
HOUSE BILL 2138

State of Washington

61st Legislature

2009 Regular Session

By Representatives Simpson and Chase

Read first time 02/11/09. Referred to Committee on Local Government & Housing.

1 AN ACT Relating to the use of surplus property for the development
2 of affordable housing; and amending RCW 43.63A.510, 47.12.063,
3 47.12.064, 53.08.090, 43.20A.037, 72.09.055, 43.19.19201, 79A.05.170,
4 79A.05.175, 36.34.137, 35.21.687, 79.11.005, 79.22.060, 54.16.180, and
5 57.08.016.

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

7 **Sec. 1.** RCW 43.63A.510 and 1993 c 461 s 2 are each amended to read
8 as follows:

9 (1) The department shall work with (~~the departments of natural~~
10 ~~resources, transportation, social and health services, corrections, and~~
11 ~~general administration~~) state and local governmental entities to
12 identify and catalog surplus or underutilized(~~(, state-owned land and~~
13 ~~property)~~) real property owned by these governmental entities suitable
14 for the development of affordable housing for very low-income, low-
15 income, or moderate-income households. The state and local
16 governmental entities subject to the requirements of this section are
17 the departments of natural resources, transportation, social and health
18 services, corrections, (~~and~~) general administration (~~shall~~), and
19 public lands, and the state parks and recreation commission, counties,

1 cities, towns, port districts, water-sewer districts, and public
2 utility districts. These governmental entities must provide an
3 inventory of surplus or underutilized real property that is owned or
4 administered by each ((agency)) governmental entity and is available
5 for lease or sale. Each inventory must contain descriptive information
6 about each property that includes, if known, the contact information
7 for the property and the location, approximate size, sale or lease
8 price and terms, and current zoning classification of the property.
9 Each inventory must be updated at least once a year, and printed and
10 electronic copies of each inventory must be provided upon request. The
11 inventories ((shall)) must be provided to the department by November 1,
12 ((1993)) 2009, with inventory revisions provided each November 1st
13 thereafter.

14 (2) Surplus property for sale by the governmental entities subject
15 to the requirements of this section, and which is suitable for the
16 development of affordable housing, must be offered for at least the
17 first one hundred eighty days after its availability for sale,
18 exclusively to eligible organizations, for the purpose of developing
19 affordable housing. Eligible organizations have the right of first
20 opportunity to purchase these surplus properties, under reasonable
21 option and purchase conditions, in return for a commitment to provide
22 affordable housing for at least thirty years. Governmental entities
23 subject to this section have the sole authority to determine: (a)
24 Whether or not property is surplus; (b) whether or not the property is
25 suitable for the development of affordable housing for very low-income
26 and low-income persons or families; and (c) what constitutes reasonable
27 option and purchase conditions.

28 (3) A governmental entity that sells real property to an eligible
29 entity under this section may do so at a price that is less than fair
30 market value, provided that the affordable housing developed on the
31 property is occupied solely by individuals or families who are very low
32 or low income.

33 (4) Each governmental entity subject to the requirements of this
34 section must develop the criteria and procedures necessary for
35 inventorying surplus property and offering it for sale to eligible
36 organizations.

37 (5) The department must present a written report to the appropriate
38 committees of the legislature by December 1st of each year regarding

1 the status of the surplus or underutilized real property inventory as
2 required under this section, and which must include a comprehensive
3 listing of all real property subject to the inventory during the
4 preceding year.

5 (6) Upon written request, the department shall provide a copy of
6 the inventory of state-owned and publicly owned lands and buildings to
7 parties interested in developing (~~(the sites)~~) property for affordable
8 housing.

9 (~~(+3)~~) (7) As used in this section:

10 (a) "Affordable housing" means residential housing that is rented
11 or owned by a person who qualifies as a very low-income, low-income, or
12 moderate-income household or who is from a special needs population,
13 and whose monthly housing costs, including utilities other than
14 telephone, do not exceed thirty percent of the household's monthly
15 income.

16 (b) "Very low-income household" means a single person, family, or
17 unrelated persons living together whose income is at or below fifty
18 percent of the median income, adjusted for household size, for the
19 county where the affordable housing is located.

20 (c) "Low-income household" means a single person, family, or
21 unrelated persons living together whose income is more than fifty
22 percent but is at or below eighty percent of the median income where
23 the affordable housing is located.

24 (d) "Moderate-income household" means a single person, family, or
25 unrelated persons living together whose income is more than eighty
26 percent but is at or below one hundred fifteen percent of the median
27 income where the affordable housing is located.

