

SSB 5386 - H COMM AMD
By Committee on Appropriations

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

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

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

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

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

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

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

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

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

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

29 (d) 13.1 percent of the total funds collected shall be
30 transmitted to the state treasurer to be deposited in the affordable
31 housing for all account created in RCW 43.185C.190 and shall be used

1 by the department of commerce as provided in subsection (5) of this
2 section;

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

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

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

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

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

35 (i) Acquisition, construction, or rehabilitation of housing
36 projects or units within housing projects that are affordable to very
37 low-income households with incomes at or below 50 percent of the area
38 median income, including units for homeownership, rental units,
39 seasonal and permanent farmworker housing units, units reserved for

1 victims of human trafficking and their families, and single room
2 occupancy units;

3 (ii) Supporting building operation and maintenance costs of
4 housing projects or units within housing projects eligible to receive
5 housing trust funds, that are affordable to very low-income
6 households with incomes at or below 50 percent of the area median
7 income, and that require a supplement to rent income to cover ongoing
8 operating expenses;

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

18 (iv) Operating costs for emergency shelters and licensed
19 overnight youth shelters.

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

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

1 (b) At least 90 percent for homelessness assistance grant
2 programs administered by the department, including but not limited
3 to: Temporary rental assistance; eviction prevention rental
4 assistance per RCW 43.185C.185; emergency shelter and transitional
5 housing operations and maintenance; outreach; diversion; HOPE and
6 crisis residential centers; young adult housing; homeless services
7 and case management for adult, family, youth, and young adult
8 homeless populations and those at risk of homelessness; project-based
9 vouchers for nonprofit housing providers or public housing
10 authorities; tenant-based rent assistance; housing services; rapid
11 rehousing; emergency housing; acquisition; operations; maintenance;
12 and service costs for permanent supportive housing as defined in RCW
13 36.70A.030 for individuals with disabilities. Grantees may also use
14 these funds in partnership with permanent supportive housing programs
15 administered by the office of apple health and homes created in RCW
16 43.330.181. Priority for use must be given to purposes intended to
17 house persons who are chronically homeless or to maintain housing for
18 individuals with disabilities and prior experiences of homelessness,
19 including families with children.

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

23 (a) Up to 10 percent for program administration and technical
24 assistance necessary for the delivery programs and activities under
25 this subsection (5);

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

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

33 (ii) Grants to support the building operations, maintenance, and
34 supportive service costs for permanent supportive housing projects,
35 or units within housing projects, that have received or will receive
36 funding from the housing trust fund or other public capital funding
37 programs. The supported projects or units must be dedicated as
38 permanent supportive housing as defined in RCW 36.70A.030, be
39 occupied by extremely low-income households with incomes at or below
40 30 percent of the area median income, and require a supplement to

1 rent income to cover ongoing property operations, maintenance, and
2 supportive services expenses.

3 (6) The department of commerce shall use the funds from the
4 document recording fee or other fund sources deposited in the
5 landlord mitigation program account to administer the landlord
6 mitigation program as established in RCW 43.31.605. The department of
7 commerce may use up to 10 percent of these funds for program
8 administration and the development and maintenance of a database
9 necessary to administer the program.

10 **Sec. 2.** RCW 43.185C.010 and 2019 c 124 s 2 are each amended to
11 read as follows:

12 The definitions in this section apply throughout this chapter
13 unless the context clearly requires otherwise.

14 (1) "Administrator" means the individual who has the daily
15 administrative responsibility of a crisis residential center.

16 (2) "Child in need of services petition" means a petition filed
17 in juvenile court by a parent, child, or the department of children,
18 youth, and families seeking adjudication of placement of the child.

19 (3) "Community action agency" means a nonprofit private or public
20 organization established under the economic opportunity act of 1964.

21 (4) "Crisis residential center" means a secure or semi-secure
22 facility established pursuant to chapter 74.13 RCW.

23 (5) "Department" means the department of commerce.

24 (6) "Director" means the director of the department of commerce.

25 (7) "Home security fund account" means the state treasury account
26 receiving ~~((the state's portion of))~~ income from revenue ~~((from the
27 sources established by RCW 36.22.179 and 36.22.1791))~~ under section
28 1(2)(c) of this act, and all other sources directed to the homeless
29 housing and assistance program.

30 (8) "Homeless housing grant program" means the vehicle by which
31 competitive grants are awarded by the department, utilizing moneys
32 from the home security fund account, to local governments for
33 programs directly related to housing homeless individuals and
34 families, addressing the root causes of homelessness, preventing
35 homelessness, collecting data on homeless individuals, and other
36 efforts directly related to housing homeless persons.

37 (9) "Homeless housing plan" means the five-year plan developed by
38 the county or other local government to address housing for homeless
39 persons.

1 (10) "Homeless housing program" means the program authorized
2 under this chapter as administered by the department at the state
3 level and by the local government or its designated subcontractor at
4 the local level.

5 (11) "Homeless housing strategic plan" means the five-year plan
6 developed by the department, in consultation with the interagency
7 council on homelessness, the affordable housing advisory board, and
8 the state advisory council on homelessness.

9 (12) "Homeless person" means an individual living outside or in a
10 building not meant for human habitation or which they have no legal
11 right to occupy, in an emergency shelter, or in a temporary housing
12 program which may include a transitional and supportive housing
13 program if habitation time limits exist. This definition includes
14 substance abusers, people with mental illness, and sex offenders who
15 are homeless.

16 (13) "HOPE center" means an agency licensed by the secretary of
17 the department of children, youth, and families to provide temporary
18 residential placement and other services to street youth. A street
19 youth may remain in a HOPE center for thirty days while services are
20 arranged and permanent placement is coordinated. No street youth may
21 stay longer than thirty days unless approved by the department and
22 any additional days approved by the department must be based on the
23 unavailability of a long-term placement option. A street youth whose
24 parent wants him or her returned to home may remain in a HOPE center
25 until his or her parent arranges return of the youth, not longer. All
26 other street youth must have court approval under chapter 13.34 or
27 13.32A RCW to remain in a HOPE center up to thirty days.

28 (14) "Housing authority" means any of the public corporations
29 created by chapter 35.82 RCW.

30 (15) "Housing continuum" means the progression of individuals
31 along a housing-focused continuum with homelessness at one end and
32 homeownership at the other.

33 (16) "Interagency council on homelessness" means a committee
34 appointed by the governor and consisting of, at least, policy level
35 representatives of the following entities: (a) The department of
36 commerce; (b) the department of corrections; (c) the department of
37 children, youth, and families; (d) the department of veterans
38 affairs; and (e) the department of health.

