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**ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1277**

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AS AMENDED BY THE SENATE

Passed Legislature - 2021 Regular Session

**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Ormsby, Macri, Ramel, Bateman, Fitzgibbon, Ryu, Senn, Chopp, Berry, Peterson, Davis, Santos, Valdez, Hackney, Thai, Kloba, Sells, Frame, Gregerson, J. Johnson, Pollet, Harris-Talley, Stonier, Taylor, and Wicks)

READ FIRST TIME 03/22/21.

1 AN ACT Relating to an additional revenue source for eviction  
2 prevention and housing stability services; amending RCW 43.185C.045,  
3 43.185C.060, 43.185C.190, 36.22.178, 36.22.179, 36.22.1791, and  
4 36.22.240; adding a new section to chapter 36.22 RCW; adding a new  
5 section to chapter 43.185C RCW; and creating a new section.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.22  
8 RCW to read as follows:

9 (1) Except as provided in subsection (2) of this section, a  
10 surcharge of \$100 must be charged by the county auditor for each  
11 document recorded, which is in addition to any other charge or  
12 surcharge allowed by law. The auditor must remit the funds to the  
13 state treasurer to be deposited and used as follows:

14 (a) Twenty percent of funds must be deposited in the affordable  
15 housing for all account for operations, maintenance, and service  
16 costs for permanent supportive housing as defined in RCW 36.70A.030;

17 (b) From July 1, 2021, through June 30, 2023, four percent of the  
18 funds must be deposited into the landlord mitigation program account  
19 created in RCW 43.31.615 for the purposes of RCW 43.31.605(1).  
20 Thereafter, two percent of funds must be deposited into the landlord

1 mitigation program account created in RCW 43.31.615 for purposes of  
2 RCW 43.31.605(1); and

3 (c) The remainder of funds must be distributed to the home  
4 security fund account, with 60 percent of funds to be used for  
5 project-based vouchers for nonprofit housing providers or public  
6 housing authorities, housing services, rapid rehousing, emergency  
7 housing, or acquisition. Priority for use must be given to project-  
8 based vouchers and related services, housing acquisition, or  
9 emergency housing, for persons who are chronically homeless,  
10 including families with children. At least 50 percent of persons  
11 receiving a project-based voucher, rapid rehousing, emergency  
12 housing, or benefiting from housing acquisition must be living  
13 unsheltered at the time of initial engagement. In addition, funds may  
14 be used for eviction prevention rental assistance pursuant to section  
15 2 of this act, foreclosure prevention services, dispute resolution  
16 center eviction prevention services, rental assistance for people  
17 experiencing homelessness, and tenant education and legal assistance.

18 (2) The surcharge imposed in this section does not apply to: (a)  
19 Assignments or substitutions of previously recorded deeds of trust;  
20 (b) documents recording a birth, marriage, divorce, or death; (c) any  
21 recorded documents otherwise exempted from a recording fee or  
22 additional surcharges under state law; (d) marriage licenses issued  
23 by the county auditor; or (e) documents recording a federal, state,  
24 county, city, or water-sewer district, or wage lien or satisfaction  
25 of lien.

26 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.185C  
27 RCW to read as follows:

28 (1) The eviction prevention rental assistance program is created  
29 in the department to prevent evictions by providing resources to  
30 households most likely to become homeless or suffer severe health  
31 consequences, or both, after an eviction, while promoting equity by  
32 prioritizing households, including communities of color,  
33 disproportionately impacted by public health emergencies and by  
34 homelessness and housing instability. The department must provide  
35 grants to eligible organizations, as described in RCW 43.185.060, to  
36 provide assistance to program participants. The eligible  
37 organizations must use grant moneys for:

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

4 (b) Utility assistance for households if needed to prevent an  
5 eviction; and

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

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

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

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

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

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

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

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

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

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

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

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

27 (a) Black or African American;

28 (b) American Indian and Alaska Native;

29 (c) Native Hawaiian or other Pacific Islander;

30 (d) Hispanic or Latinx;

31 (e) Asian;

32 (f) Other multiracial.

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

36 (7)(a) The department must award funds under this section to  
37 eligible grantees in a manner that is proportional to the amount of  
38 revenue collected under section 1 of this act from the county being  
39 served by the grantee.