28 (e) "Eligible organization" means any city, town, or county
29 government, local housing authority, public development authority,
30 community renewal agency, regional support network established under
31 chapter 71.24 RCW, nonprofit community or neighborhood-based
32 organization, federally recognized Indian tribe in the state of
33 Washington, or regional or statewide nonprofit housing assistance
34 organization, each having experience in the development of affordable
35 housing.

36 (f) "Real property" means land, buildings, or buildings and land.

1 **Sec. 2.** RCW 47.12.063 and 2006 c 17 s 2 are each amended to read
2 as follows:

3 (1) It is the intent of the legislature to continue the
4 department's policy giving priority consideration to abutting property
5 owners in agricultural areas when disposing of property through its
6 surplus property program under this section. With respect to surplus
7 property in nonagricultural areas that is suitable for residential use,
8 the department shall give priority to selling the property to a public
9 entity or private nonprofit entity dedicated to the development of
10 affordable housing for very low-income, low-income, or moderate-income
11 households, consistent with the requirements of this section and RCW
12 43.63A.510.

13 (2) Whenever the department determines that any real property owned
14 by the state of Washington and under the jurisdiction of the department
15 is no longer required for transportation purposes and that it is in the
16 public interest to do so, the department may sell the property or
17 exchange it in full or part consideration for land or improvements or
18 for construction of improvements (~~at fair market value to~~). Except
19 as authorized in (j) of this subsection, the department must receive
20 fair market value for any such sale or exchange. The department may
21 engage in the sale or exchange of its surplus property with any of the
22 following governmental entities or persons:

23 (a) Any other state agency;

24 (b) The city or county in which the property is situated;

25 (c) Any other municipal corporation;

26 (d) Regional transit authorities created under chapter 81.112 RCW;

27 (e) The former owner of the property from whom the state acquired
28 title;

29 (f) In the case of residentially improved property, a tenant of the
30 department who has resided thereon for not less than six months and who
31 is not delinquent in paying rent to the state;

32 (g) Any abutting private owner but only after each other abutting
33 private owner (if any), as shown in the records of the county assessor,
34 is notified in writing of the proposed sale. If more than one abutting
35 private owner requests in writing the right to purchase the property
36 within fifteen days after receiving notice of the proposed sale, the
37 property shall be sold at public auction in the manner provided in RCW
38 47.12.283;

1 (h) To any person through the solicitation of written bids through
2 public advertising in the manner prescribed by RCW 47.28.050;

3 (i) To any other owner of real property required for transportation
4 purposes;

5 (j) In the case of property suitable for residential use, any
6 nonprofit organization dedicated to providing affordable housing to
7 very low-income, low-income, and moderate-income households as defined
8 in RCW 43.63A.510 and is eligible to receive assistance through the
9 Washington housing trust fund created in chapter 43.185 RCW. The
10 department may sell or exchange the property for less than fair market
11 value under this subsection (2)(j) if the affordable housing to be
12 developed on the property is to be occupied exclusively by very low-
13 income or low-income households as provided in RCW 43.63A.510; or

14 (k) A federally recognized Indian tribe within whose reservation
15 boundary the property is located.

16 (3) Sales to purchasers may at the department's option be for cash,
17 by real estate contract, or exchange of land or improvements.
18 Transactions involving the construction of improvements must be
19 conducted pursuant to chapter 47.28 RCW or Title 39 RCW, as applicable,
20 and must comply with all other applicable laws and rules.

21 (4) Conveyances made pursuant to this section shall be by deed
22 executed by the secretary of transportation and shall be duly
23 acknowledged.

24 (5) Unless otherwise provided, all moneys received pursuant to the
25 provisions of this section less any real estate broker commissions paid
26 pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.

27 **Sec. 3.** RCW 47.12.064 and 1995 c 399 s 121 are each amended to
28 read as follows:

29 (1) In accordance with RCW 43.63A.510, the department shall
30 identify and catalog real property that is no longer required for
31 department purposes and is suitable for the development of affordable
32 housing for very low-income, low-income, and moderate-income households
33 as defined in RCW 43.63A.510. The inventory shall include the
34 location, approximate size, and current zoning classification of the
35 property. The department shall provide a copy of the inventory to the
36 department of community, trade, and economic development by November 1,
37 ((1993)) 2009, and every November 1st thereafter.

1 (2) By November 1st of each year, beginning in ((1994)) 2010, the
2 department shall purge the inventory of real property of sites that are
3 no longer available for the development of affordable housing. The
4 department shall include an updated listing of real property that has
5 become available since the last update. As used in this section, "real
6 property" means buildings, land, or buildings and land.