39 (17) "Local government" means a county government in the state of
40 Washington or a city government, if the legislative authority of the

1 city affirmatively elects to accept the responsibility for housing
2 homeless persons within its borders.

3 (18) "Local homeless housing task force" means a voluntary local
4 committee created to advise a local government on the creation of a
5 local homeless housing plan and participate in a local homeless
6 housing program. It must include a representative of the county, a
7 representative of the largest city located within the county, at
8 least one homeless or formerly homeless person, such other members as
9 may be required to maintain eligibility for federal funding related
10 to housing programs and services and if feasible, a representative of
11 a private nonprofit organization with experience in low-income
12 housing.

13 (19) "Long-term private or public housing" means subsidized and
14 unsubsidized rental or owner-occupied housing in which there is no
15 established time limit for habitation of less than two years.

16 (20) "Performance measurement" means the process of comparing
17 specific measures of success against ultimate and interim goals.

18 (21) "Secure facility" means a crisis residential center, or
19 portion thereof, that has locking doors, locking windows, or a
20 secured perimeter, designed and operated to prevent a child from
21 leaving without permission of the facility staff.

22 (22) "Semi-secure facility" means any facility including, but not
23 limited to, crisis residential centers or specialized foster family
24 homes, operated in a manner to reasonably assure that youth placed
25 there will not run away. Pursuant to rules established by the
26 facility administrator, the facility administrator shall establish
27 reasonable hours for residents to come and go from the facility such
28 that no residents are free to come and go at all hours of the day and
29 night. To prevent residents from taking unreasonable actions, the
30 facility administrator, where appropriate, may condition a resident's
31 leaving the facility upon the resident being accompanied by the
32 administrator or the administrator's designee and the resident may be
33 required to notify the administrator or the administrator's designee
34 of any intent to leave, his or her intended destination, and the
35 probable time of his or her return to the center.

36 (23) "Staff secure facility" means a structured group care
37 facility licensed under rules adopted by the department of children,
38 youth, and families with a ratio of at least one adult staff member
39 to every two children.

1 (24) "Street outreach services" means a program that provides
2 services and resources either directly or through referral to street
3 youth and unaccompanied young adults as defined in RCW 43.330.702.
4 Services including crisis intervention, emergency supplies, case
5 management, and referrals may be provided through community-based
6 outreach or drop-in centers.

7 (25) "Washington homeless census" means an annual statewide
8 census conducted as a collaborative effort by towns, cities,
9 counties, community-based organizations, and state agencies, with the
10 technical support and coordination of the department, to count and
11 collect data on all homeless individuals in Washington.

12 (26) "Washington homeless client management information system"
13 means a database of information about homeless individuals in the
14 state used to coordinate resources to assist homeless clients to
15 obtain and retain housing and reach greater levels of self-
16 sufficiency or economic independence when appropriate, depending upon
17 their individual situations.

18 **Sec. 3.** RCW 43.185C.045 and 2021 c 214 s 3 are each amended to
19 read as follows:

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

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

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

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

32 (i) Emergency shelter;

33 (ii) Homelessness prevention and rapid rehousing;

34 (iii) Permanent housing;

35 (iv) Permanent supportive housing;

36 (v) Transitional housing;

37 (vi) Services only; and

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

1 (d) A report on the expenditures, performance, and outcomes of
2 state funds distributed through the consolidated homeless grant
3 program, including the grant recipient, award amount expended, use of
4 the funds, counties served, and households served;

5 (e) A report on state and local homelessness document recording
6 fee expenditure by county, including the total amount of fee
7 spending, percentage of total spending from fees, and number of
8 people served by major assistance type(~~(, and amount of expenditures~~
9 ~~for private rental housing payments required in RCW 36.22.179))~~);

10 (f) A report on the expenditures, performance, and outcomes of
11 the essential needs and housing support program meeting the
12 requirements of RCW 43.185C.220;

13 (g) A report on the expenditures, performance, and outcomes of
14 the independent youth housing program meeting the requirements of RCW
15 43.63A.311;

16 (h) A county-level report on the expenditures, performance, and
17 outcomes of the eviction prevention rental assistance program under
18 RCW 43.185C.185. The report must include, but is not limited to:

19 (i) The number of adults without minor children served in each
20 county;

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

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

25 (i) A county-level report on the expenditures, performance, and
26 outcomes of the rapid rehousing, project-based vouchers, and housing
27 acquisition programs under (~~RCW 36.22.176~~) section 1 of this act.
28 The report must include, but is not limited to:

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

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

33 (iii) The number of adults without minor children, households
34 with adults and minor children, unaccompanied youth, and young adults
35 who are being served by the programs under (~~RCW 36.22.176~~) section
36 1 of this act in each county.

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

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

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

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

28 (2) (a) By December 15, 2021, the department, in consultation with
29 stakeholder groups specified in RCW 43.185C.185(2)(c), must create a
30 set of performance metrics for each county receiving funding under
31 (~~RCW 36.22.176~~) section 1(4)(b) of this act. The metrics must
32 target actions within a county's control that will prevent and reduce
33 homelessness, such as increasing the number of permanent supportive
34 housing units and increasing or maintaining an adequate number of
35 noncongregate shelter beds.

36 (b) (i) Beginning July 1, 2023, and by July 1st every two years
37 thereafter, the department must award funds (~~for project-based~~
38 ~~vouchers for nonprofit housing providers and related services, rapid~~
39 ~~rehousing, and housing acquisition under RCW 36.22.176~~) under

1 section 1(4)(b) of this act to eligible grantees in a manner that
2 ((15)) 7 percent of funding is distributed as a performance-based
3 allocation based on performance metrics created under (a) of this
4 subsection, in addition to any base allocation of funding for the
5 county.

6 (ii) Any county that demonstrates that it has met or exceeded the
7 majority of the target actions to prevent and reduce homelessness
8 over the previous two years must receive the remaining 15 percent
9 performance-based allocation. Any county that fails to meet or exceed
10 the majority of target actions to prevent and reduce homelessness
11 must enter into a corrective action plan with the department. To
12 receive its performance-based allocation, a county must agree to
13 undertake the corrective actions outlined in the corrective action
14 plan and any reporting and monitoring deemed necessary by the
15 department. Any county that fails to meet or exceed the majority of
16 targets for two consecutive years after entering into a corrective
17 action plan may be subject to a reduction in the performance-based
18 portion of the funds received in (b)(i) of this subsection, at the
19 discretion of the department in consultation with stakeholder groups
20 specified in RCW 43.185C.185(2)(c). Performance-based allocations
21 unspent due to lack of compliance with a corrective action plan
22 created under this subsection (2)(b) may be distributed to other
23 counties that have met or exceeded their target actions.