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

7 **Sec. 3.** RCW 43.185C.045 and 2018 c 85 s 9 are each amended to  
8 read as follows:

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

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

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

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

21 (i) Emergency shelter;

22 (ii) Homelessness prevention and rapid rehousing;

23 (iii) Permanent housing;

24 (iv) Permanent supportive housing;

25 (v) Transitional housing;

26 (vi) Services only; and

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

29 (d) A report on the expenditures, performance, and outcomes of  
30 state funds distributed through the consolidated homeless grant  
31 program, including the grant recipient, award amount expended, use of  
32 the funds, counties served, and households served;

33 (e) A report on state and local homelessness document recording  
34 fee expenditure by county, including the total amount of fee  
35 spending, percentage of total spending from fees, number of people  
36 served by major assistance type, and amount of expenditures for  
37 private rental housing payments required in RCW 36.22.179;

1 (f) A report on the expenditures, performance, and outcomes of  
2 the essential needs and housing support program meeting the  
3 requirements of RCW 43.185C.220; (~~and~~)

4 (g) A report on the expenditures, performance, and outcomes of  
5 the independent youth housing program meeting the requirements of RCW  
6 43.63A.311;

7 (h) A county-level report on the expenditures, performance, and  
8 outcomes of the eviction prevention rental assistance program under  
9 section 2 of this act. The report must include, but is not limited  
10 to:

11 (i) The number of adults without minor children served in each  
12 county;

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

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

17 (i) A county-level report on the expenditures, performance, and  
18 outcomes of the rapid rehousing, project-based vouchers, and housing  
19 acquisition programs under section 1 of this act. The report must  
20 include, but is not limited to:

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

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

25 (iii) The number of adults without minor children, households  
26 with adults and minor children, unaccompanied youth, and young adults  
27 who are being served by the programs under section 1 of this act in  
28 each county.

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

32 (3) Any local government receiving state funds for homelessness  
33 assistance or state or local homelessness document recording fees  
34 under RCW 36.22.178, 36.22.179, or 36.22.1791 must provide an annual  
35 report on the current condition of homelessness in its jurisdiction,  
36 its performance in meeting the goals in its local homeless housing  
37 plan, and any significant changes made to the plan. The annual report  
38 must be posted on the department's website. Along with each local  
39 government annual report, the department must produce and post  
40 information on the local government's homelessness spending from all

1 sources by project during the prior state fiscal year in a format  
2 similar to the department's report under subsection (1)(c) of this  
3 section. If a local government fails to report or provides an  
4 inadequate or incomplete report, the department must take corrective  
5 action, which may include withholding state funding for homelessness  
6 assistance to the local government to enable the department to use  
7 such funds to contract with other public or nonprofit entities to  
8 provide homelessness assistance within the jurisdiction.

9 **Sec. 4.** RCW 43.185C.060 and 2020 c 357 s 915 are each amended to  
10 read as follows:

11 (1) The home security fund account is created in the state  
12 treasury, subject to appropriation. The state's portion of the  
13 surcharge established in RCW 36.22.179 and 36.22.1791 and section 1  
14 of this act must be deposited in the account. Expenditures from the  
15 account may be used only for homeless housing programs as described  
16 in this chapter, including the eviction prevention rental assistance  
17 program established in section 2 of this act.

18 (2)(a) By December 15, 2021, the department, in consultation with  
19 stakeholder groups specified in section 2(2)(c) of this act, must  
20 create a set of performance metrics for each county receiving funding  
21 under section 1 of this act. The metrics must target actions within a  
22 county's control that will prevent and reduce homelessness, such as  
23 increasing the number of permanent supportive housing units and  
24 increasing or maintaining an adequate number of noncongregate shelter  
25 beds.

26 (b)(i) Beginning July 1, 2023, and by July 1st every two years  
27 thereafter, the department must award funds for project-based  
28 vouchers for nonprofit housing providers and related services, rapid  
29 rehousing, and housing acquisition under section 1 of this act to  
30 eligible grantees in a manner that 15 percent of funding is  
31 distributed as a performance-based allocation based on performance  
32 metrics created under (a) of this subsection, in addition to any base  
33 allocation of funding for the county.

