715, 43.330.911, 43.185C.010, 43.185C.250 through  
10 43.185C.320, and 36.22.179(1)(b).

11 ~~(4) ((The office of financial management must secure an  
12 independent expenditure review of state funds received under RCW  
13 36.22.179(1)(b) on a biennial basis. The purpose of the review is to  
14 assess the consistency in achieving policy priorities within the  
15 private market rental housing segment for housing persons  
16 experiencing homelessness. The independent reviewer must notify the  
17 department and the office of financial management of its findings.  
18 The first biennial expenditure review, for the 2017-2019 fiscal  
19 biennium, is due February 1, 2020. Independent reviews conducted  
20 thereafter are due February 1st of each even-numbered year.~~

21 ~~(5))~~ During the 2019-2021 and 2021-2023 fiscal biennia,  
22 expenditures from the account may also be used for shelter capacity  
23 grants.

24 NEW SECTION. **Sec. 3.** This act takes effect only if  
25 chapter . . ., Laws of 2023 (Senate Bill No. 5386) is not enacted by  
26 June 30, 2023."

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27 On page 1, line 2 of the title, after "requirements;" strike the  
28 remainder of the title and insert "amending RCW 36.22.179; reenacting  
29 and amending RCW 43.185C.060; and providing a contingent effective  
30 date."

EFFECT: Provides that the bill becomes effective if Senate Bill No. 5386 is not enacted by June 30, 2023.

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