24 (3) The department must distinguish allotments from the account
25 made to carry out the activities in RCW 43.330.167, 43.330.700
26 through 43.330.715, 43.330.911, 43.185C.010, and 43.185C.250 through
27 43.185C.320 (~~(, and 36.22.179(1)(b))~~).

28 ~~((The office of financial management must secure an
29 independent expenditure review of state funds received under RCW
30 36.22.179(1)(b) on a biennial basis. The purpose of the review is to
31 assess the consistency in achieving policy priorities within the
32 private market rental housing segment for housing persons
33 experiencing homelessness. The independent reviewer must notify the
34 department and the office of financial management of its findings.
35 The first biennial expenditure review, for the 2017-2019 fiscal
36 biennium, is due February 1, 2020. Independent reviews conducted
37 thereafter are due February 1st of each even-numbered year.~~

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

1 **Sec. 5.** RCW 43.185C.070 and 2005 c 484 s 11 are each amended to
2 read as follows:

3 (1) During each calendar year in which moneys from the (~~homeless~~
4 ~~housing~~) home security fund account are available for use by the
5 department for the homeless housing grant program, the department
6 shall announce to all Washington counties, participating cities, and
7 through major media throughout the state, a grant application period
8 of at least ninety days' duration. This announcement will be made as
9 often as the director deems appropriate for proper utilization of
10 resources. The department shall then promptly grant as many
11 applications as will utilize available funds, less appropriate
12 administrative costs of the department as described in (~~RCW~~
13 ~~36.22.179~~) section 1(4)(a) of this act.

14 (2) The department will develop, with advice and input from the
15 affordable housing advisory board established in RCW 43.185B.020,
16 criteria to evaluate grant applications.

17 (3) The department may approve applications only if they are
18 consistent with the local and state homeless housing program
19 strategic plans. The department may give preference to applications
20 based on some or all of the following criteria:

21 (a) The total homeless population in the applicant local
22 government service area, as reported by the most recent annual
23 Washington homeless census;

24 (b) Current local expenditures to provide housing for the
25 homeless and to address the underlying causes of homelessness as
26 described in RCW 43.185C.005;

27 (c) Local government and private contributions pledged to the
28 program in the form of matching funds, property, infrastructure
29 improvements, and other contributions; and the degree of leveraging
30 of other funds from local government or private sources for the
31 program for which funds are being requested, to include recipient
32 contributions to total project costs, including allied contributions
33 from other sources such as professional, craft and trade services,
34 and lender interest rate subsidies;

35 (d) Construction projects or rehabilitation that will serve
36 homeless individuals or families for a period of at least twenty-five
37 years;

38 (e) Projects which demonstrate serving homeless populations with
39 the greatest needs, including projects that serve special needs
40 populations;

1 (f) The degree to which the applicant project represents a
2 collaboration between local governments, nonprofit community-based
3 organizations, local and state agencies, and the private sector,
4 especially through its integration with the coordinated and
5 comprehensive plan for homeless families with children required under
6 RCW 43.63A.650;

7 (g) The cooperation of the local government in the annual
8 Washington homeless census project;

9 (h) The commitment of the local government and any subcontracting
10 local governments, nonprofit organizations, and for-profit entities
11 to employ a diverse workforce;

12 (i) The extent, if any, that the local homeless population is
13 disproportionate to the revenues collected under this chapter and
14 (~~RCW 36.22.178 and 36.22.179~~) section 1 of this act; and

15 (j) Other elements shown by the applicant to be directly related
16 to the goal and the department's state strategic plan.

17 **Sec. 6.** RCW 43.185C.080 and 2005 c 484 s 12 are each amended to
18 read as follows:

19 (1) Only a local government is eligible to receive a homeless
20 housing grant from the (~~homeless housing~~) home security fund
21 account. Any city may assert responsibility for homeless housing
22 within its borders if it so chooses, by forwarding a resolution to
23 the legislative authority of the county stating its intention and its
24 commitment to operate a separate homeless housing program. The city
25 shall then receive a percentage of the surcharge assessed under (~~RCW~~
26 ~~36.22.179~~) section 1(2)(b) of this act equal to the percentage of
27 the city's local portion of the real estate excise tax collected by
28 the county. A participating city may also then apply separately for
29 homeless housing program grants. A city choosing to operate a
30 separate homeless housing program shall be responsible for complying
31 with all of the same requirements as counties and shall adopt a local
32 homeless housing plan meeting the requirements of this chapter for
33 county local plans. However, the city may by resolution of its
34 legislative authority accept the county's homeless housing task force
35 as its own and based on that task force's recommendations adopt a
36 homeless housing plan specific to the city.

37 (2) Local governments applying for homeless housing funds may
38 subcontract with any other local government, housing authority,
39 community action agency or other nonprofit organization for the

1 execution of programs contributing to the overall goal of ending
2 homelessness within a defined service area. All subcontracts shall be
3 consistent with the local homeless housing plan adopted by the
4 legislative authority of the local government, time limited, and
5 filed with the department and shall have specific performance terms.
6 While a local government has the authority to subcontract with other
7 entities, the local government continues to maintain the ultimate
8 responsibility for the homeless housing program within its borders.

9 (3) A county may decline to participate in the program authorized
10 in this chapter by forwarding to the department a resolution adopted
11 by the county legislative authority stating the intention not to
12 participate. A copy of the resolution shall also be transmitted to
13 the county auditor and treasurer. If such a resolution is adopted,
14 all of the funds otherwise due to the county under RCW 43.185C.060
15 shall be remitted monthly to the state treasurer for deposit in the
16 (~~homeless housing~~) home security fund account, without any
17 reduction by the county for collecting or administering the funds.
18 Upon receipt of the resolution, the department shall promptly begin
19 to identify and contract with one or more entities eligible under
20 this section to create and execute a local homeless housing plan for
21 the county meeting the requirements of this chapter. The department
22 shall expend all of the funds received from the county under this
23 subsection to carry out the purposes of chapter 484, Laws of 2005 in
24 the county, provided that the department may retain six percent of
25 these funds to offset the cost of managing the county's program.

26 (4) A resolution by the county declining to participate in the
27 program shall have no effect on the ability of each city in the
28 county to assert its right to manage its own program under this
29 chapter, and the county shall monthly transmit to the city the funds
30 due under this chapter.

