
HOUSE BILL 2628

State of Washington

63rd Legislature

2014 Regular Session

By Representative Klippert

Read first time 01/23/14. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to government ownership of vacant or undeveloped
2 land for extended periods of time; amending RCW 84.40.045 and
3 84.40.175; adding a new section to chapter 82.02 RCW; and adding a new
4 chapter to Title 42 RCW.

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

6 NEW SECTION. **Sec. 1.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires otherwise.

8 (1) "Master real estate plan" or "plan" means a plan of a public
9 agency for the timely use or disposal of vacant or otherwise
10 undeveloped properties that were obtained through transfers,
11 intergovernmental exchanges, gifts, foreclosures, or other nonpayment
12 methods.

13 (2) "Public agency" means:

14 (a) Any state board, commission, committee, department, educational
15 institution, or other state agency created by or pursuant to statute,
16 other than courts and the legislature; and

17 (b) Any county, city, school district, special purpose district, or
18 other municipal corporation or political subdivision of the state of
19 Washington.

1 NEW SECTION. **Sec. 2.** (1) By December 31, 2014, each public agency
2 that owns vacant or otherwise undeveloped property that was obtained
3 through transfers, intergovernmental exchanges, gifts, foreclosures, or
4 other nonpayment methods must develop a list of these properties, by
5 parcel number.

6 (2)(a) By July 1, 2015, the public agencies subject to subsection
7 (1) of this section must develop, adopt, and implement a master real
8 estate plan to use or dispose of the properties on the list. For each
9 property, the plan must:

10 (i) Identify the actual or estimated date of the property
11 acquisition. If the date of acquisition cannot be determined but is
12 evidenced to have occurred before January 1, 2003, the plan must note
13 that the property was acquired on an unknown date before January 1,
14 2003;

15 (ii) Describe the use or application of the property as of the date
16 of the list;

17 (iii) Include the dollar amount and year of the property tax
18 assessments for the three most recent years in which the land was
19 privately owned, if known; and

20 (iv) Include a detailed description of what the property is to be
21 used for and, if it is to be retained by the public agency, when it is
22 to be used.

23 (b) Except as provided otherwise by this subsection (2)(b), the
24 plan may not allow for a property owned by the public agency to be
25 vacant or otherwise undeveloped for five years beyond the adoption of
26 the plan for the specified property, or five years beyond the date the
27 property becomes property of the agency, whichever is later.
28 Properties used for environmental mitigation may, at the public
29 agency's discretion, be exempted from the five-year limits established
30 by this subsection (2)(b) and associated payment in lieu of tax
31 requirements established in section 4 of this act. A public agency
32 using the exemption authorized by this subsection (2)(b) must submit a
33 declaration of the exemption for the property, identifying the parcel
34 or parcels subject to the exemption and signed by the executive
35 director of the agency, to the applicable county assessor.

36 (3) The plan required by this section must be reviewed and, if
37 necessary, revised every two years. Public agencies that obtain vacant
38 or otherwise undeveloped properties through transfers,

1 intergovernmental exchanges, gifts, foreclosures, or other nonpayment
2 methods after the initial adoption of the agency's plan must, for each
3 property, comply with subsection (2) of this section.

4 NEW SECTION. **Sec. 3.** (1) The master real estate plan required by
5 section 2 of this act must provide a specific use for each property
6 that is consistent with the authority and objectives of the public
7 agency. Except as provided otherwise by subsections (2) and (3) of
8 this section, if the property remains vacant or otherwise undeveloped
9 five years after the adoption of the plan, or five years after the date
10 the property becomes property of the public agency, whichever is later,
11 the public agency is responsible for payments on the property under
12 section 4 of this act.

13 (2) Properties used for environmental mitigation may, at the public
14 agency's discretion and in accordance with section 2 of this act, be
15 exempted from the five-year limits established by this section and
16 associated payment in lieu of tax requirements established in section
17 4 of this act.

18 (3)(a) A property subject to the requirements of this section and
19 section 2 of this act that was offered for public auction or sale by a
20 public agency during the prior year but that did not sell due to unique
21 characteristics of the property that make the sale and economic use of
22 the land infeasible, may be exempted from the five-year limits
23 established in this section and associated payment in lieu of tax
24 requirements established in section 4 of this act. An exemption under
25 this subsection (3)(a) may occur only if: The public agency petitions
26 the department for a waiver from the requirements of section 4 of this
27 act; and the department grants the waiver. A waiver must be granted by
28 the department under this section for a five-year term if the
29 department determines that the waiver request is consistent with the
30 provisions of this subsection (3)(a).

