
HOUSE BILL 1964

State of Washington 63rd Legislature 2013 Regular Session

By Representative Klippert

Read first time 02/25/13. Referred to Committee on Capital Budget.

1 AN ACT Relating to properties obtained by public agencies through
2 foreclosures; and adding a new chapter to Title 42 RCW.

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

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

6 (1) "Master real estate plan" or "plan" means a plan of a public
7 agency for the timely use or disposal of properties that were obtained
8 by foreclosure.

9 (2) "Public agency" means: (a) Any state board, commission,
10 committee, department, educational institution, or other state agency
11 created by or pursuant to statute, other than courts and the
12 legislature; and (b) any county, city, school district, special purpose
13 district, or other municipal corporation or political subdivision of
14 the state of Washington.

15 NEW SECTION. **Sec. 2.** (1) By December 31, 2013, each public agency
16 that owns property that was obtained by foreclosure must develop a list
17 of these properties by parcel number.

1 (2)(a) By July 1, 2014, the public agencies subject to subsection
2 (1) of this section must develop, adopt, and implement a master real
3 estate plan to use or dispose of the properties on the list required by
4 subsection (1) of this section. For each property, the plan must:

5 (i) Describe the use or application of the property as of the date
6 of the list;

7 (ii) Include the dollar amount of the property tax assessments for
8 the three years prior to foreclosure; and

9 (iii) Include, if the property is to be retained by the public
10 entity, a detailed description of what the property is to be used for
11 and when it is to be used.

12 (b) Unless the plan provides a specific use for a property that is
13 consistent with the authority and objectives of the public agency, the
14 plan may not allow for a property to be owned by the public agency for
15 five years beyond the adoption of the plan for the specified property,
16 or five years beyond the date the foreclosed property becomes property
17 of the public agency, whichever is later.

18 (3) Public agencies that acquire property through foreclosure after
19 the initial adoption of the plan must add each property to the plan and
20 comply with subsection (2) of this section within two years of
21 acquisition.

22 NEW SECTION. **Sec. 3.** The master real estate plan required by
23 section 2 of this act must provide a specific use for each property
24 that is consistent with the authority and objectives of the public
25 agency. If the master plan provisions for a specific property are not
26 implemented in accordance with the requirements of the plan for that
27 property, the authority of the public agency to retain ownership of the
28 property is extinguished five years after the adoption of the plan, or
29 five years after the date the foreclosed property becomes property of
30 the public agency, whichever is later.

31 NEW SECTION. **Sec. 4.** Upon extinguishment of the authority to
32 retain ownership of a property under section 3 of this act, the public
33 agency must take all appropriate actions to expeditiously dispose of
34 the property to a market-rate purchaser. In disposing of the property,
35 priority must be given to purchasers who will return the property to
36 the tax rolls.

1 NEW SECTION. **Sec. 5.** Sections 1 through 4 of this act constitute
2 a new chapter in Title 42 RCW.

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