31 **Sec. 7.** RCW 43.185C.185 and 2021 c 214 s 2 are each amended to
32 read as follows:

33 (1) The eviction prevention rental assistance program is created
34 in the department to prevent evictions by providing resources to
35 households most likely to become homeless or suffer severe health
36 consequences, or both, after an eviction, while promoting equity by
37 prioritizing households, including communities of color,
38 disproportionately impacted by public health emergencies and by
39 homelessness and housing instability. The department must provide

1 grants to eligible organizations, as described in RCW 43.185.060, to
2 provide assistance to program participants. The eligible
3 organizations must use grant moneys for:

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

7 (b) Utility assistance for households if needed to prevent an
8 eviction; and

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

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

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

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

19 (c) That meet any other eligibility requirements as established
20 by the department after consultation with stakeholder groups,
21 including persons at risk of homelessness due to unpaid rent,
22 representatives of communities of color, homeless service providers,
23 landlord representatives, local governments that administer
24 homelessness assistance, a statewide association representing cities,
25 a statewide association representing counties, a representative of
26 homeless youth and young adults, and affordable housing advocates.

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

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

33 (b) At least 10 percent of the grant total must be subgranted to
34 organizations that serve and are substantially governed by
35 marginalized populations to pay the costs associated with program
36 outreach, assistance completing applications for assistance, rent
37 assistance payments, activities that directly support the goal of
38 improving access to rent assistance for people of color, and related
39 costs. Upon request by an eligible grantee or the county or city in
40 which it exists, the department must provide a list of organizations

1 that serve and are substantially governed by marginalized
2 populations, if known.

3 (c) An eligible grantee may request an exemption from the
4 department from the requirements under (b) of this subsection. The
5 department must consult with the stakeholder group established under
6 subsection (2)(c) of this section before granting an exemption. An
7 eligible grantee may request an exemption only if the eligible
8 grantee:

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

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

15 (5) The department must ensure equity by developing performance
16 measures and benchmarks that promote both equitable program access
17 and equitable program outcomes. Performance measures and benchmarks
18 must be developed by the department in consultation with stakeholder
19 groups, including persons at risk of homelessness due to unpaid rent,
20 representatives of communities of color, homeless service providers,
21 landlord representatives, local governments that administer
22 homelessness assistance, a statewide association representing cities,
23 a statewide association representing counties, a representative of
24 homeless youth and young adults, and affordable housing advocates.
25 Performance measures and benchmarks must also ensure that the race
26 and ethnicity of households served under the program are proportional
27 to the numbers of people at risk of homelessness in each county for
28 each of the following groups:

- 29 (a) Black or African American;
- 30 (b) American Indian and Alaska Native;
- 31 (c) Native Hawaiian or other Pacific Islander;
- 32 (d) Hispanic or Latinx;
- 33 (e) Asian;
- 34 (f) Other multiracial.

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

38 (7)(a) The department must award funds under this section to
39 eligible grantees in a manner that is proportional to the amount of

1 revenue collected under (~~RCW 36.22.176~~) section 1 of this act from
2 the county being served by the grantee.

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

9 **Sec. 8.** RCW 43.185C.190 and 2021 c 334 s 981 and 2021 c 214 s 5
10 are each reenacted and 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 36.22.176 shall be~~
14 ~~deposited in the account.~~) Expenditures from the account may only be
15 used for (~~affordable housing programs, including operations,~~
16 ~~maintenance, and services as described in RCW 36.22.176(1)(a)~~)
17 allowable uses as described in section 1(5) of this act. During the
18 2021-2023 fiscal biennium, expenditures from the account may be used
19 for operations, maintenance, and services for permanent supportive
20 housing as defined in RCW 36.70A.030. It is the intent of the
21 legislature to continue this policy in future biennia.

22 **Sec. 9.** RCW 36.18.010 and 2022 c 141 s 2 are each amended to
23 read as follows:

24 Except as otherwise ordered by the court pursuant to RCW
25 4.24.130, county auditors or recording officers shall collect the
26 following fees for their official services:

27 (1) For recording instruments, for the first page eight and one-
28 half by (~~fourteen~~) 14 inches or less, five dollars; for each
29 additional page eight and one-half by (~~fourteen~~) 14 inches or less,
30 one dollar. The fee for recording multiple transactions contained in
31 one instrument will be calculated for each transaction requiring
32 separate indexing as required under RCW 65.04.050 as follows: The fee
33 for each title or transaction is the same fee as the first page of
34 any additional recorded document; the fee for additional pages is the
35 same fee as for any additional pages for any recorded document; the
36 fee for the additional pages may be collected only once and may not
37 be collected for each title or transaction;

1 (2) For preparing and certifying copies, for the first page eight
2 and one-half by (~~fourteen~~) 14 inches or less, three dollars; for
3 each additional page eight and one-half by (~~fourteen~~) 14 inches or
4 less, one dollar;

5 (3) For preparing noncertified copies, for each page eight and
6 one-half by (~~fourteen~~) 14 inches or less, one dollar;

7 (4) For administering an oath or taking an affidavit, with or
8 without seal, two dollars;

9 (5) For issuing a marriage license, eight dollars, (this fee
10 includes taking necessary affidavits, filing returns, indexing, and
11 transmittal of a record of the marriage to the state registrar of
12 vital statistics) plus an additional five dollar fee for use and
13 support of the prevention of child abuse and neglect activities to be
14 transmitted monthly to the state treasurer and deposited in the state
15 general fund plus an additional ten dollar fee to be transmitted
16 monthly to the state treasurer and deposited in the state general
17 fund. The legislature intends to appropriate an amount at least equal
18 to the revenue generated by this fee for the purposes of the
19 displaced homemaker act, chapter 28B.04 RCW;

20 (6) For searching records per hour, eight dollars;

21 (7) For recording plats, fifty cents for each lot except cemetery
22 plats for which the charge shall be twenty-five cents per lot; also
23 one dollar for each acknowledgment, dedication, and description:
24 PROVIDED, That there shall be a minimum fee of twenty-five dollars
25 per plat;

26 (8) For recording of miscellaneous records not listed above, for
27 the first page eight and one-half by (~~fourteen~~) 14 inches or less,
28 five dollars; for each additional page eight and one-half by
29 (~~fourteen~~) 14 inches or less, one dollar;

30 (9) For modernization and improvement of the recording and
31 indexing system, a surcharge as provided in RCW 36.22.170;

32 (10) For recording an emergency nonstandard document as provided
33 in RCW 65.04.047, (~~fifty dollars~~) \$50, in addition to all other
34 applicable recording fees;

35 (11) For recording instruments, a three dollar surcharge to be
36 deposited into the Washington state library operations account
37 created in RCW 43.07.129;

38 (12) For recording instruments, a two dollar surcharge to be
39 deposited into the Washington state library-archives building account
40 created in RCW 43.07.410 until the financing contract entered into by

1 the secretary of state for the Washington state library-archives
2 building is paid in full;

3 ~~(13) ((For recording instruments, a surcharge as provided in RCW
4 36.22.178; and~~

5 ~~(14))~~ For recording instruments, ~~((except for documents
6 recording a birth, marriage, divorce, or death or any documents
7 otherwise exempted from a recording fee under state law, a))~~ the
8 surcharge as provided in ~~((RCW 36.22.179))~~ section 1 of this act.