7 **Sec. 4.** RCW 53.08.090 and 1994 c 26 s 1 are each amended to read
8 as follows:

9 (1) A port commission may, by resolution, authorize the managing
10 official of a port district to sell and convey port district property
11 of ten thousand dollars or less in value. The authority shall be in
12 force for not more than one calendar year from the date of resolution
13 and may be renewed from year to year. Prior to any such sale or
14 conveyance the managing official shall itemize and list the property to
15 be sold and make written certification to the commission that the
16 listed property is no longer needed for district purposes. Any large
17 block of the property having a value in excess of ten thousand dollars
18 shall not be broken down into components of ten thousand dollars or
19 less value and sold in the smaller components unless the smaller
20 components be sold by public competitive bid. A port district may sell
21 and convey any of its real or personal property valued at more than ten
22 thousand dollars when the port commission has, by resolution, declared
23 the property to be no longer needed for district purposes, but no
24 property which is a part of the comprehensive plan of improvement or
25 modification thereof shall be disposed of until the comprehensive plan
26 has been modified to find the property surplus to port needs. The
27 comprehensive plan shall be modified only after public notice and
28 hearing provided by RCW 53.20.010. All sales, transfers, or exchanges
29 of port district property under this section are subject to RCW
30 43.63A.510.

31 Nothing in this section shall be deemed to repeal or modify
32 procedures for property sales within industrial development districts
33 as set forth in chapter 53.25 RCW.

34 (2) The ten thousand dollar figures in subsection (1) of this
35 section shall be adjusted annually based upon the governmental price
36 index established by the department of revenue under RCW 82.14.200.

1 (3) In selling, transferring, or otherwise disposing of surplus or
2 underutilized property, a port district shall give priority to selling
3 the property to a public or private entity dedicated to the development
4 of affordable housing for very low-income, low-income, or moderate-
5 income households, consistent with RCW 43.63A.510. A port district may
6 sell or exchange the property for less than fair market value if the
7 affordable housing to be developed on the property is to be occupied
8 exclusively by very low-income or low-income households as provided in
9 RCW 43.63A.510.

10 (4) A port district shall identify and catalog real property that
11 is no longer required for district purposes and is suitable for the
12 development of affordable housing for very low-income, low-income, and
13 moderate-income households as defined in RCW 43.63A.510. The inventory
14 must include the location, approximate size, and current zoning
15 classification of the property. The port district shall provide a copy
16 of the inventory to the department of community, trade, and economic
17 development by November 1, 2009, and every November 1st thereafter in
18 accordance with the requirements of RCW 43.63A.510.

19 (5) By November 1st of each year, beginning in 2010, the port
20 district shall purge the inventory of real property of sites that are
21 no longer available for the development of affordable housing. The
22 port district shall include an updated listing of real property that
23 has become available since the last update. As used in this section,
24 "real property" means buildings, land, or buildings and land.

25 **Sec. 5.** RCW 43.20A.037 and 1995 c 399 s 65 are each amended to
26 read as follows:

27 (1) In accordance with RCW 43.63A.510, the department shall
28 identify and catalog real property that is no longer required for
29 department purposes and is suitable for the development of affordable
30 housing for very low-income, and moderate-income households as defined
31 in RCW 43.63A.510. The inventory shall include the location,
32 approximate size, and current zoning classification of the property.
33 The department shall provide a copy of the inventory to the department
34 of community, trade, and economic development by November 1, ((1993))
35 2009, and every November 1st thereafter.

36 (2) By November 1st of each year, beginning in ((1994)) 2010, the
37 department shall purge the inventory of real property of sites that are

1 no longer available for the development of affordable housing. The
2 department shall include an updated listing of real property that has
3 become available since the last update. As used in this section, "real
4 property" means buildings, land, or buildings and land.

5 (3) In selling, transferring, or otherwise disposing of surplus or
6 under utilized property, the department shall give priority to selling
7 the property to a public or private entity dedicated to the development
8 of affordable housing for very low-income, low-income, or moderate-
9 income households, consistent with RCW 43.63A.510. The department may
10 sell or exchange the property for less than fair market value if the
11 affordable housing to be developed on the property is to be occupied
12 exclusively by very low-income or low-income households as provided in
13 RCW 43.63A.510.

14 **Sec. 6.** RCW 72.09.055 and 1995 c 399 s 202 are each amended to
15 read as follows:

16 (1) In accordance with RCW 43.63A.510, the department shall
17 identify and catalog real property that is no longer required for
18 department purposes and is suitable for the development of affordable
19 housing for very low-income, low-income, and moderate-income households
20 as defined in RCW 43.63A.510. The inventory shall include the
21 location, approximate size, and current zoning classification of the
22 property. The department shall provide a copy of the inventory to the
23 department of community, trade, and economic development by November 1,
24 ((1993)) 2009, and every November 1st thereafter.

