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**HOUSE BILL 1260**

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**State of Washington                      69th Legislature                      2025 Regular Session**

**By** Representatives Schmidt, Ormsby, and Hill

Read first time 01/14/25. Referred to Committee on Appropriations.

1            AN ACT Relating to administrative costs associated with the  
2 document recording fee; and amending RCW 36.22.250.

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

4            **Sec. 1.** RCW 36.22.250 and 2023 c 277 s 1 are each amended to  
5 read as follows:

6            (1) A surcharge of \$183 per instrument shall be charged by the  
7 county auditor for each document recorded, which will be in addition  
8 to any other charge authorized by law. The following are exempt from  
9 this surcharge:

10            (a) Assignments or substitutions of previously recorded deeds of  
11 trust;

12            (b) Documents recording a birth, marriage, divorce, or death;

13            (c) Any recorded documents otherwise exempted from a recording  
14 fee or additional surcharges under state law;

15            (d) Marriage licenses issued by the county auditor; and

16            (e) Documents recording a federal, state, county, city, or water-  
17 sewer district, or wage lien or satisfaction of lien.

18            (2) Funds collected pursuant to this section must be distributed  
19 and used as follows:

20            (a) One percent of the total funds collected shall be retained by  
21 the county auditor for its fee collection activities;

1 (b) 30 percent of the total funds collected shall be retained by  
2 the county and used by the county as provided in subsection (3) of  
3 this section;

4 (c) 54.1 percent of the total funds collected shall be  
5 transmitted to the state treasurer to be deposited in the home  
6 security fund account created in RCW 43.185C.060 and shall be used by  
7 the department of commerce as provided in subsection (4) of this  
8 section;

9 (d) 13.1 percent of the total funds collected shall be  
10 transmitted to the state treasurer to be deposited in the affordable  
11 housing for all account created in RCW 43.185C.190 and shall be used  
12 by the department of commerce as provided in subsection (5) of this  
13 section;

14 (e) 1.8 percent of the total funds collected shall be transmitted  
15 to the state treasurer to be deposited in the landlord mitigation  
16 program account created in RCW 43.31.615 and shall be used by the  
17 department of commerce as provided in subsection (6) of this section.

18 (3) The county shall use their portion of the collected funds as  
19 follows:

20 (a) Up to 10 percent for the county's administration and local  
21 distribution of the funds collected from the surcharge in this  
22 section, and administrative costs related to the county's homeless  
23 housing plan. If cities are entitled to a portion of the surcharge,  
24 then the amount available for county administrative costs shall be  
25 limited to 10 percent of that amount the county will retain after  
26 completing the required city distributions;

27 (b) ~~((At))~~ If no city in the county has elected under RCW  
28 43.185C.080 to operate its own local homeless housing program, then  
29 at least 75 percent will be retained and used by the county to  
30 accomplish the purposes of its local homeless housing plan pursuant  
31 to chapter 484, Laws of 2005. ((For each)) Each city in the county  
32 that elects as authorized in RCW 43.185C.080 to operate its own local  
33 homeless housing program(~~(, a percentage of the surcharge assessed~~  
34 under this subsection)) is entitled to a share of that portion of the  
35 surcharge identified in subsection (2)(b) of this section less the 15  
36 percent thereof that the county is required to use for extremely low  
37 and very low-income households pursuant to (c) of this subsection.  
38 Each city's share thereof must be equal to the percentage of the  
39 city's local portion of the real estate excise tax collected by the  
40 county, and shall be transmitted at least quarterly to the city

1 treasurer, without any deduction for county administrative costs, for  
2 use by the city for program costs which directly contribute to the  
3 goals of the city's local homeless housing plan(~~(+of)~~). Of the funds  
4 received by the city, it may use up to 10 percent for administrative  
5 costs for its homeless housing program;

6 (c) At least 15 percent will be retained and used by the county  
7 for eligible housing activities, as described in this subsection,  
8 that serve extremely low and very low-income households in the county  
9 and the cities within a county according to an interlocal agreement  
10 between the county and the cities within the county consistent with  
11 countywide and local housing needs and policies. A priority must be  
12 given to eligible housing activities that serve extremely low-income  
13 households with incomes at or below 30 percent of the area median  
14 income. Eligible housing activities to be funded are limited to:

15 (i) Acquisition, construction, or rehabilitation of housing  
16 projects or units within housing projects that are affordable to very  
17 low-income households with incomes at or below 50 percent of the area  
18 median income, including units for homeownership, rental units,  
19 seasonal and permanent farmworker housing units, units reserved for  
20 victims of human trafficking and their families, and single room  
21 occupancy units;