9 **Sec. 10.** RCW 59.18.030 and 2021 c 212 s 1 are each reenacted and
10 amended to read as follows:

11 As used in this chapter:

12 (1) "Active duty" means service authorized by the president of
13 the United States, the secretary of defense, or the governor for a
14 period of more than 30 consecutive days.

15 (2) "Certificate of inspection" means an unsworn statement,
16 declaration, verification, or certificate made in accordance with the
17 requirements of chapter 5.50 RCW by a qualified inspector that states
18 that the landlord has not failed to fulfill any substantial
19 obligation imposed under RCW 59.18.060 that endangers or impairs the
20 health or safety of a tenant, including (a) structural members that
21 are of insufficient size or strength to carry imposed loads with
22 safety, (b) exposure of the occupants to the weather, (c) plumbing
23 and sanitation defects that directly expose the occupants to the risk
24 of illness or injury, (d) not providing facilities adequate to supply
25 heat and water and hot water as reasonably required by the tenant,
26 (e) providing heating or ventilation systems that are not functional
27 or are hazardous, (f) defective, hazardous, or missing electrical
28 wiring or electrical service, (g) defective or hazardous exits that
29 increase the risk of injury to occupants, and (h) conditions that
30 increase the risk of fire.

31 (3) "Commercially reasonable manner," with respect to a sale of a
32 deceased tenant's personal property, means a sale where every aspect
33 of the sale, including the method, manner, time, place, and other
34 terms, must be commercially reasonable. If commercially reasonable, a
35 landlord may sell the tenant's property by public or private
36 proceedings, by one or more contracts, as a unit or in parcels, and
37 at any time and place and on any terms.

38 (4) "Comprehensive reusable tenant screening report" means a
39 tenant screening report prepared by a consumer reporting agency at

1 the direction of and paid for by the prospective tenant and made
2 available directly to a prospective landlord at no charge, which
3 contains all of the following: (a) A consumer credit report prepared
4 by a consumer reporting agency within the past 30 days; (b) the
5 prospective tenant's criminal history; (c) the prospective tenant's
6 eviction history; (d) an employment verification; and (e) the
7 prospective tenant's address and rental history.

8 (5) "Criminal history" means a report containing or summarizing
9 (a) the prospective tenant's criminal convictions and pending cases,
10 the final disposition of which antedates the report by no more than
11 seven years, and (b) the results of a sex offender registry and
12 United States department of the treasury's office of foreign assets
13 control search, all based on at least seven years of address history
14 and alias information provided by the prospective tenant or available
15 in the consumer credit report.

16 (6) "Designated person" means a person designated by the tenant
17 under RCW 59.18.590.

18 (7) "Distressed home" has the same meaning as in RCW 61.34.020.

19 (8) "Distressed home conveyance" has the same meaning as in RCW
20 61.34.020.

21 (9) "Distressed home purchaser" has the same meaning as in RCW
22 61.34.020.

23 (10) "Dwelling unit" is a structure or that part of a structure
24 which is used as a home, residence, or sleeping place by one person
25 or by two or more persons maintaining a common household, including
26 but not limited to single-family residences and units of multiplexes,
27 apartment buildings, and mobile homes.

28 (11) "Eviction history" means a report containing or summarizing
29 the contents of any records of unlawful detainer actions concerning
30 the prospective tenant that are reportable in accordance with state
31 law, are lawful for landlords to consider, and are obtained after a
32 search based on at least seven years of address history and alias
33 information provided by the prospective tenant or available in the
34 consumer credit report.

35 (12) "Gang" means a group that: (a) Consists of three or more
36 persons; (b) has identifiable leadership or an identifiable name,
37 sign, or symbol; and (c) on an ongoing basis, regularly conspires and
38 acts in concert mainly for criminal purposes.

39 (13) "Gang-related activity" means any activity that occurs
40 within the gang or advances a gang purpose.

1 (14) "Immediate family" includes state registered domestic
2 partner, spouse, parents, grandparents, children, including foster
3 children, siblings, and in-laws.

4 (15) "In danger of foreclosure" means any of the following:

5 (a) The homeowner has defaulted on the mortgage and, under the
6 terms of the mortgage, the mortgagee has the right to accelerate full
7 payment of the mortgage and repossess, sell, or cause to be sold the
8 property;

9 (b) The homeowner is at least 30 days delinquent on any loan that
10 is secured by the property; or

11 (c) The homeowner has a good faith belief that he or she is
12 likely to default on the mortgage within the upcoming four months due
13 to a lack of funds, and the homeowner has reported this belief to:

14 (i) The mortgagee;

15 (ii) A person licensed or required to be licensed under chapter
16 19.134 RCW;

17 (iii) A person licensed or required to be licensed under chapter
18 19.146 RCW;

19 (iv) A person licensed or required to be licensed under chapter
20 18.85 RCW;

21 (v) An attorney-at-law;

22 (vi) A mortgage counselor or other credit counselor licensed or
23 certified by any federal, state, or local agency; or

24 (vii) Any other party to a distressed property conveyance.

25 (16) "Landlord" means the owner, lessor, or sublessor of the
26 dwelling unit or the property of which it is a part, and in addition
27 means any person designated as representative of the owner, lessor,
28 or sublessor including, but not limited to, an agent, a resident
29 manager, or a designated property manager.

30 (17) "Mortgage" is used in the general sense and includes all
31 instruments, including deeds of trust, that are used to secure an
32 obligation by an interest in real property.

33 (18) "Orders" means written official military orders, or any
34 written notification, certification, or verification from the service
35 member's commanding officer, with respect to the service member's
36 current or future military status.