34 (ii) Any county that demonstrates that it has met or exceeded the  
35 majority of the target actions to prevent and reduce homelessness  
36 over the previous two years must receive the remaining 15 percent  
37 performance-based allocation. Any county that fails to meet or exceed  
38 the majority of target actions to prevent and reduce homelessness  
39 must enter into a corrective action plan with the department. To

1 receive its performance-based allocation, a county must agree to  
2 undertake the corrective actions outlined in the corrective action  
3 plan and any reporting and monitoring deemed necessary by the  
4 department. Any county that fails to meet or exceed the majority of  
5 targets for two consecutive years after entering into a corrective  
6 action plan may be subject to a reduction in the performance-based  
7 portion of the funds received in (b)(i) of this subsection, at the  
8 discretion of the department in consultation with stakeholder groups  
9 specified in section 2(2)(c) of this act. Performance-based  
10 allocations unspent due to lack of compliance with a corrective  
11 action plan created under this subsection (2)(b) may be distributed  
12 to other counties that have met or exceeded their target actions.

13 (3) The department must distinguish allotments from the account  
14 made to carry out the activities in RCW 43.330.167, 43.330.700  
15 through 43.330.715, 43.330.911, 43.185C.010, 43.185C.250 through  
16 43.185C.320, and 36.22.179(1)(b).

17 ~~((3))~~ (4) The office of financial management must secure an  
18 independent expenditure review of state funds received under RCW  
19 36.22.179(1)(b) on a biennial basis. The purpose of the review is to  
20 assess the consistency in achieving policy priorities within the  
21 private market rental housing segment for housing persons  
22 experiencing homelessness. The independent reviewer must notify the  
23 department and the office of financial management of its findings.  
24 The first biennial expenditure review, for the 2017-2019 fiscal  
25 biennium, is due February 1, 2020. Independent reviews conducted  
26 thereafter are due February 1st of each even-numbered year.

27 ~~((4))~~ (5) During the 2019-2021 fiscal biennium, expenditures  
28 from the account may also be used for shelter capacity grants.

29 **Sec. 5.** RCW 43.185C.190 and 2011 1st sp.s. c 50 s 955 are each  
30 amended to read as follows:

31 The affordable housing for all account is created in the state  
32 treasury, subject to appropriation. The state's portion of the  
33 surcharges established in RCW 36.22.178 and section 1 of this act  
34 shall be deposited in the account. Expenditures from the account may  
35 only be used for affordable housing programs~~((During the 2011-2013~~  
36 ~~fiscal biennium, moneys in the account may be transferred to the home~~  
37 ~~security fund))~~, including operations, maintenance, and services as  
38 described in section 1(1)(a) of this act.



1        NEW SECTION.        **Sec. 6.**        (1)(a) The legislature finds that  
2 affordable housing, housing instability, and homelessness are  
3 persistent and increasing problems throughout the state. Despite  
4 significant increases in financial resources by the federal, state,  
5 and local governments to address these problems, homelessness and the  
6 risk of becoming homeless has worsened in Washington since the  
7 legislature authorized the first homeless housing document recording  
8 surcharge in 2005. The number of unsheltered homeless encampments in  
9 greenbelts, under bridges, and on our streets is a visible reminder  
10 that the current system is not working.

11        (b) The legislature finds that the COVID-19 pandemic has  
12 exacerbated and shed new light on the state's homelessness problems  
13 and forced communities and providers to reexamine the types and  
14 delivery of housing and services to individuals and families who are  
15 homeless or at risk of homelessness. As a result of the changing  
16 conditions COVID-19 created, the federal government has provided an  
17 infusion of funding for housing and services for homelessness  
18 populations in its COVID-19 relief bills to pursue different  
19 strategies to improve outcomes. Moreover, there are various proposals  
20 to increase state funding to address housing insecurity and  
21 homelessness, including this act to impose an additional document  
22 recording fee to fund an eviction prevention rental assistance  
23 program and other services to persons at risk or experiencing  
24 homelessness.