25 (2) By November 1st of each year, beginning in ((1994)) 2010, the
26 department shall purge the inventory of real property of sites that are
27 no longer available for the development of affordable housing. The
28 department shall include an updated listing of real property that has
29 become available since the last update. As used in this section, "real
30 property" means buildings, land, or buildings and land.

31 (3) In selling, transferring, or otherwise disposing of surplus or
32 under utilized property, the department shall give priority to selling
33 the property to a public or private entity dedicated to the development
34 of affordable housing for very low-income, low-income, or moderate-
35 income households, consistent with RCW 43.63A.510. The department may
36 sell or exchange the property for less than fair market value if the

1 affordable housing to be developed on the property is to be occupied
2 exclusively by very low-income or low-income households as provided in
3 RCW 43.63A.510.

4 **Sec. 7.** RCW 43.19.19201 and 1995 c 399 s 64 are each amended to
5 read as follows:

6 (1) In accordance with RCW 43.63A.510, the department of general
7 administration shall identify and catalog real property that is no
8 longer required for department purposes and is suitable for the
9 development of affordable housing for very low-income, low-income, and
10 moderate-income households as defined in RCW 43.63A.510. The inventory
11 shall include the location, approximate size, and current zoning
12 classification of the property. The department of general
13 administration shall provide a copy of the inventory to the department
14 of community, trade, and economic development by November 1, (~~1993~~)
15 2009, and every November 1st thereafter.

16 (2) By November 1st of each year, beginning in (~~1994~~) 2010, the
17 department of general administration shall purge the inventory of real
18 property of sites that are no longer available for the development of
19 affordable housing. The department shall include an updated listing of
20 real property that has become available since the last update. As used
21 in this section, "real property" means buildings, land, or buildings
22 and land.

23 (3) In selling, transferring, or otherwise disposing of surplus or
24 under utilized property, the department shall give priority to selling
25 the property to a public or private entity dedicated to the development
26 of affordable housing for very low-income, low-income, or moderate-
27 income households, consistent with RCW 43.63A.510. The department may
28 sell or exchange the property for less than fair market value if the
29 affordable housing to be developed on the property is to be occupied
30 exclusively by very low-income or low-income households as provided in
31 RCW 43.63A.510.

32 **Sec. 8.** RCW 79A.05.170 and 1991 sp.s. c 13 s 23 are each amended
33 to read as follows:

34 (1) In selling, transferring, or otherwise disposing of surplus or
35 underutilized real property, the commission shall give priority to
36 selling the property to a public or private entity dedicated to the

1 development of affordable housing for very low-income, low-income, or
2 moderate-income households, consistent with RCW 43.63A.510. The
3 commission may sell or exchange the property for less than fair market
4 value if the affordable housing to be developed on the property is to
5 be occupied exclusively by very low-income or low-income households as
6 provided in RCW 43.63A.510.

7 (2) Except for those lands subject to RCW 43.63A.510, any lands
8 owned by the ((state parks and recreation)) commission, which are
9 determined to be surplus to the needs of the state for development for
10 state park purposes and which the commission proposes to deed to a
11 local government or other entity, shall be accompanied by a clause
12 requiring that if the land is not used for outdoor recreation purposes,
13 ownership of the land shall revert to the ((state parks and
14 recreation)) commission.

15 ((2) The state parks and recreation commission,)) (a) In cases
16 where land subject to such a reversionary clause is proposed for use or
17 disposal for purposes other than recreation, the commission shall
18 require that, if the land is surplus to the needs of the commission for
19 park purposes at the time the commission becomes aware of its proposed
20 use for nonrecreation purposes, the holder of the land or property
21 shall reimburse the commission for the release of the reversionary
22 interest in the land. The reimbursement shall be in the amount of the
23 fair market value of the reversionary interest as determined by a
24 qualified appraiser agreeable to the commission. Appraisal costs shall
25 be borne by the local entity which holds title to the land.

26 ((3)) (b) Any funds generated under a reimbursement under this
27 section shall be deposited in the parkland acquisition account which is
28 hereby created in the state treasury. Moneys in this account are to be
29 used solely for the purchase or acquisition of property for use as
30 state park property by the commission, as directed by the legislature;
31 all such funds shall be subject to legislative appropriation.

