
HOUSE BILL 1858

State of Washington

69th Legislature

2025 Regular Session

By Representatives Scott, Doglio, Mena, Parshley, Street, Cortes, Thai, Simmons, Macri, and Ormsby

Read first time 02/06/25. Referred to Committee on Appropriations.

1 AN ACT Relating to eliminating the exemption for assignments or
2 substitutions of previously recorded deeds of trust from the document
3 recording fee and the covenant homeownership program assessment; and
4 amending RCW 36.22.185 and 36.22.250.

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

6 **Sec. 1.** RCW 36.22.185 and 2023 c 340 s 2 are each amended to
7 read as follows:

8 (1) Beginning January 1, 2024, except as provided in subsection
9 (2) of this section, the county auditor must collect a covenant
10 homeownership program assessment of \$100 for each document recorded,
11 which is in addition to any other charge, surcharge, or assessment
12 allowed by law. The county auditor may retain up to one percent of
13 the moneys for collection of the assessment and must remit the
14 remainder of the moneys to the state treasurer to be deposited in the
15 covenant homeownership account created in RCW 43.181.020.

16 (2) The assessment imposed in this section does not apply to: (a)
17 (~~Assignments or substitutions of previously recorded deeds of trust;~~
18 ~~(b) documents~~)) Documents recording a birth, marriage, divorce, or
19 death; ~~((e))~~ (b) any recorded documents otherwise exempted from a
20 recording fee or additional assessments under state law; ~~((d))~~ (c)
21 marriage licenses issued by the county auditor; ~~((e))~~ (d) documents

1 recording a name change order under RCW 4.24.130; or ~~((f))~~ (e)
2 documents recording a federal, state, county, city, or water-sewer
3 district, or wage lien or satisfaction of lien.

4 **Sec. 2.** 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
11 of trust;~~

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

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

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

16 ~~((e))~~ (d) Documents recording a federal, state, county, city,
17 or water-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;

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

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

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

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

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

3 (a) Up to 10 percent for the county's administration and local
4 distribution of the funds collected from the surcharge in this
5 section, and administrative costs related to the county's homeless
6 housing plan;

7 (b) At least 75 percent will be retained and used by the county
8 to accomplish the purposes of its local homeless housing plan
9 pursuant to chapter 484, Laws of 2005. For each city in the county
10 that elects as authorized in RCW 43.185C.080 to operate its own local
11 homeless housing program, a percentage of the surcharge assessed
12 under this subsection equal to the percentage of the city's local
13 portion of the real estate excise tax collected by the county shall
14 be transmitted at least quarterly to the city treasurer, without any
15 deduction for county administrative costs, for use by the city for
16 program costs which directly contribute to the goals of the city's
17 local homeless housing plan; of the funds received by the city, it
18 may use up to 10 percent for administrative costs for its homeless
19 housing program;

20 (c) At least 15 percent will be retained and used by the county
21 for eligible housing activities, as described in this subsection,
22 that serve extremely low and very low-income households in the county
23 and the cities within a county according to an interlocal agreement
24 between the county and the cities within the county consistent with
25 countywide and local housing needs and policies. A priority must be
26 given to eligible housing activities that serve extremely low-income
27 households with incomes at or below 30 percent of the area median
28 income. Eligible housing activities to be funded are limited to:

29 (i) Acquisition, construction, or rehabilitation of housing
30 projects or units within housing projects that are affordable to very
31 low-income households with incomes at or below 50 percent of the area
32 median income, including units for homeownership, rental units,
33 seasonal and permanent farmworker housing units, units reserved for
34 victims of human trafficking and their families, and single room
35 occupancy units;

36 (ii) Supporting building operation and maintenance costs of
37 housing projects or units within housing projects eligible to receive
38 housing trust funds, that are affordable to very low-income
39 households with incomes at or below 50 percent of the area median

1 income, and that require a supplement to rent income to cover ongoing
2 operating expenses;

3 (iii) Rental assistance vouchers for housing units that are
4 affordable to very low-income households with incomes at or below 50
5 percent of the area median income, including rental housing vouchers
6 for victims of human trafficking and their families, to be
7 administered by a local public housing authority or other local
8 organization that has an existing rental assistance voucher program,
9 consistent with or similar to the United States department of housing
10 and urban development's section 8 rental assistance voucher program
11 standards; and

12 (iv) Operating costs for emergency shelters and licensed
13 overnight youth shelters.

14 (4) The department of commerce shall use the funds from the
15 document recording fee or other fund sources deposited in the home
16 security fund account as follows, except that the department of
17 commerce shall provide counties with the right of first refusal to
18 receive grant funds distributed under (b) of this subsection (4). If
19 a county refuses the funds or does not respond within a time frame
20 established by the department, the department shall make good faith
21 efforts to identify one or more suitable alternative grantees
22 operating within that county. The alternative grantee shall
23 distribute the funds in a manner that is in compliance with this
24 chapter. Funding provided through the office of homeless youth
25 prevention and protection programs created in RCW 43.330.705 is
26 exempt from the county first refusal requirement.

27 (a) Up to 10 percent for administration of the programs
28 established in chapter 43.185C RCW and in conformance with this
29 subsection (4), including the costs of creating and implementing
30 strategic plans, collecting and evaluating data, measuring and
31 reporting performance, providing technical assistance to local
32 governments, providing training to entities delivering services, and
33 developing and maintaining stakeholder relationships;

34 (b) At least 90 percent for homelessness assistance grant
35 programs administered by the department, including but not limited
36 to: Temporary rental assistance; eviction prevention rental
37 assistance per RCW 43.185C.185; emergency shelter and transitional
38 housing operations and maintenance; outreach; diversion; HOPE and
39 crisis residential centers; young adult housing; homeless services
40 and case management for adult, family, youth, and young adult

1 homeless populations and those at risk of homelessness; project-based
2 vouchers for nonprofit housing providers or public housing
3 authorities; tenant-based rent assistance; housing services; rapid
4 rehousing; emergency housing; acquisition; operations; maintenance;
5 and service costs for permanent supportive housing as defined in RCW
6 36.70A.030 for individuals with disabilities. Grantees may also use
7 these funds in partnership with permanent supportive housing programs
8 administered by the office of apple health and homes created in RCW
9 43.330.181. Priority for use must be given to purposes intended to
10 house persons who are chronically homeless or to maintain housing for
11 individuals with disabilities and prior experiences of homelessness,
12 including families with children.

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

16 (a) Up to 10 percent for program administration and technical
17 assistance necessary for the delivery programs and activities under
18 this subsection (5);

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

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

26 (ii) Grants to support the building operations, maintenance, and
27 supportive service costs for permanent supportive housing projects,
28 or units within housing projects, that have received or will receive
29 funding from the housing trust fund or other public capital funding
30 programs. The supported projects or units must be dedicated as
31 permanent supportive housing as defined in RCW 36.70A.030, be
32 occupied by extremely low-income households with incomes at or below
33 30 percent of the area median income, and require a supplement to
34 rent income to cover ongoing property operations, maintenance, and
35 supportive services expenses.

36 (6) The department of commerce shall use the funds from the
37 document recording fee or other fund sources deposited in the
38 landlord mitigation program account to administer the landlord
39 mitigation program as established in RCW 43.31.605. The department of
40 commerce may use up to 10 percent of these funds for program

1 administration and the development and maintenance of a database
2 necessary to administer the program.

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