31 (b) For purposes of this subsection (3), "department" means the
32 department of revenue.

33 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.02 RCW
34 to read as follows:

35 (1) By April 30th of the first year in which a payment is required
36 in accordance with section 3 of this act, and April 30th of each year

1 thereafter, a public agency must submit a payment in lieu of tax as
2 provided in this section. The payment applies to property included on
3 a master real estate plan if: (a) The property has been owned by the
4 public agency for at least five years as of January 1st of the current
5 year; and (b) the property has remained vacant or otherwise undeveloped
6 for at least five years while owned by the public agency. No payment
7 is due under this section for properties that have been exempted from
8 time limitations in accordance with section 3 (2) or (3) of this act.

9 (2) The amount of the payment is equal to the assessed value of the
10 property multiplied by the total state and local property tax rate that
11 would otherwise apply to the property if not for the exemption under
12 RCW 84.36.010.

13 (3) The payment under subsection (1) of this section must be
14 submitted to the county treasurer in which the property is located.
15 The treasurer must distribute the money to local jurisdictions within
16 which the property is located based on population, excluding the public
17 agency owning the property.

18 (4) For the purposes of this section, "master real estate plan" and
19 "public agency" have the same meanings as provided in section 1 of this
20 act.

21 **Sec. 5.** RCW 84.40.045 and 2013 c 235 s 1 are each amended to read
22 as follows:

23 (1) The assessor must give notice of any change in the true and
24 fair value of real property for the tract or lot of land and any
25 improvements thereon no later than thirty days after appraisal.
26 However, no such notice may be mailed during the period from January
27 15th to February 15th of each year. Furthermore, no notice need be
28 sent with respect to changes in valuation of publicly owned property
29 exempt from taxation under provisions of RCW 84.36.010 or of forest
30 land made pursuant to chapter 84.33 RCW.

31 (2) The notice must contain a statement of both the prior and the
32 new true and fair value, stating separately land and improvement
33 values, and a brief statement of the procedure for appeal to the board
34 of equalization and the time, date, and place of the meetings of the
35 board.

36 (3) The notice must be mailed by the assessor to the taxpayer.

1 (4) If any taxpayer, as shown by the tax rolls, holds solely a
2 security interest in the real property which is the subject of the
3 notice, pursuant to a mortgage, contract of sale, or deed of trust,
4 such taxpayer must, upon written request of the assessor, supply,
5 within thirty days of receipt of such request, to the assessor the name
6 and address of the person making payments pursuant to the mortgage,
7 contract of sale, or deed of trust, and thereafter such person must
8 also receive a copy of the notice provided for in this section.
9 Willful failure to comply with such request within the time limitation
10 provided for in this section makes such taxpayer subject to a maximum
11 civil penalty of five thousand dollars. The penalties provided for in
12 this section are recoverable in an action by the county prosecutor, and
13 when recovered must be deposited in the county current expense fund.
14 The assessor must make the request provided for by this section during
15 the month of January.

16 (5) A public agency subject to the payment under section 4 of this
17 act must notify the assessor. Notwithstanding subsection (1) of this
18 section, the assessor must provide notice to a public agency subject to
19 the payment under section 4 of this act.

20 **Sec. 6.** RCW 84.40.175 and 2013 c 235 s 2 are each amended to read
21 as follows:

22 At the time of making the assessment of real property, the assessor
23 must enter each description of property exempt under the provisions of
24 chapter 84.36 RCW, and value and list the same in the manner and
25 subject to the same rule as the assessor is required to assess all
26 other property, designating in each case to whom such property belongs.
27 The valuation requirements of this section do not apply to property
28 exempt from taxation under provisions of RCW 84.36.010, except for
29 property subject to the payment required under section 4 of this act.
30 However, when the exempt status of such property no longer applies as
31 a result of a sale or change in use, the assessor must value and list
32 such property as of the January 1st assessment date for the year of the
33 status change. The owner or person responsible for payment of taxes
34 may thereafter petition the county board of equalization for a change
35 in the assessed value in accordance with the timing and procedures set
36 forth in RCW 84.40.038.

1 NEW SECTION. **Sec. 7.** Sections 1 through 3 of this act constitute
2 a new chapter in Title 42 RCW.

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