

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1250**

Chapter 380, Laws of 2023

68th Legislature  
2023 Regular Session

LOW-INCOME HOME REHABILITATION PROGRAMS

EFFECTIVE DATE: July 1, 2023—Except for section 7, which is contingent.

Passed by the House April 17, 2023  
Yeas 96 Nays 0

LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate April 12, 2023  
Yeas 47 Nays 2

DENNY HECK

**President of the Senate**

Approved May 9, 2023 2:11 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1250** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

May 10, 2023

**Secretary of State  
State of Washington**



1 state median income, whichever is greater, and adjusted for  
2 ~~((family))~~ household size ~~((and determined annually by the federal~~  
3 ~~department of health and human services))~~.

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

9 (6) "Rural areas" means areas of Washington state defined as  
10 nonentitlement areas by the United States department of housing and  
11 urban development.

12 **Sec. 2.** RCW 43.330.482 and 2017 c 285 s 2 are each amended to  
13 read as follows:

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

17 ~~(2) The program must include the following elements:~~

18 ~~(a) Eligible homeowners must be low-income and live in rural~~  
19 ~~areas.~~

20 ~~(b) Homeowners who are senior citizens, persons with~~  
21 ~~disabilities, families with children five years old and younger, and~~  
22 ~~veterans must receive priority for loans.~~

23 ~~(c) The cost of the home rehabilitation must be the lesser of~~  
24 ~~eighty percent of the assessed value of the property post~~  
25 ~~rehabilitation or forty thousand dollars.~~

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

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

33 ~~(f))~~ On July 1, 2023, the low-income home rehabilitation  
34 revolving loan program is terminated except for purposes of  
35 addressing outstanding loans as provided in this section, and the  
36 department and partnering rehabilitation agencies must immediately  
37 cease issuing new loans under the program.

38 (2) The department must allow participating homeowners to defer  
39 repayment of the loan principal and interest and any fees related to

1 the administration or issuance of the loan. Any amounts deferred  
2 pursuant to this section become a lien in favor of the state. The  
3 lien is subordinate to liens for general taxes, amounts deferred  
4 under chapter 84.37 or 84.38 RCW, or special assessments as defined  
5 in RCW 84.38.020. The lien is also subordinate to the first deed of  
6 trust or the first mortgage on the real property but has priority  
7 over all other privileges, liens, monetary encumbrances, or other  
8 security interests affecting the real property, whenever incurred,  
9 filed, or recorded. The department must take such necessary action to  
10 file and perfect the state's lien. (~~(All amounts due under the loan  
11 become due and payable upon the sale of the home or upon change in  
12 ownership of the home.)~~)

13 (3) The balance of any loan previously issued under this section  
14 that is outstanding as of the effective date of this section is  
15 forgiven. The forgiveness applies to all remaining amounts owed,  
16 including loan principal, interest, and fees. Loan forgiveness is not  
17 retroactive, and does not apply to any loans issued under this  
18 section paid in full before the effective date of this section.

19 (4) All moneys from repayments must be deposited into the low-  
20 income home rehabilitation (~~(revolving loan program)~~) account created  
21 in RCW 43.330.488.

22 (~~(4)~~) (5) The department must adopt rules for implementation of  
23 this program.

24 NEW SECTION. Sec. 3. A new section is added to chapter 43.330  
25 RCW to read as follows:

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

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

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

32 (b) Homeowners who are senior citizens, persons with  
33 disabilities, families with children five years old and younger, and  
34 veterans must receive priority for grants.

35 (c) The cost of the home rehabilitation must be the lesser of:

36 (i) 80 percent of the assessed or appraised value of the property  
37 post rehabilitation, whichever is greater; or

38 (ii) \$50,000.

1 (d) The maximum amount that may be granted under this program may  
2 not exceed the cost of the home rehabilitation as provided in (c) of  
3 this subsection.

4 (3) The department must adopt rules for implementation of this  
5 grant program.

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

8 (1) The department must contract with rehabilitation agencies to  
9 provide home rehabilitation to participating homeowners. Preference  
10 must be given to local agencies delivering programs and services with  
11 similar eligibility criteria.

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

17 **Sec. 5.** RCW 43.330.488 and 2017 c 285 s 4 are each amended to  
18 read as follows:

19 The low-income home rehabilitation (~~(revolving loan program)~~)  
20 account is created in the custody of the state treasury. All  
21 transfers and appropriations by the legislature, repayments of loans,  
22 private contributions, and all other sources must be deposited into  
23 the account. Expenditures from the account may be used only for the  
24 purposes of the low-income home rehabilitation revolving loan program  
25 created in RCW 43.330.482 and the low-income home rehabilitation  
26 grant program created in section 3 of this act. After July 1, 2023,  
27 the director may expend moneys in the account only for wind-down  
28 costs of the loan program in RCW 43.330.482 until the loan program  
29 terminates pursuant to this act, and for the grant program created in  
30 section 3 of this act. Only the director or the director's designee  
31 may authorize expenditures from the account. The account is subject  
32 to allotment procedures under chapter 43.88 RCW, but an appropriation  
33 is not required for expenditures.

34 **Sec. 6.** RCW 43.79A.040 and 2022 c 244 s 3, 2022 c 206 s 8, 2022  
35 c 183 s 16, and 2022 c 162 s 6 are each reenacted and amended to read  
36 as follows:

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

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

9 (3) The investment income account may be utilized for the payment  
10 of purchased banking services on behalf of treasurer's trust funds  
11 including, but not limited to, depository, safekeeping, and  
12 disbursement functions for the state treasurer or affected state  
13 agencies. The investment income account is subject in all respects to  
14 chapter 43.88 RCW, but no appropriation is required for payments to  
15 financial institutions. Payments must occur prior to distribution of  
16 earnings set forth in subsection (4) of this section.

