PSSB 5875
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AN ACT Relating to a surcharge for local homeless housing and assistance; and amending RCW 36.22.179, 43.185C.060, and 43.185C.240.

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

Sec. 1. RCW 36.22.179 and 2012 c 90 s 1 are each amended to read as follows:

(1) In addition to the surcharge authorized in RCW 36.22.178, and except as provided in subsection (2) of this section, an additional surcharge of ten dollars shall be charged by the county auditor for each document recorded, which will be in addition to any other charge allowed by law. From July 1, 2009, through August 31, 2012, and from July 1, ((~~2015~~)) 2016, through June 30, 2017, the surcharge shall be thirty dollars. From September 1, 2012, through June 30, ((~~2015~~)) 2016, the surcharge shall be forty dollars. The funds collected pursuant to this section are to be distributed and used as follows:

(a) The auditor shall retain two percent for collection of the fee, and of the remainder shall remit sixty percent to the county to be deposited into a fund that must be used by the county and its cities and towns to accomplish the purposes of chapter 484, Laws of 2005, six percent of which may be used by the county for administrative costs

related to its homeless housing plan, and the remainder for programs which directly accomplish the goals of the county's local homeless housing plan, except that for each city in the county which elects as authorized in RCW 43.185C.080 to operate its own local homeless housing program, a percentage of the surcharge assessed under this section equal to the percentage of the city's local portion of the real estate excise tax collected by the county shall be transmitted at least quarterly to the city treasurer, without any deduction for county administrative costs, for use by the city for program costs which directly contribute to the goals of the city's local homeless housing plan; of the funds received by the city, it may use six percent for administrative costs for its homeless housing program.

(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account. The department may use twelve and one-half percent of this amount for administration of the program established in RCW 43.185C.020, including the costs of creating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program. Of the remaining eighty-seven and one-half percent, at least forty-five percent must be set aside for the use of private rental housing vouchers, and the remainder is to be used by the department to:

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

(ii) Fund the homeless housing grant program.

(2) ((~~The surcharge imposed in this section applies to documents required to be recorded or filed under RCW 65.04.030(1) including, but not limited to: Full reconveyance; deeds of trust; deeds; liens related to real property; release of liens related to real property; notice of trustee sales; judgments related to real property; and all other documents pertaining to real property as determined by the department. However, the surcharge does not apply to (a) assignments or substitutions of previously recorded deeds of trust, or (b)~~

~~documents recording a birth, marriage, divorce, or death or any documents otherwise exempted from a recording fee under state law.~~

~~(3) By August 31, 2012, the department shall submit to each county auditor a list of documents that are subject to the surcharge established in subsection (1) of this section.~~

~~(4) If section 2, chapter 90, Laws of 2012 is not enacted into law by July 31, 2012, section 1, chapter 90, Laws of 2012 is null and void.~~)) The surcharge imposed in this section does not apply to (a) assignments or substitutions of previously recorded deeds of trust, (b) documents recording a birth, marriage, divorce, or death, (c) any recorded documents otherwise exempted from a recording fee or additional surcharges under state law, (d) marriage licenses issued by the county auditor, or (e) documents recording a state, county, or city lien or satisfaction of lien.

Sec. 2. RCW 43.185C.060 and 2007 c 427 s 6 are each amended to read as follows:

The home security fund account is created in the state treasury, subject to appropriation. The state's portion of the surcharge established in RCW 36.22.179 and 36.22.1791 must be deposited in the account. Expenditures from the account may be used only for homeless housing programs as described in this chapter. If the state auditor finds that the department has failed to set aside at least forty-five percent of funds received under RCW 36.22.179 for the use of private rental housing vouchers, the department must submit a corrective action plan to the office of financial management within thirty days of receipt of the state auditor's finding. The office of financial management must monitor the department's corrective action plan and expenditures from this account for the remainder of the fiscal year. If the department is not in compliance with RCW 36.22.179 in any month of the fiscal year following submission of the corrective action plan, the office of financial management must reduce the department's allotments from this account and hold in reserve status a portion of the department's appropriation equal to the expenditures made during the month not in compliance with RCW 36.22.179.

Sec. 3. RCW 43.185C.240 and 2012 c 90 s 2 are each amended to read as follows:

(1) As a means of efficiently and cost-effectively providing housing assistance to very-low income and homeless households:

(a) Any local government that has the authority to issue housing vouchers, directly or through a contractor, using document recording surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or 36.22.1791 must:

(i)(A) Maintain an interested landlord list, which at a minimum, includes information on rental properties in buildings with fewer than fifty units;

(B) Update the list at least once per quarter;

(C) Distribute the list to agencies providing services to individuals and households receiving housing vouchers;

(D) Ensure that a copy of the list or information for accessing the list online is provided with voucher paperwork; and

(E) ((~~Use reasonable best efforts to~~)) Communicate and interact with landlord and tenant associations located within its jurisdiction to facilitate development, maintenance, and distribution of the list and notify interested landlords via e-mail when funds are available for the use of private rental housing vouchers prior to authorizing housing for a tenant that will utilize a private rental housing voucher;

(ii) Using cost-effective methods of communication, convene, on a semiannual or more frequent basis, landlords represented on the interested landlord list and agencies providing services to individuals and households receiving housing vouchers to identify successes, barriers, and process improvements. The local government is not required to reimburse any participants for expenses related to attendance;

