

# HOUSE BILL REPORT

## HB 2722

---

**As Reported by House Committee On:**  
Capital Budget

**Title:** An act relating to surplus property.

**Brief Description:** Concerning surplus property.

**Sponsors:** Representatives Parker, Dunshee, Warnick, Zeiger, Angel and Santos.

**Brief History:**

**Committee Activity:**

Capital Budget: 1/31/12, 2/1/12, 2/2/12 [DPS].

**Brief Summary of Substitute Bill**

- Requires the Office of Financial Management (OFM) to annually report a list of surplus properties to the Legislature.
- Requires the Department of Enterprise Services (DES) to annually report on the status of surplus properties.
- Requires the OFM to coordinate with the DES on surplus properties.

---

### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Warnick, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Asay, Jinkins, Lytton, Pearson, Smith, Tharinger and Wylie.

**Staff:** Steve Masse (786-7115).

**Background:**

Department of Enterprise Services.

The Department of Enterprise Services (DES) is authorized to sell property that belongs to the state if the agency having custody of the property no longer needs it. State agencies have first right of refusal and then other public entities before property is made available for sale

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

to the general public. The proceeds of the sale of the property is deposited into the fund from which the property was originally purchased, or the State General Fund if the original fund no longer exists.

The DES is required to maintain a record of any surplus property disposed of including the date of sale, method of disposal, identity of recipient, and approximate value.

Office of Financial Management.

The Office of Financial Management (OFM) is required to submit a Six-Year Facilities Plan to the Legislature every two years. The plan identifies space requirements for agencies, including new space required for growth or less space as a result of downsizing.

Local Governments and State Agencies.

The Department of Social and Health Services, the Department of Transportation, the Department of Corrections, the DES, and cities, towns, and counties are required to identify and catalog real property that is suitable for the development of affordable housing for very low-income, low-income, and moderate-income households. These entities must provide a copy of these inventories to the Department of Commerce (COM) annually each November 1. Upon request, the COM must provide a copy of information regarding all such lands to parties interested in developing affordable housing.

---

**Summary of Substitute Bill:**

The DES is required to report annually to the Legislature a list of surplus property including the listing price, the date it was listed, and sale price if it was sold. The OFM is required to include in the Six-Year Facilities Plan a list of all surplus properties except for real properties. The OFM is also required to submit an updated list of surplus properties every other year and must coordinate with the DES on the sale of surplus properties.

**Substitute Bill Compared to Original Bill:**

The substitute bill requires a surplus property list to be part of the Governor's Capital Plan proposal rather than the OFM submitting the surplus property list annually to the Legislature. The substitute bill requires DES to report to the Legislature the status of surplus real property rather than personal property every two years. The substitute bill removes the requirement that the OFM coordinate with the DES on the status of surplus properties and removes conflicting date requirements.

---

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This will formalize a process to allow the OFM to work with the DES on providing information on surplus properties. A good mechanism is needed to identify what is surplus property and be able to take action on it.

(Opposed) None.

**Persons Testifying:** Representative Parker, prime sponsor; and Amy McMahan, Office of Financial Management.

**Persons Signed In To Testify But Not Testifying:** None.