

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1260

69th Legislature
2025 Regular Session

Passed by the House March 5, 2025
Yeas 96 Nays 0

**Speaker of the House of
Representatives**

Passed by the Senate April 10, 2025
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1260** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1260

Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

By House Appropriations (originally sponsored by Representatives Schmidt, Ormsby, and Hill)

READ FIRST TIME 02/10/25.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (a) ~~((Up))~~ Except as provided in (b) of this subsection, up to 10
21 percent for the county's administration and local distribution of the
22 funds collected from the surcharge in this section, and
23 administrative costs related to the county's homeless housing plan;

24 (b)(i) At least 75 percent will be retained and used by the
25 county to accomplish the purposes of its local homeless housing plan
26 pursuant to chapter 484, Laws of 2005((-)), unless a city in the
27 county elects, as authorized in RCW 43.185C.080, to operate its own
28 local homeless housing program.

29 (ii) If a city in the county elects, as authorized in RCW
30 43.185C.080, to operate its own local homeless housing program, the
31 10 percent for administrative costs retained under (a) of this
32 subsection and the 75 percent for local homeless housing plans
33 retained under (b) of this subsection must be combined and
34 distributed as follows: For each city in the county that elects as
35 authorized in RCW 43.185C.080 to operate its own local homeless
36 housing program, a percentage of the surcharge assessed under this
37 subsection equal to the percentage of the city's local portion of the
38 real estate excise tax collected by the county shall be transmitted
39 at least quarterly to the city treasurer, without any deduction for
40 county administrative costs, for use by the city for program costs

1 which directly contribute to the goals of the city's local homeless
2 housing plan(~~(; of the funds received by the city, it may use up to~~
3 ~~10 percent for administrative costs for its homeless housing~~
4 ~~program;)).~~ Each county or city receiving funds under this subsection
5 (3) may use up to 10 percent of their share of the total funding
6 retained or received under this subsection (3) after the completion
7 of the required city distributions for costs related to:

8 (A) The county's administration and local distribution of the
9 funds collected from the surcharge in this section;

10 (B) Administrative costs related to the county's homeless housing
11 plan; and

12 (C) Administrative costs related to the city's homeless housing
13 program;

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

23 (i) 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 50 percent of the area
26 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 (ii) 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 50 percent of the area median
34 income, and that require a supplement to rent income to cover ongoing
35 operating expenses;

36 (iii) Rental assistance vouchers for housing units that are
37 affordable to very low-income households with incomes at or below 50
38 percent of the area median income, including rental housing vouchers
39 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 (iv) Operating costs for emergency shelters and licensed
6 overnight youth shelters.

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

20 (a) Up to 10 percent for administration of the programs
21 established in chapter 43.185C RCW and in conformance with this
22 subsection (4), including the costs of creating and implementing
23 strategic plans, collecting and evaluating data, measuring and
24 reporting performance, providing technical assistance to local
25 governments, providing training to entities delivering services, and
26 developing and maintaining stakeholder relationships;

27 (b) At least 90 percent for homelessness assistance grant
28 programs administered by the department, including but not limited
29 to: Temporary rental assistance; eviction prevention rental
30 assistance per RCW 43.185C.185; emergency shelter and transitional
31 housing operations and maintenance; outreach; diversion; HOPE and
32 crisis residential centers; young adult housing; homeless services
33 and case management for adult, family, youth, and young adult
34 homeless populations and those at risk of homelessness; project-based
35 vouchers for nonprofit housing providers or public housing
36 authorities; tenant-based rent assistance; housing services; rapid
37 rehousing; emergency housing; acquisition; operations; maintenance;
38 and service costs for permanent supportive housing as defined in RCW
39 36.70A.030 for individuals with disabilities. Grantees may also use
40 these funds in partnership with permanent supportive housing programs

1 administered by the office of apple health and homes created in RCW
2 43.330.181. Priority for use must be given to purposes intended to
3 house persons who are chronically homeless or to maintain housing for
4 individuals with disabilities and prior experiences of homelessness,
5 including families with children.

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

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

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

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

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

29 (6) The department of commerce shall use the funds from the
30 document recording fee or other fund sources deposited in the
31 landlord mitigation program account to administer the landlord
32 mitigation program as established in RCW 43.31.605. The department of
33 commerce may use up to 10 percent of these funds for program
34 administration and the development and maintenance of a database
35 necessary to administer the program.

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