

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1858**

69th Legislature  
2025 Regular Session

Passed by the House March 10, 2025  
Yeas 51 Nays 42

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**Speaker of the House of  
Representatives**

Passed by the Senate April 11, 2025  
Yeas 30 Nays 19

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**President of the Senate**

Approved

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**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 **HOUSE BILL 1858** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 1858

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Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

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

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

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

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

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

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

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

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

4 **Sec. 2.** RCW 36.22.250 and 2023 c 277 s 1 are each amended to  
5 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) At least 90 percent for the following:

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

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

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

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

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