32 (3) In accordance with RCW 43.63A.510, the commission shall
33 identify and catalog real property that is no longer required for
34 commission purposes and is suitable for the development of affordable
35 housing for very low-income, low-income, and moderate-income households
36 as defined in RCW 43.63A.510. The inventory must include the location,
37 approximate size, and current zoning classification of the property.
38 The commission shall provide a copy of the inventory to the department

1 of community, trade, and economic development by November 1, 2009, and
2 every November 1st thereafter. By November 1st of each year, beginning
3 in 2010, the commission shall purge the inventory of real property of
4 sites that are no longer available for the development of affordable
5 housing. The commission shall include an updated listing of real
6 property that has become available since the last update. As used in
7 this section, "real property" means buildings, land, or buildings and
8 land.

9 **Sec. 9.** RCW 79A.05.175 and 2007 c 145 s 1 are each amended to read
10 as follows:

11 Except for those lands subject to RCW 43.63A.510 and 79A.05.170(1),
12 whenever the commission finds that any land under its control cannot
13 advantageously be used for park purposes, it is authorized to dispose
14 of such land by the method provided in this section or by the method
15 provided in RCW 79A.05.170. If such lands are school or other grant
16 lands, control thereof shall be relinquished by resolution of the
17 commission to the proper state officials. If such lands were acquired
18 under restrictive conveyances by which the state may hold them only so
19 long as they are used for park purposes, they may be returned to the
20 donor or grantors by the commission. All other such lands may be
21 either sold by the commission to the highest bidder or exchanged for
22 other lands of equal value by the commission, and all conveyance
23 documents shall be executed by the governor. All such exchanges shall
24 be accompanied by a transfer fee, to be set by the commission and paid
25 by the other party to the transfer; such fee shall be paid into the
26 parkland acquisition account established under RCW 79A.05.170. The
27 commission may accept sealed bids, electronic bids, or oral bids at
28 auction. Bids on all sales shall be solicited at least twenty days in
29 advance of the sale date by an advertisement appearing at least once a
30 week for two consecutive weeks in a newspaper of general circulation in
31 the county in which the land to be sold is located. If the commission
32 feels that no bid received adequately reflects the fair value of the
33 land to be sold, it may reject all bids, and may call for new bids.
34 All proceeds derived from the sale of such park property shall be paid
35 into the park land acquisition account. All land considered for
36 exchange shall be evaluated by the commission to determine its
37 adaptability to park usage. The equal value of all lands exchanged

1 shall first be determined by the appraisals to the satisfaction of the
2 commission. No sale or exchange of state park lands shall be made
3 without the unanimous consent of the commission.

4 **Sec. 10.** RCW 36.34.137 and 1993 c 461 s 5 are each amended to read
5 as follows:

6 (1) In selling, transferring, or otherwise disposing of surplus or
7 underutilized real property, every county shall give priority to
8 selling the property to a public or private entity dedicated to the
9 development of affordable housing for very low-income, low-income, or
10 moderate-income households, consistent with RCW 43.63A.510. A county
11 may sell or exchange the property for less than fair market value if
12 the affordable housing to be developed on the property is to be
13 occupied exclusively by very low-income or low-income households as
14 provided in RCW 43.63A.510.

15 (2) In accordance with RCW 43.63A.510, every county shall identify
16 and catalog real property owned by the county that is no longer
17 required for its purposes and is suitable for the development of
18 affordable housing for very low-income, low-income, and moderate-income
19 households as defined in RCW 43.63A.510. The inventory shall include
20 the location, approximate size, and current zoning classification of
21 the property. Every county shall provide a copy of the inventory to
22 the department of community, trade, and economic development by
23 November 1, ((1993)) 2009, with inventory revisions each November 1st
24 thereafter.

25 ((+2)) (3) By November 1st of each year, beginning in ((1994))
26 2010, every county shall purge the inventory of real property of sites
27 that are no longer available for the development of affordable housing.
28 The inventory revision shall include an updated listing of real
29 property that has become available since the last update. As used in
30 this section, "real property" means buildings, land, or buildings and
31 land.

32 **Sec. 11.** RCW 35.21.687 and 1995 c 399 s 37 are each amended to
33 read as follows:

34 (1) In selling, transferring, or otherwise disposing of surplus or
35 underutilized real property, every city and town, including every code
36 city operating under Title 35A RCW, shall give priority to selling the

1 property to a public or private entity dedicated to the development of
2 affordable housing for very low-income, low-income, or moderate-income
3 households, consistent with RCW 43.63A.510. A city, town, or code city
4 may sell or exchange the property for less than fair market value if
5 the affordable housing to be developed on the property is to be
6 occupied exclusively by very low-income or low-income households as
7 provided in RCW 43.63A.510.