37 (19) "Owner" means one or more persons, jointly or severally, in
38 whom is vested:

39 (a) All or any part of the legal title to property; or

1 (b) All or part of the beneficial ownership, and a right to
2 present use and enjoyment of the property.

3 (20) "Permanent change of station" means: (a) Transfer to a unit
4 located at another port or duty station; (b) change in a unit's home
5 port or permanent duty station; (c) call to active duty for a period
6 not less than 90 days; (d) separation; or (e) retirement.

7 (21) "Person" means an individual, group of individuals,
8 corporation, government, or governmental agency, business trust,
9 estate, trust, partnership, or association, two or more persons
10 having a joint or common interest, or any other legal or commercial
11 entity.

12 (22) "Premises" means a dwelling unit, appurtenances thereto,
13 grounds, and facilities held out for the use of tenants generally and
14 any other area or facility which is held out for use by the tenant.

15 (23) "Property" or "rental property" means all dwelling units on
16 a contiguous quantity of land managed by the same landlord as a
17 single, rental complex.

18 (24) "Prospective landlord" means a landlord or a person who
19 advertises, solicits, offers, or otherwise holds a dwelling unit out
20 as available for rent.

21 (25) "Prospective tenant" means a tenant or a person who has
22 applied for residential housing that is governed under this chapter.

23 (26) "Qualified inspector" means a United States department of
24 housing and urban development certified inspector; a Washington state
25 licensed home inspector; an American society of home inspectors
26 certified inspector; a private inspector certified by the national
27 association of housing and redevelopment officials, the American
28 association of code enforcement, or other comparable professional
29 association as approved by the local municipality; a municipal code
30 enforcement officer; a Washington licensed structural engineer; or a
31 Washington licensed architect.

32 (27) "Reasonable attorneys' fees," where authorized in this
33 chapter, means an amount to be determined including the following
34 factors: The time and labor required, the novelty and difficulty of
35 the questions involved, the skill requisite to perform the legal
36 service properly, the fee customarily charged in the locality for
37 similar legal services, the amount involved and the results obtained,
38 and the experience, reputation and ability of the lawyer or lawyers
39 performing the services.

1 (28) "Reasonable manner," with respect to disposing of a deceased
2 tenant's personal property, means to dispose of the property by
3 donation to a not-for-profit charitable organization, by removal of
4 the property by a trash hauler or recycler, or by any other method
5 that is reasonable under the circumstances.

6 (29) "Rent" or "rental amount" means recurring and periodic
7 charges identified in the rental agreement for the use and occupancy
8 of the premises, which may include charges for utilities. Except as
9 provided in RCW 59.18.283(3), these terms do not include nonrecurring
10 charges for costs incurred due to late payment, damages, deposits,
11 legal costs, or other fees, including attorneys' fees.

12 (30) "Rental agreement" or "lease" means all agreements which
13 establish or modify the terms, conditions, rules, regulations, or any
14 other provisions concerning the use and occupancy of a dwelling unit.

15 (31) "Service member" means an active member of the United States
16 armed forces, a member of a military reserve component, or a member
17 of the national guard who is either stationed in or a resident of
18 Washington state.

19 (32) A "single-family residence" is a structure maintained and
20 used as a single dwelling unit. Notwithstanding that a dwelling unit
21 shares one or more walls with another dwelling unit, it shall be
22 deemed a single-family residence if it has direct access to a street
23 and shares neither heating facilities nor hot water equipment, nor
24 any other essential facility or service, with any other dwelling
25 unit.

26 (33) "Subsidized housing" refers to rental housing for very low-
27 income or low-income households that is a dwelling unit operated
28 directly by a public housing authority or its affiliate, or that is
29 insured, financed, or assisted in whole or in part through one of the
30 following sources:

31 (a) A federal program or state housing program administered by
32 the department of commerce or the Washington state housing finance
33 commission;

34 (b) A federal housing program administered by a city or county
35 government;

36 (c) An affordable housing levy authorized under RCW 84.52.105; or

37 (d) The surcharges authorized in (~~RCW 36.22.178 and 36.22.179~~)
38 section 1 of this act and any of the surcharges authorized in chapter
39 43.185C RCW.

1 (34) A "tenant" is any person who is entitled to occupy a
2 dwelling unit primarily for living or dwelling purposes under a
3 rental agreement.

4 (35) "Tenant representative" means:

5 (a) A personal representative of a deceased tenant's estate if
6 known to the landlord;

7 (b) If the landlord has no knowledge that a personal
8 representative has been appointed for the deceased tenant's estate, a
9 person claiming to be a successor of the deceased tenant who has
10 provided the landlord with proof of death and an affidavit made by
11 the person that meets the requirements of RCW 11.62.010(2);

12 (c) In the absence of a personal representative under (a) of this
13 subsection or a person claiming to be a successor under (b) of this
14 subsection, a designated person; or

15 (d) In the absence of a personal representative under (a) of this
16 subsection, a person claiming to be a successor under (b) of this
17 subsection, or a designated person under (c) of this subsection, any
18 person who provides the landlord with reasonable evidence that he or
19 she is a successor of the deceased tenant as defined in RCW
20 11.62.005. The landlord has no obligation to identify all of the
21 deceased tenant's successors.

22 (36) "Tenant screening" means using a consumer report or other
23 information about a prospective tenant in deciding whether to make or
24 accept an offer for residential rental property to or from a
25 prospective tenant.

26 (37) "Tenant screening report" means a consumer report as defined
27 in RCW 19.182.010 and any other information collected by a tenant
28 screening service.

29 (38) "Transitional housing" means housing units owned, operated,
30 or managed by a nonprofit organization or governmental entity in
31 which supportive services are provided to individuals and families
32 that were formerly homeless, with the intent to stabilize them and
33 move them to permanent housing within a period of not more than
34 twenty-four months, or longer if the program is limited to tenants
35 within a specified age range or the program is intended for tenants
36 in need of time to complete and transition from educational or
37 training or service programs.

38 **Sec. 11.** RCW 84.36.560 and 2020 c 273 s 1 are each amended to
39 read as follows:

1 (1) The real and personal property owned or used by a nonprofit
2 entity in providing rental housing for qualifying households or used
3 to provide space for the placement of a mobile home for a qualifying
4 household within a mobile home park is exempt from taxation if:

5 (a) The benefit of the exemption inures to the nonprofit entity;

6 (b) At least seventy-five percent of the occupied dwelling units
7 in the rental housing or lots in a mobile home park are occupied by a
8 qualifying household; and

9 (c) The rental housing or lots in a mobile home park were
10 insured, financed, or assisted in whole or in part through one or
11 more of the following sources:

12 (i) A federal or state housing program administered by the
13 department of commerce;

14 (ii) A federal housing program administered by a city or county
15 government;

16 (iii) An affordable housing levy authorized under RCW 84.52.105;

17 (iv) The surcharges authorized by (~~RCW 36.22.178 and 36.22.179~~)
18 section 1 of this act and any of the surcharges authorized in chapter
19 43.185C RCW; or

20 (v) The Washington state housing finance commission, provided
21 that the financing is for a mobile home park cooperative or a
22 manufactured housing cooperative, as defined in RCW 59.20.030, or a
23 nonprofit entity.