(iii) Produce data, limited to document recording fee uses and expenditures, on a calendar year basis in consultation with landlords represented on the interested landlord list and agencies providing services to individuals and households receiving housing vouchers, that include the following: Total amount expended from document recording fees; amount expended on, number of households that received, and number of housing vouchers issued in each of the private, public, and nonprofit markets; amount expended on, number of households that received, and number of housing placement payments provided in each of the private, public, and nonprofit markets; amount expended on and number of eviction prevention services provided in the private market;

and amount expended on and number of other tenant-based rent assistance services provided in the private market. If these data elements are not readily available, the reporting government may request the ((~~department~~)) state auditor to use the sampling methodology established pursuant to ((~~(c)(iii)~~)) (d)(i) of this subsection to obtain the data; and

(iv) Annually submit the calendar year data to the ((~~department~~)) state auditor by October 1st, with preliminary data submitted by October 1, ((~~2012~~)) 2014, and full calendar year data submitted beginning October 1, ((~~2013~~)) 2015.

(b) Any local government receiving more than three million five hundred thousand dollars during the previous calendar year from document recording surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, and 36.22.1791, must apply to the Washington state quality award program, or similar Baldrige assessment organization, for an independent assessment of its quality management, accountability, and performance system. The first assessment may be a lite assessment. After submitting an application, a local government is required to reapply at least every two years.

(c) The department must:

(i) Require contractors that provide housing vouchers to distribute the interested landlord list created by the appropriate local government to individuals and households receiving the housing vouchers;

(ii) ((~~Using cost-effective methods of communication, annually convene local governments issuing housing vouchers, landlord association representatives, and agencies providing services to individuals and households receiving housing vouchers to identify successes, barriers, and process improvements. The department is not required to reimburse any participants for expenses related to attendance;~~

~~(iii)~~)) Work with the Washington state quality award program, local governments, and any other organizations to ensure the appropriate scheduling of assessments for all local governments meeting the criteria described in (b) of this subsection; and

(iii) Convene a stakeholder group consisting of landlords, homeless housing advocates, real estate industry representatives, cities, counties, and the department to meet to discuss long-term funding

strategies for homeless housing programs that do not include a surcharge on document recording fees. The stakeholder group must provide a report of its findings to the legislature by December 1, 2014.

(d) The state auditor must:

(i) Develop a sampling methodology to obtain data required under this section when a local government or contractor does not have such information readily available. The process for developing the sampling methodology must include providing notification to and the opportunity for public comment by local governments issuing housing vouchers, landlord association representatives, and agencies providing services to individuals and households receiving housing vouchers;

((~~(iv)~~)) (ii) Develop a report, limited to document recording fee uses and expenditures, on a calendar year basis ((~~in~~)) that may include consultation with local governments, landlord association representatives, and agencies providing services to individuals and households receiving housing vouchers, that includes the following: Total amount expended from document recording fees; amount expended on, number of households that received, and number of housing vouchers issued in each of the private, public, and nonprofit markets; amount expended on, number of households that received, and number of housing placement payments provided in each of the private, public, and nonprofit markets; amount expended on and number of eviction prevention services provided in the private market; and amount expended on and number of other tenant-based rent assistance services provided in the private market. The information in the report must include data submitted by local governments and data on all additional document recording fee activities for which the department contracted that were not otherwise reported;

((~~(v)~~)) (iii) Meet with the department and a landlord representative, by November 15th annually, to review the preliminary report and provide the department and the landlord representative with the opportunity to include written comments regarding the findings that must be included with the final report; and

(iv) Annually submit the calendar year report to the legislature by December 15th, with a preliminary report submitted by December 15, ((~~2012~~)) 2014, and full calendar year reports submitted beginning December 15, ((~~2013; and~~

~~(vi) Work with the Washington state quality award program, local governments, and any other organizations to ensure the appropriate scheduling of assessments for all local governments meeting the criteria described in subsection (1)(b) of this section~~)) 2015.

(e) If the state auditor finds that the department has failed to set aside at least forty-five percent of the funds received under RCW 36.22.179, the state auditor must notify the department and the office of financial management of its finding. In addition, the state auditor must recommend to the legislature an alternative means of distributing the funds to meet the requirements of RCW 36.22.179.

(f) The state auditor shall conduct a performance audit of the programs funded by document recording surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, and 36.22.1791. The findings, along with any recommended policy changes, must be submitted to the legislature by December 1, 2014. This audit must include whether all statutory requirements were met by the department including, but not limited to, the timely filing of required reports and the quality of such reports.

(2) For purposes of this section:

(a) "Housing placement payments" means one-time payments, such as first and last month's rent and move-in costs, funded by document recording surcharges collected pursuant to RCW 36.22.178, 36.22.179, or 36.22.1791 that are made to secure a unit on behalf of a tenant.

(b) "Housing vouchers" means payments, including payments for private rental housing, funded by document recording surcharges collected pursuant to RCW 36.22.178, 36.22.179, or 36.22.1791 that are made by a local government or contractor to secure: (i) A rental unit on behalf of an individual tenant; or (ii) a block of units on behalf of multiple tenants.

(c) "Interested landlord list" means a list of landlords who have indicated to a local government or contractor interest in renting to individuals or households receiving a housing voucher funded by document recording surcharges.

(d) "Private rental housing" means housing owned by a private landlord and does not include housing owned by a nonprofit housing entity or government entity.

(3) This section expires June 30, 2017.

((~~(4) If section 1, chapter 90, Laws of 2012 is not enacted into law by July 31, 2012, this section is null and void.~~))

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