8 (2) In accordance with RCW 43.63A.510, every city and town,
9 including every code city operating under Title 35A RCW, shall identify
10 and catalog real property owned by the city or town that is no longer
11 required for its purposes and is suitable for the development of
12 affordable housing for very low-income, low-income, and moderate-income
13 households as defined in RCW 43.63A.510. The inventory shall include
14 the location, approximate size, and current zoning classification of
15 the property. Every city and town shall provide a copy of the
16 inventory to the department of community, trade, and economic
17 development by November 1, ~~((1993))~~ 2009, with inventory revisions each
18 November 1st thereafter.

19 ~~((+2))~~ (3) By November 1st of each year, beginning in ((1994))
20 2010, every city and town, including every code city operating under
21 Title 35A RCW, shall purge the inventory of real property of sites that
22 are no longer available for the development of affordable housing. The
23 inventory revision shall also contain a list of real property that has
24 become available since the last update. As used in this section, "real
25 property" means buildings, land, or buildings and land.

26 **Sec. 12.** RCW 79.11.005 and 2003 c 334 s 201 are each amended to
27 read as follows:

28 (1) Subject to RCW 43.63A.510, the department is authorized to sell
29 any real property not designated or acquired as state forest lands, but
30 acquired by the state, either in the name of the forest board, the
31 forestry board, or the division of forestry, for administrative sites,
32 lien foreclosures, or other purposes whenever it shall determine that
33 the lands are no longer or not necessary for public use.

34 (2) In selling, transferring, or otherwise disposing of surplus or
35 underutilized real property, the department shall give priority to
36 selling the property to a public or private entity dedicated to the
37 development of affordable housing for very low-income, low-income, or

1 moderate-income households, consistent with RCW 43.63A.510. The
2 department may sell or exchange the property for less than fair market
3 value if the affordable housing to be developed on the property is to
4 be occupied exclusively by very low-income or low-income households as
5 provided in RCW 43.63A.510.

6 (3) Except as otherwise provided under RCW 43.63A.510, the sale may
7 be made after public notice to the highest bidder for such a price as
8 approved by the governor, but not less than the fair market value of
9 the real property, plus the value of improvements thereon. Any
10 instruments necessary to convey title must be executed by the governor
11 in a form approved by the attorney general.

12 ~~((+3))~~ (4) All amounts received from the sale must be credited to
13 the fund of the department of government that is responsible for the
14 acquisition and maintenance of the property sold.

15 (5) In accordance with RCW 43.63A.510, the department shall
16 identify and catalog real property owned by the county that is no
17 longer required for its purposes and is suitable for the development of
18 affordable housing for very low-income, low-income, and moderate-income
19 households as defined in RCW 43.63A.510. The inventory must include
20 the location, approximate size, and current zoning classification of
21 the property. The department shall provide a copy of the inventory to
22 the department of community, trade, and economic development by
23 November 1, 2009, with inventory revisions each November 1st
24 thereafter.

25 (6) By November 1st of each year, beginning in 2010, the department
26 shall purge the inventory of real property of sites that are no longer
27 available for the development of affordable housing. The inventory
28 revision must include an updated listing of real property that has
29 become available since the last update. As used in this section, "real
30 property" means buildings, land, or buildings and land.

31 **Sec. 13.** RCW 79.22.060 and 2003 c 334 s 221 are each amended to
32 read as follows:

33 (1) With the approval of the board and subject to RCW 43.63A.510,
34 the department may directly transfer or dispose of state forest lands
35 without public auction, if such lands consist of ten contiguous acres
36 or less, or have a value of twenty-five thousand dollars or less. Such
37 disposal may only occur in the following circumstances:

1 (a) Transfers in lieu of condemnation; and

2 (b) Transfers to resolve trespass and property ownership disputes.

3 (2) Except as otherwise provided under RCW 43.63A.510 and
4 79.11.005(2), real property to be transferred or disposed of under this
5 section shall be transferred or disposed of only after appraisal and
6 for at least fair market value, and only if such transaction is in the
7 best interest of the state or affected trust.

8 (3) The proceeds from real property transferred or disposed of
9 under this section shall be deposited into the park land trust
10 revolving fund and be solely used to buy replacement land within the
11 same county as the property transferred or disposed.

12 (4) In selling, transferring, or otherwise disposing of surplus or
13 underutilized property, the department shall give priority to selling
14 the property to a public or private entity dedicated to the development
15 of affordable housing for very low-income, low-income, or moderate-
16 income households, consistent with RCW 43.63A.510. The department may
17 sell or exchange the property for less than fair market value if the
18 affordable housing to be developed on the property is to be occupied
19 exclusively by very low-income or low-income households as provided in
20 RCW 43.63A.510.