22 (ii) Supporting building operation and maintenance costs of  
23 housing projects or units within housing projects eligible to receive  
24 housing trust funds, that are affordable to very low-income  
25 households with incomes at or below 50 percent of the area median  
26 income, and that require a supplement to rent income to cover ongoing  
27 operating expenses;

28 (iii) Rental assistance vouchers for housing units that are  
29 affordable to very low-income households with incomes at or below 50  
30 percent of the area median income, including rental housing vouchers  
31 for victims of human trafficking and their families, to be  
32 administered by a local public housing authority or other local  
33 organization that has an existing rental assistance voucher program,  
34 consistent with or similar to the United States department of housing  
35 and urban development's section 8 rental assistance voucher program  
36 standards; and

37 (iv) Operating costs for emergency shelters and licensed  
38 overnight youth shelters.

39 (4) The department of commerce shall use the funds from the  
40 document recording fee or other fund sources deposited in the home

1 security fund account as follows, except that the department of  
2 commerce shall provide counties with the right of first refusal to  
3 receive grant funds distributed under (b) of this subsection (4). If  
4 a county refuses the funds or does not respond within a time frame  
5 established by the department, the department shall make good faith  
6 efforts to identify one or more suitable alternative grantees  
7 operating within that county. The alternative grantee shall  
8 distribute the funds in a manner that is in compliance with this  
9 chapter. Funding provided through the office of homeless youth  
10 prevention and protection programs created in RCW 43.330.705 is  
11 exempt from the county first refusal requirement.

12 (a) Up to 10 percent for administration of the programs  
13 established in chapter 43.185C RCW and in conformance with this  
14 subsection (4), including the costs of creating and implementing  
15 strategic plans, collecting and evaluating data, measuring and  
16 reporting performance, providing technical assistance to local  
17 governments, providing training to entities delivering services, and  
18 developing and maintaining stakeholder relationships;

19 (b) At least 90 percent for homelessness assistance grant  
20 programs administered by the department, including but not limited  
21 to: Temporary rental assistance; eviction prevention rental  
22 assistance per RCW 43.185C.185; emergency shelter and transitional  
23 housing operations and maintenance; outreach; diversion; HOPE and  
24 crisis residential centers; young adult housing; homeless services  
25 and case management for adult, family, youth, and young adult  
26 homeless populations and those at risk of homelessness; project-based  
27 vouchers for nonprofit housing providers or public housing  
28 authorities; tenant-based rent assistance; housing services; rapid  
29 rehousing; emergency housing; acquisition; operations; maintenance;  
30 and service costs for permanent supportive housing as defined in RCW  
31 36.70A.030 for individuals with disabilities. Grantees may also use  
32 these funds in partnership with permanent supportive housing programs  
33 administered by the office of apple health and homes created in RCW  
34 43.330.181. Priority for use must be given to purposes intended to  
35 house persons who are chronically homeless or to maintain housing for  
36 individuals with disabilities and prior experiences of homelessness,  
37 including families with children.

38 (5) The department of commerce shall use the funds from the  
39 document recording fee or other fund sources deposited in the  
40 affordable housing for all account as follows:

1 (a) Up to 10 percent for program administration and technical  
2 assistance necessary for the delivery programs and activities under  
3 this subsection (5);

4 (b) At least 90 percent for the following:

5 (i) Grants for building operation and maintenance costs of  
6 housing projects, or units within housing projects, that are in the  
7 state's housing trust fund portfolio, are affordable to extremely  
8 low-income households with incomes at or below 30 percent of the area  
9 median income, and require a supplement to rent income to cover  
10 ongoing operating expenses;

11 (ii) Grants to support the building operations, maintenance, and  
12 supportive service costs for permanent supportive housing projects,  
13 or units within housing projects, that have received or will receive  
14 funding from the housing trust fund or other public capital funding  
15 programs. The supported projects or units must be dedicated as  
16 permanent supportive housing as defined in RCW 36.70A.030, be  
17 occupied by extremely low-income households with incomes at or below  
18 30 percent of the area median income, and require a supplement to  
19 rent income to cover ongoing property operations, maintenance, and  
20 supportive services expenses.

21 (6) The department of commerce shall use the funds from the  
22 document recording fee or other fund sources deposited in the  
23 landlord mitigation program account to administer the landlord  
24 mitigation program as established in RCW 43.31.605. The department of  
25 commerce may use up to 10 percent of these funds for program  
26 administration and the development and maintenance of a database  
27 necessary to administer the program.

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