24 (2) If less than seventy-five percent of the occupied dwelling
25 units within the rental housing or lots in the mobile home park are
26 occupied by qualifying households, the rental housing or mobile home
27 park is eligible for a partial exemption on the real property and a
28 total exemption of the housing's or park's personal property as
29 follows:

30 (a) A partial exemption is allowed for each dwelling unit in the
31 rental housing or for each lot in a mobile home park occupied by a
32 qualifying household.

33 (b) The amount of exemption must be calculated by multiplying the
34 assessed value of the property reasonably necessary to provide the
35 rental housing or to operate the mobile home park by a fraction. The
36 numerator of the fraction is the number of dwelling units or lots
37 occupied by qualifying households as of December 31st of the first
38 assessment year in which the rental housing or mobile home park
39 becomes operational or on January 1st of each subsequent assessment
40 year for which the exemption is claimed. The denominator of the

1 fraction is the total number of dwelling units or lots occupied as of
2 December 31st of the first assessment year the rental housing or
3 mobile home park becomes operational and January 1st of each
4 subsequent assessment year for which exemption is claimed.

5 (3) If a currently exempt rental housing unit or mobile home lot
6 in a mobile home park was occupied by a qualifying household at the
7 time the exemption was granted and the income of the household
8 subsequently rises above the threshold set in subsection (7)(e) of
9 this section but remains at or below eighty percent of the median
10 income, the exemption will continue as long as the housing continues
11 to meet the certification requirements listed in subsection (1) of
12 this section. For purposes of this section, median income, as most
13 recently determined by the federal department of housing and urban
14 development for the county in which the rental housing or mobile home
15 park is located, shall be adjusted for family size. However, if a
16 dwelling unit or a lot becomes vacant and is subsequently reredited,
17 the income of the new household must be at or below the threshold set
18 in subsection (7)(e) of this section to remain exempt from property
19 tax.

20 (4) If at the time of initial application the property is
21 unoccupied, or subsequent to the initial application the property is
22 unoccupied because of renovations, and the property is not currently
23 being used for the exempt purpose authorized by this section but will
24 be used for the exempt purpose within two assessment years, the
25 property shall be eligible for a property tax exemption for the
26 assessment year in which the claim for exemption is submitted under
27 the following conditions:

28 (a) A commitment for financing to acquire, construct, renovate,
29 or otherwise convert the property to provide housing for qualifying
30 households has been obtained, in whole or in part, by the nonprofit
31 entity claiming the exemption from one or more of the sources listed
32 in subsection (1)(c) of this section;

33 (b) The nonprofit entity has manifested its intent in writing to
34 construct, remodel, or otherwise convert the property to housing for
35 qualifying households; and

36 (c) Only the portion of property that will be used to provide
37 housing or lots for qualifying households shall be exempt under this
38 section.

1 (5) To be exempt under this section, the property must be used
2 exclusively for the purposes for which the exemption is granted,
3 except as provided in RCW 84.36.805.

4 (6) The nonprofit entity qualifying for a property tax exemption
5 under this section may agree to make payments to the city, county, or
6 other political subdivision for improvements, services, and
7 facilities furnished by the city, county, or political subdivision
8 for the benefit of the rental housing. However, these payments shall
9 not exceed the amount last levied as the annual tax of the city,
10 county, or political subdivision upon the property prior to
11 exemption.

12 (7) The definitions in this subsection apply throughout this
13 section unless the context clearly requires otherwise.

14 (a) "Group home" means a single-family dwelling financed, in
15 whole or in part, by one or more of the sources listed in subsection
16 (1)(c) of this section. The residents of a group home shall not be
17 considered to jointly constitute a household, but each resident shall
18 be considered to be a separate household occupying a separate
19 dwelling unit. The individual incomes of the residents shall not be
20 aggregated for purposes of this exemption;

21 (b) "Mobile home lot" or "mobile home park" means the same as
22 these terms are defined in RCW 59.20.030;

23 (c) "Occupied dwelling unit" means a living unit that is occupied
24 by an individual or household as of December 31st of the first
25 assessment year the rental housing becomes operational or is occupied
26 by an individual or household on January 1st of each subsequent
27 assessment year in which the claim for exemption is submitted. If the
28 housing facility is comprised of three or fewer dwelling units and
29 there are any unoccupied units on January 1st, the department shall
30 base the amount of the exemption upon the number of occupied dwelling
31 units as of December 31st of the first assessment year the rental
32 housing becomes operational and on May 1st of each subsequent
33 assessment year in which the claim for exemption is submitted;

34 (d) "Rental housing" means a residential housing facility or
35 group home that is occupied but not owned by qualifying households;

36 (e)(i) "Qualifying household" means a single person, family, or
37 unrelated persons living together whose income is at or below fifty
38 percent of the median income adjusted for family size as most
39 recently determined by the federal department of housing and urban
40 development for the county in which the rental housing or mobile home

1 park is located and in effect as of January 1st of the year the
2 application for exemption is submitted;

3 (ii) Beginning July 1, 2021, "qualifying household" means a
4 single person, family, or unrelated persons living together whose
5 income is at or below sixty percent of the median income adjusted for
6 family size as most recently determined by the federal department of
7 housing and urban development for the county in which the rental
8 housing or mobile home park is located and in effect as of January
9 1st of the year the application for exemption is submitted; and

10 (f) "Nonprofit entity" means a:

11 (i) Nonprofit as defined in RCW 84.36.800 that is exempt from
12 income tax under section 501(c) of the federal internal revenue code;

13 (ii) Limited partnership where a nonprofit as defined in RCW
14 84.36.800 that is exempt from income tax under section 501(c) of the
15 federal internal revenue code, a public corporation established under
16 RCW 35.21.660, 35.21.670, or 35.21.730, a housing authority created
17 under RCW 35.82.030 or 35.82.300, or a housing authority meeting the
18 definition in RCW 35.82.210(2) (a) is a general partner;

19 (iii) Limited liability company where a nonprofit as defined in
20 RCW 84.36.800 that is exempt from income tax under section 501(c) of
21 the federal internal revenue code, a public corporation established
22 under RCW 35.21.660, 35.21.670, or 35.21.730, a housing authority
23 established under RCW 35.82.030 or 35.82.300, or a housing authority
24 meeting the definition in RCW 35.82.210(2) (a) is a managing member;
25 or

26 (iv) Mobile home park cooperative or a manufactured housing
27 cooperative, as defined in RCW 59.20.030.