21 (5) In accordance with RCW 43.63A.510, the department shall
22 identify and catalog real property that is no longer required for
23 department purposes and is suitable for the development of affordable
24 housing for very low-income, low-income, and moderate-income households
25 as defined in RCW 43.63A.510. The inventory must include the location,
26 approximate size, and current zoning classification of the property.
27 The department shall provide a copy of the inventory to the department
28 of community, trade, and economic development by November 1, 2009, and
29 every November 1st thereafter.

30 (6) By November 1st of each year, beginning in 2010, the department
31 shall purge the inventory of real property of sites that are no longer
32 available for the development of affordable housing. The department
33 shall include an updated listing of real property that has become
34 available since the last update. As used in this section, "real
35 property" means buildings, land, or buildings and land.

36 **Sec. 14.** RCW 54.16.180 and 2008 c 198 s 5 are each amended to read
37 as follows:

1 (1) Subject to RCW 43.63A.510, a district may sell and convey,
2 lease, or otherwise dispose of all or any part of its works, plants,
3 systems, utilities and properties, after proceedings and approval by
4 the voters of the district, as provided for the lease or disposition of
5 like properties and facilities owned by cities and towns. The
6 affirmative vote of three-fifths of the voters voting at an election on
7 the question of approval of a proposed sale((7)) shall be necessary to
8 authorize such a sale.

9 (2) Subject to RCW 43.63A.510, a district may, without the approval
10 of the voters, sell, convey, lease, or otherwise dispose of all or any
11 part of the property owned by it that is located:

12 (a) Outside its boundaries, to another public utility district,
13 city, town or other municipal corporation; or

14 (b) Within or without its boundaries, which has become
15 unserviceable, inadequate, obsolete, worn out or unfit to be used in
16 the operations of the system and which is no longer necessary, material
17 to, and useful in such operations, to any person or public body.

18 (3) In selling, transferring, or otherwise disposing of surplus or
19 underutilized property, a district shall give priority to selling the
20 property to a public or private entity dedicated to the development of
21 affordable housing for very low-income, low-income, or moderate-income
22 households, consistent with RCW 43.63A.510. A district may sell or
23 exchange the property for less than fair market value if the affordable
24 housing to be developed on the property is to be occupied exclusively
25 by very low-income or low-income households as provided in RCW
26 43.63A.510.

27 (4) In accordance with RCW 43.63A.510, a district shall identify
28 and catalog real property that is no longer required for district
29 purposes and is suitable for the development of affordable housing for
30 very low-income, low-income, and moderate-income households as defined
31 in RCW 43.63A.510. The inventory must include the location,
32 approximate size, and current zoning classification of the property.
33 The district shall provide a copy of the inventory to the department of
34 community, trade, and economic development by November 1, 2009, and
35 every November 1st thereafter.

36 (5) By November 1st of each year, beginning in 2010, a district
37 shall purge the inventory of real property of sites that are no longer
38 available for the development of affordable housing. The department

1 shall include an updated listing of real property that has become
2 available since the last update. As used in this section, "real
3 property" means buildings, land, or buildings and land.

4 (6) A district may sell, convey, lease or otherwise dispose of
5 items of equipment or materials to any other district, to any
6 cooperative, mutual, consumer-owned or investor-owned utility, to any
7 federal, state, or local government agency, to any contractor employed
8 by the district or any other district, utility, or agency, or any
9 customer of the district or of any other district or utility, from the
10 district's stores without voter approval or resolution of the
11 district's board, if such items of equipment or materials cannot
12 practicably be obtained on a timely basis from any other source, and
13 the amount received by the district in consideration for any such sale,
14 conveyance, lease, or other disposal of such items of equipment or
15 materials is not less than the district's cost to purchase such items
16 or the reasonable market value of equipment or materials.

17 ~~((+4))~~ (7) A district located within a county with a population of
18 from one hundred twenty-five thousand to less than two hundred ten
19 thousand may sell and convey to a city of the first class, which owns
20 its own water system, all or any part of a water system owned by the
21 district where a portion of it is located within the boundaries of the
22 city, without approval of the voters, upon such terms and conditions as
23 the district shall determine.

24 ~~((+5))~~ (8) A district located in a county with a population of
25 from twelve thousand to less than eighteen thousand and bordered by the
26 Columbia river may, separately or in connection with the operation of
27 a water system, or as part of a plan for acquiring or constructing and
28 operating a water system, or in connection with the creation of another
29 or subsidiary local utility district, provide for the acquisition or
30 construction, additions or improvements to, or extensions of, and
31 operation of, a sewage system within the same service area as in the
32 judgment of the district commission is necessary or advisable to
33 eliminate or avoid any existing or potential danger to public health
34 due to lack of sewerage facilities or inadequacy of existing
35 facilities.