25        (c) The legislature also finds that there are many causes of  
26 homelessness and housing instability, including: (i) A shortage of  
27 affordable housing; (ii) local land use planning and property  
28 management policies that discourage the development of private sector  
29 housing stock to serve low and extremely low-income households; (iii)  
30 unemployment and lack of education and job skills to acquire an  
31 adequate wage job; (iv) mental health, developmental, and physical  
32 disabilities; (v) chemical and alcohol dependency; and (vi) family  
33 instability and conflict. The legislature intends to provide for an  
34 examination of the economic, social, and health causes of current and  
35 expected patterns of housing instability and homelessness, and to  
36 secure a common understanding of the contribution each has to the  
37 current crisis. The legislature intends for this examination to  
38 result in a widely accepted strategy for identifying how best to  
39 address homelessness in ways that: (A) Address the root causes of the  
40 problem; (B) clearly assign responsibilities of state and local

1 government to address those causes; (C) support local control and  
2 provision of services at the local level to address specific  
3 community needs, recognizing each community must play a part in the  
4 solution; (D) respect property owner rights and encourage private  
5 sector involvement in solutions and service; and (E) develop pathways  
6 to permanent housing solutions and associated services to break the  
7 cycle of housing insecurity and homelessness.

8 (2) (a) The department of commerce must contract with the William  
9 D. Ruckelshaus center to conduct an examination of trends affecting,  
10 and policies guiding, the housing and services provided to  
11 individuals and families who are or at risk of homelessness in  
12 Washington. The center must also facilitate meetings and discussions  
13 to develop and implement a long-term strategy to improve services and  
14 outcomes for persons at risk or experiencing homelessness and develop  
15 pathways to permanent housing solutions.

16 (b) In fulfilling the requirements of this section, the center  
17 must work and consult with (i) willing participants representing  
18 tribal and local governments, local providers of housing and services  
19 for homeless populations, advocates and stakeholders representing the  
20 interests of homeless populations, mental health and substance abuse  
21 professionals, representatives of the business community and other  
22 organizations, and other representatives the center determines is a  
23 necessary participant to examine these issues; (ii) a group of  
24 legislators consisting of one member from each of the two largest  
25 caucuses in the senate and in the house of representatives appointed  
26 by the president of the senate and the speaker of the house of  
27 representatives, respectively; and (iii) three representatives of the  
28 executive branch appointed by the governor.

29 (c) (i) The center must conduct fact-finding and stakeholder  
30 discussions with participants identified in (b) of this subsection.  
31 These discussions must identify stakeholder concerns, barriers,  
32 opportunities, and desired principles for a long-term strategy to  
33 improve the outcomes and services for persons at risk or experiencing  
34 homelessness and develop pathways to permanent housing solutions.

35 (ii) The center must conduct fact-finding and stakeholder  
36 discussions with participants identified in (b) of this subsection to  
37 identify root causes of housing instability and homelessness within  
38 Washington state. This fact-finding should address root causes  
39 demographically within subpopulations of persons at risk or  
40 experiencing homelessness such as veterans and persons suffering from

1 mental health or substance abuse issues. The fact-finding should also  
2 address root causes that may differ geographically or regionally. The  
3 fact-finding must identify existing statutory and regulatory issues  
4 that impede efforts to address root causes of housing instability and  
5 homelessness within Washington state.

6 (iii) The center must issue two reports of its fact-finding  
7 efforts and stakeholder discussions to the governor and the  
8 appropriate committees of the house of representatives and the  
9 senate. One report on the subjects covered in (c)(i) of this  
10 subsection is due December 1, 2021, and one on the subjects covered  
11 in (c)(ii) of this subsection is due December 1, 2022.

12 (d) The center must facilitate discussions between the  
13 stakeholders identified in this subsection (2) for the purposes of  
14 identifying options and recommendations to develop and implement a  
15 long-term strategy to improve the outcomes and service for persons at  
16 risk or experiencing homelessness and develop pathways to permanent  
17 housing solutions, including the manner and amount in which the state  
18 funds homelessness housing and services and performance measures that  
19 must be achieved to receive state funding. A report on this effort is  
20 due to the governor and the appropriate committees of the house of  
21 representatives and the senate by December 1, 2023.