28 **Sec. 12.** RCW 84.36.675 and 2022 c 93 s 2 are each amended to
29 read as follows:

30 (1) The real property owned by a limited equity cooperative that
31 provides owned housing for low-income households is exempt from
32 property taxation if:

33 (a) The benefit of the exemption inures to the limited equity
34 cooperative and its members;

35 (b) At least 85 percent of the occupied dwelling units in the
36 limited equity cooperative is occupied by members of the limited
37 equity cooperative determined as of January 1st of each assessment
38 year for which the exemption is claimed;

1 (c) At least 95 percent of the property for which the exemption
2 is sought is used for dwelling units or other noncommercial uses
3 available for use by the members of the limited equity cooperative;
4 and

5 (d) The housing was insured, financed, or assisted, in whole or
6 in part, through one or more of the following sources:

7 (i) A federal or state housing program administered by the
8 department of commerce;

9 (ii) A federal or state housing program administered by the
10 federal department of housing and urban development;

11 (iii) A federal housing program administered by a city or county
12 government;

13 (iv) An affordable housing levy authorized under RCW 84.52.105;

14 (v) The surcharges authorized by (~~RCW 36.22.178 and 36.22.179~~)
15 section 1 of this act and any of the surcharges authorized in chapter
16 43.185C RCW; or

17 (vi) The Washington state housing finance commission.

18 (2) If less than 100 percent of the dwelling units within the
19 limited equity cooperative is occupied by low-income households, the
20 limited equity cooperative is eligible for a partial exemption on the
21 real property. The amount of exemption must be calculated by
22 multiplying the assessed value of the property owned by the limited
23 equity cooperative by a fraction. The numerator of the fraction is
24 the number of dwelling units occupied by low-income households as of
25 January 1st of each assessment year for which the exemption is
26 claimed, and the denominator of the fraction is the total number of
27 dwelling units as of such date.

28 (3) The definitions in this subsection apply throughout this
29 section unless the context clearly requires otherwise.

30 (a) "Cooperative" has the meaning provided in RCW 64.90.010.

31 (b) (i) "Limited equity cooperative" means a cooperative subject
32 to the Washington uniform common interest ownership act under chapter
33 64.90 RCW that owns the real property for which an exemption is
34 sought under this section and for which, following the completion of
35 the development or redevelopment of such real property:

36 (A) Members are prevented from selling their ownership interests
37 other than to a median-income household; and

38 (B) Members are prevented from selling their ownership interests
39 for a sales price that exceeds the sum of:

40 (I) The sales price they paid for their ownership interest;

1 (II) The cost of permanent improvements they made to the dwelling
2 unit during their ownership;

3 (III) Any special assessments they paid to the limited equity
4 cooperative during their ownership to the extent utilized to make
5 permanent improvements to the building or buildings in which the
6 dwelling units are located; and

7 (IV) A three percent annual noncompounded return on the above
8 amounts.

9 (ii) For the purposes of this subsection (3)(b), "sales price" is
10 the total consideration paid or contracted to be paid to the seller
11 or to another for the seller's benefit.

12 (c) "Low-income household" means a single person, family, or
13 unrelated persons living together whose income is at or below 80
14 percent of the median income adjusted for family size as most
15 recently determined by the federal department of housing and urban
16 development for the county in which the housing is located and in
17 effect as of January 1st of the year in which the determination is to
18 be made as to whether the single person, family, or unrelated persons
19 living together qualify as a low-income household.

20 (d) "Median-income household" means a single person, family, or
21 unrelated persons living together whose income is at or below 100
22 percent of the median income adjusted for family size as most
23 recently determined by the federal department of housing and urban
24 development for the county in which the housing is located and in
25 effect as of January 1st of the year in which the determination is to
26 be made as to whether the single person, family, or unrelated persons
27 living together qualify as a median-income household.

28 (e) "Members" of a limited equity cooperative means individuals
29 or entities that have an ownership interest in the limited equity
30 cooperative that entitles them to occupy and sell a dwelling unit in
31 the limited equity cooperative.

32 NEW SECTION. **Sec. 13.** The following acts or parts of acts are
33 each repealed:

34 (1) RCW 36.22.176 (Recorded document surcharge—Use) and 2022 c
35 216 s 7 & 2021 c 214 s 1;

36 (2) RCW 36.22.178 (Affordable housing for all surcharge—
37 Permissible uses) and 2021 c 214 s 7, 2019 c 136 s 1, 2018 c 66 s 5,
38 2011 c 110 s 1, 2007 c 427 s 1, 2005 c 484 s 18, & 2002 c 294 s 2;

1 (3) RCW 36.22.179 (Surcharge for local homeless housing and
2 assistance—Use) and 2021 c 214 s 8, 2019 c 136 s 2, 2018 c 85 s 2,
3 2017 3rd sp.s. c 16 s 5, 2014 c 200 s 1, 2012 c 90 s 1, 2011 c 110 s
4 2, 2009 c 462 s 1, 2007 c 427 s 4, & 2005 c 484 s 9;

5 (4) RCW 36.22.1791 (Additional surcharge for local homeless
6 housing and assistance—Use) and 2021 c 214 s 9, 2019 c 136 s 3, 2011
7 c 110 s 3, & 2007 c 427 s 5;

8 (5) RCW 43.185C.061 (Home security fund account—Exemptions from
9 set aside) and 2015 c 69 s 27; and

10 (6) RCW 43.185C.215 (Transitional housing operating and rent
11 account) and 2008 c 256 s 2.

12 NEW SECTION. **Sec. 14.** Section 12 of this act expires January 1,
13 2033."

14 Correct the title.

EFFECT: Increases the percentage of the consolidated \$183 document recording surcharge distributed to the Home Security Fund from 54 percent to 54.1 percent. Increases the percentage of the consolidated surcharge distributed to the Affordable Housing for All Account from 13 percent to 13.1 percent. Decreases the percentage of the consolidated surcharge distributed to the Landlord Mitigation Program Account from two percent to 1.8 percent.

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