36 ~~((+6))~~ (9) Subject to RCW 43.63A.510, a district located within a
37 county with a population of from one hundred twenty-five thousand to
38 less than two hundred ten thousand bordering on Puget Sound may sell

1 and convey to any city or town with a population of less than ten
2 thousand all or any part of a water system owned by the district
3 without approval of the voters upon such terms and conditions as the
4 district shall determine.

5 ~~((+7))~~ (10) A district may sell and convey, lease, or otherwise
6 dispose of, to any person or entity without approval of the voters and
7 upon such terms and conditions as it determines, all or any part of an
8 electric generating project owned directly or indirectly by the
9 district, regardless of whether the project is completed, operable, or
10 operating, as long as:

11 (a) The project is or would be powered by an eligible renewable
12 resource as defined in RCW 19.285.030; and

13 (b) The district, or the separate legal entity in which the
14 district has an interest in the case of indirect ownership, has:

15 (i) The right to lease the project or to purchase all or any part
16 of the energy from the project during the period in which it does not
17 have a direct or indirect ownership interest in the project; and

18 (ii) An option to repurchase the project or part thereof sold,
19 conveyed, leased, or otherwise disposed of at or below fair market
20 value upon termination of the lease of the project or termination of
21 the right to purchase energy from the project.

22 ~~((+8))~~ (11) Districts are municipal corporations for the purposes
23 of this section. A commission shall be held to be the legislative
24 body, a president and secretary shall have the same powers and perform
25 the same duties as a mayor and city clerk, and the district resolutions
26 shall be held to be ordinances within the meaning of statutes governing
27 the sale, lease, or other disposal of public utilities owned by cities
28 and towns.

29 **Sec. 15.** RCW 57.08.016 and 1999 c 153 s 5 are each amended to read
30 as follows:

31 (1) There shall be no private sale of real property where the
32 appraised value exceeds the sum of two thousand five hundred dollars.
33 Subject to the provisions of subsection (2) of this section, no real
34 property of the district shall be sold for less than ninety percent of
35 the value thereof as established by a written appraisal made not more
36 than six months prior to the date of sale by three disinterested real
37 estate brokers licensed under the laws of the state or professionally

1 designated real estate appraisers as defined in RCW 74.46.020. The
2 appraisal shall be signed by the appraisers and filed with the
3 secretary of the board of commissioners of the district, who shall keep
4 it at the office of the district open to public inspection. Any notice
5 of intention to sell real property of the district shall recite the
6 appraised value thereof.

7 (2) Subject to RCW 43.63A.510, if no purchasers can be obtained for
8 the property at ninety percent or more of its appraised value after one
9 hundred twenty days of offering the property for sale, the board of
10 commissioners of the district may adopt a resolution stating that the
11 district has been unable to sell the property at the ninety percent
12 amount. The district then may sell the property at the highest price
13 it can obtain at public auction. A notice of intention to sell at
14 public auction shall be published once a week for two consecutive weeks
15 in a newspaper of general circulation in the district. The notice
16 shall describe the property, state the time and place at which it will
17 be offered for sale and the terms of sale, and shall call for bids, fix
18 the conditions thereof, and reserve the right to reject any and all
19 bids for good cause.

20 (3) In selling, transferring, or otherwise disposing of surplus or
21 underutilized property, a district shall give priority to selling the
22 property to a public or private entity dedicated to the development of
23 affordable housing for very low-income, low-income, or moderate-income
24 households, consistent with RCW 43.63A.510. A district may sell or
25 exchange the property for less than fair market value if the affordable
26 housing to be developed on the property is to be occupied exclusively
27 by very low-income or low-income households as provided in RCW
28 43.63A.510.

29 (4) A district shall identify and catalog real property that is no
30 longer required for district purposes and is suitable for the
31 development of affordable housing for very low-income, low-income, and
32 moderate-income households as defined in RCW 43.63A.510. The inventory
33 must include the location, approximate size, and current zoning
34 classification of the property. The district shall provide a copy of
35 the inventory to the department of community, trade, and economic
36 development by November 1, 2009, and every November 1st thereafter in
37 accordance with the requirements of RCW 43.63A.510.

1 (5) By November 1st of each year, beginning in 2010, the district
2 shall purge the inventory of real property of sites that are no longer
3 available for the development of affordable housing. The district
4 shall include an updated listing of real property that has become
5 available since the last update. As used in this section, "real
6 property" means buildings, land, or buildings and land.

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