22 **Sec. 7.** RCW 36.22.178 and 2019 c 136 s 1 are each amended to  
23 read as follows:

24 The surcharge provided for in this section shall be named the  
25 affordable housing for all surcharge.

26 (1) Except as provided in subsection (3) of this section, a  
27 surcharge of thirteen dollars per instrument shall be charged by the  
28 county auditor for each document recorded, which will be in addition  
29 to any other charge authorized by law. The county may retain up to  
30 five percent of these funds collected solely for the collection,  
31 administration, and local distribution of these funds. Of the  
32 remaining funds, forty percent of the revenue generated through this  
33 surcharge will be transmitted monthly to the state treasurer who will  
34 deposit: (a) The portion of the funds attributable to ten dollars of  
35 the surcharge into the affordable housing for all account created in  
36 RCW 43.185C.190. The department of commerce must use these funds to  
37 provide housing and shelter for extremely low-income households,  
38 including but not limited to housing for victims of human trafficking  
39 and their families and grants for building operation and maintenance

1 costs of housing projects or units within housing projects that are  
2 affordable to extremely low-income households with incomes at or  
3 below thirty percent of the area median income, and that require a  
4 supplement to rent income to cover ongoing operating expenses; and  
5 (b) the portion of the funds attributable to three dollars of the  
6 surcharge into the landlord mitigation program account created in RCW  
7 43.31.615.

8 (2) All of the remaining funds generated by this surcharge will  
9 be retained by the county and be deposited into a fund that must be  
10 used by the county and its cities and towns for eligible housing  
11 activities as described in this subsection that serve very low-income  
12 households with incomes at or below fifty percent of the area median  
13 income. The portion of the surcharge retained by a county shall be  
14 allocated to eligible housing activities that serve extremely low and  
15 very low-income households in the county and the cities within a  
16 county according to an interlocal agreement between the county and  
17 the cities within the county consistent with countywide and local  
18 housing needs and policies. A priority must be given to eligible  
19 housing activities that serve extremely low-income households with  
20 incomes at or below thirty percent of the area median income.  
21 Eligible housing activities to be funded by these county funds are  
22 limited to:

23 (a) Acquisition, construction, or rehabilitation of housing  
24 projects or units within housing projects that are affordable to very  
25 low-income households with incomes at or below fifty percent of the  
26 area median income, including units for homeownership, rental units,  
27 seasonal and permanent farmworker housing units, units reserved for  
28 victims of human trafficking and their families, and single room  
29 occupancy units;

30 (b) Supporting building operation and maintenance costs of  
31 housing projects or units within housing projects eligible to receive  
32 housing trust funds, that are affordable to very low-income  
33 households with incomes at or below fifty percent of the area median  
34 income, and that require a supplement to rent income to cover ongoing  
35 operating expenses;

36 (c) Rental assistance vouchers for housing units that are  
37 affordable to very low-income households with incomes at or below  
38 fifty percent of the area median income, including rental housing  
39 vouchers for victims of human trafficking and their families, to be  
40 administered by a local public housing authority or other local

1 organization that has an existing rental assistance voucher program,  
2 consistent with or similar to the United States department of housing  
3 and urban development's section 8 rental assistance voucher program  
4 standards; and

5 (d) Operating costs for emergency shelters and licensed overnight  
6 youth shelters.

7 (3) The surcharge imposed in this section does not apply to  
8 assignments or substitutions of previously recorded deeds of trust or  
9 to documents recording a federal lien, or water-sewer district lien,  
10 wage lien, or satisfaction of lien.

11 **Sec. 8.** RCW 36.22.179 and 2019 c 136 s 2 are each amended to  
12 read as follows:

13 (1) In addition to the surcharge authorized in RCW 36.22.178, and  
14 except as provided in subsection (3) of this section, an additional  
15 surcharge of sixty-two dollars shall be charged by the county auditor  
16 for each document recorded, which will be in addition to any other  
17 charge allowed by law. Except as provided in subsection (4) of this  
18 section, the funds collected pursuant to this section are to be  
19 distributed and used as follows:

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

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

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

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

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

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

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

21 (II) Fund the homeless housing grant program.

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

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

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

38 (5) For purposes of this section, "private rental housing" means  
39 housing owned by a private landlord and includes housing owned by a  
40 nonprofit housing entity.