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

20 (b) The following accounts and funds must receive their  
21 proportionate share of earnings based upon each account's or fund's  
22 average daily balance for the period: The 24/7 sobriety account, the  
23 Washington promise scholarship account, the Gina Grant Bull memorial  
24 legislative page scholarship account, the Rosa Franklin legislative  
25 internship program scholarship account, the Washington advanced  
26 college tuition payment program account, the Washington college  
27 savings program account, the accessible communities account, the  
28 Washington achieving a better life experience program account, the  
29 Washington career and college pathways innovation challenge program  
30 account, the community and technical college innovation account, the  
31 agricultural local fund, the American Indian scholarship endowment  
32 fund, the behavioral health loan repayment program account, the  
33 foster care scholarship endowment fund, the foster care endowed  
34 scholarship trust fund, the contract harvesting revolving account,  
35 the Washington state combined fund drive account, the commemorative  
36 works account, the county (~~enhanced~~) 911 excise tax account, the  
37 county road administration board emergency loan account, the toll  
38 collection account, the developmental disabilities endowment trust  
39 fund, the energy account, the energy facility site evaluation council  
40 account, the fair fund, the family and medical leave insurance

1 account, the fish and wildlife federal lands revolving account, the  
2 natural resources federal lands revolving account, the food animal  
3 veterinarian conditional scholarship account, the forest health  
4 revolving account, the fruit and vegetable inspection account, the  
5 educator conditional scholarship account, the game farm alternative  
6 account, the GET ready for math and science scholarship account, the  
7 Washington global health technologies and product development  
8 account, the grain inspection revolving fund, the Washington history  
9 day account, the industrial insurance rainy day fund, the juvenile  
10 accountability incentive account, the law enforcement officers' and  
11 firefighters' plan 2 expense fund, the local tourism promotion  
12 account, the low-income home rehabilitation (~~revolving loan~~  
13 ~~program~~) account, the multiagency permitting team account, the  
14 northeast Washington wolf-livestock management account, the produce  
15 railcar pool account, the public use general aviation airport loan  
16 revolving account, the regional transportation investment district  
17 account, the rural rehabilitation account, the Washington sexual  
18 assault kit account, the stadium and exhibition center account, the  
19 youth athletic facility account, the self-insurance revolving fund,  
20 the children's trust fund, the Washington horse racing commission  
21 Washington bred owners' bonus fund and breeder awards account, the  
22 Washington horse racing commission class C purse fund account, the  
23 individual development account program account, the Washington horse  
24 racing commission operating account, the life sciences discovery  
25 fund, the Washington state library-archives building account, the  
26 reduced cigarette ignition propensity account, the center for deaf  
27 and hard of hearing youth account, the school for the blind account,  
28 the Millersylvania park trust fund, the public employees' and  
29 retirees' insurance reserve fund, the school employees' benefits  
30 board insurance reserve fund, the public employees' and retirees'  
31 insurance account, the school employees' insurance account, the long-  
32 term services and supports trust account, the radiation perpetual  
33 maintenance fund, the Indian health improvement reinvestment account,  
34 the department of licensing tuition recovery trust fund, the student  
35 achievement council tuition recovery trust fund, the tuition recovery  
36 trust fund, the Washington student loan account, the industrial  
37 insurance premium refund account, the mobile home park relocation  
38 fund, the natural resources deposit fund, the Washington state health  
39 insurance pool account, the federal forest revolving account, and the  
40 library operations account.

1 (c) The following accounts and funds must receive 80 percent of  
2 their proportionate share of earnings based upon each account's or  
3 fund's average daily balance for the period: The advance right-of-way  
4 revolving fund, the advanced environmental mitigation revolving  
5 account, the federal narcotics asset forfeitures account, the high  
6 occupancy vehicle account, the local rail service assistance account,  
7 and the miscellaneous transportation programs account.

8 (d) Any state agency that has independent authority over accounts  
9 or funds not statutorily required to be held in the custody of the  
10 state treasurer that deposits funds into a fund or account in the  
11 custody of the state treasurer pursuant to an agreement with the  
12 office of the state treasurer shall receive its proportionate share  
13 of earnings based upon each account's or fund's average daily balance  
14 for the period.

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

18 NEW SECTION. **Sec. 7.** The following acts or parts of acts are  
19 each repealed:

20 (1) RCW 43.330.482 (Low-income home rehabilitation revolving loan  
21 program) and 2023 c . . . s 2 (section 2 of this act) & 2017 c 285 s  
22 2; and

23 (2) RCW 43.330.486 (Low-income home rehabilitation revolving loan  
24 program—Contracts with rehabilitation agencies—Reports) and 2017 c  
25 285 s 3.

26 NEW SECTION. **Sec. 8.** (1) Section 7 of this act takes effect on  
27 July 1st of the year following the closure of the last loan issued  
28 under the low-income home rehabilitation revolving loan program.

29 (2) The department of commerce must provide written notice of the  
30 effective date of section 7 of this act to affected parties, the  
31 chief clerk of the house of representatives, the secretary of the  
32 senate, the office of the code reviser, and others as deemed  
33 appropriate by the department.

34 NEW SECTION. **Sec. 9.** Sections 1 through 6 of this act are  
35 necessary for the immediate preservation of the public peace, health,  
36 or safety, or support of the state government and its existing public  
37 institutions, and take effect July 1, 2023.



Passed by the House April 17, 2023.  
Passed by the Senate April 12, 2023.  
Approved by the Governor May 9, 2023.  
Filed in Office of Secretary of State May 10, 2023.

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