1       **Sec. 9.** RCW 36.22.1791 and 2019 c 136 s 3 are each amended to  
2 read as follows:

3       (1) In addition to the surcharges authorized in RCW 36.22.178 and  
4 36.22.179, and except as provided in subsection (2) of this section,  
5 the county auditor shall charge an additional surcharge of eight  
6 dollars for each document recorded, which is in addition to any other  
7 charge allowed by law. The funds collected under this section are to  
8 be distributed and used as follows:

9       (a) The auditor shall remit ninety percent to the county to be  
10 deposited into a fund six percent of which may be used by the county  
11 for administrative costs related to its homeless housing plan, and  
12 the remainder for programs that directly accomplish the goals of the  
13 county's local homeless housing plan, except that for each city in  
14 the county that elects, as authorized in RCW 43.185C.080, to operate  
15 its own local homeless housing program, a percentage of the surcharge  
16 assessed under this section equal to the percentage of the city's  
17 local portion of the real estate excise tax collected by the county  
18 must be transmitted at least quarterly to the city treasurer for use  
19 by the city for program costs that directly contribute to the goals  
20 of the city's local homeless housing plan.

21       (b) The auditor shall remit the remaining funds to the state  
22 treasurer for deposit in the home security fund account. The  
23 department may use the funds for administering the program  
24 established in RCW 43.185C.020, including the costs of creating and  
25 updating the statewide homeless housing strategic plan, measuring  
26 performance, providing technical assistance to local governments, and  
27 managing the homeless housing grant program. Remaining funds may also  
28 be used to:

29       (i) Provide housing and shelter for homeless people including,  
30 but not limited to: Grants to operate, repair, and staff shelters;  
31 grants to operate transitional housing; partial payments for rental  
32 assistance; consolidated emergency assistance; overnight youth  
33 shelters; grants and vouchers designated for victims of human  
34 trafficking and their families; and emergency shelter assistance; and

35       (ii) Fund the homeless housing grant program.

36       (2) The surcharge imposed in this section does not apply to  
37 assignments or substitutions of previously recorded deeds of trust or  
38 to documents recording a federal or water-sewer district or wage lien  
39 or satisfaction of lien.

1       **Sec. 10.** RCW 36.22.240 and 2019 c 348 s 11 are each amended to  
2 read as follows:

3       (1) Except as provided in subsection (2) of this section, a  
4 surcharge of two dollars and fifty cents shall be charged by the  
5 county auditor for each document recorded, which will be in addition  
6 to any other charge or surcharge allowed by law. The auditor shall  
7 remit the funds to the state treasurer to be deposited and used as  
8 follows:

9       (a) Through June 30, 2024, funds must be deposited into the  
10 growth management planning and environmental review fund created in  
11 RCW 36.70A.490 to be used first for grants for costs associated with  
12 RCW 36.70A.600 and for costs associated with RCW 36.70A.610, and  
13 thereafter for any allowable use of the fund.

14       (b) Beginning July 1, 2024, sufficient funds must be deposited  
15 into the growth management planning and environmental review fund  
16 created in RCW 36.70A.490 for costs associated with RCW 36.70A.610,  
17 and the remainder deposited into the home security fund account  
18 created in RCW 43.185C.060 to be used for maintenance and operation  
19 costs of: (i) Permanent supportive housing and (ii) affordable  
20 housing for very low-income and extremely low-income households.  
21 Funds may only be expended in cities that have taken action under RCW  
22 36.70A.600.

23       (2) The surcharge imposed in this section does not apply to: (a)  
24 Assignments or substitutions of previously recorded deeds of trust;  
25 (b) documents recording a birth, marriage, divorce, or death; (c) any  
26 recorded documents otherwise exempted from a recording fee or  
27 additional surcharges under state law; (d) marriage licenses issued  
28 by the county auditor; or (e) documents recording a federal, state,  
29 county, ~~((or))~~ city, or water-sewer district, or wage lien or  
30 satisfaction of lien.

31       (3) For purposes of this section, the terms "permanent supportive  
32 housing," "affordable housing," "very low-income households," and  
33 "extremely low-income households" have the same meaning as provided  
34 in RCW 36.70A.030.

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