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**SUBSTITUTE HOUSE BILL 1585**

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**State of Washington**

**64th Legislature**

**2016 Regular Session**

**By** House Transportation (originally sponsored by Representatives Young, Shea, Scott, G. Hunt, Taylor, and Santos)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to providing a right of first repurchase for  
2 surplus transportation property; and amending RCW 47.12.063.

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

4 **Sec. 1.** RCW 47.12.063 and 2015 3rd sp.s. c 13 s 2 are each  
5 amended to read as follows:

6 (1) It is the intent of the legislature to continue the  
7 department's policy giving priority consideration to abutting  
8 property owners in agricultural areas when disposing of property  
9 through its surplus property program under this section, unless the  
10 property is eligible to be sold under subsection (4) of this section.

11 (2) Whenever the department determines that any real property  
12 owned by the state of Washington and under the jurisdiction of the  
13 department is no longer required for transportation purposes and that  
14 it is in the public interest to do so, the department may sell the  
15 property or exchange it in full or part consideration for land or  
16 building improvements or for construction of highway improvements at  
17 fair market value to any person through the solicitation of written  
18 bids through public advertising in the manner prescribed under RCW  
19 47.28.050 or in the manner prescribed under RCW 47.12.283.

20 (3) The department may forego the processes prescribed by RCW  
21 47.28.050 and 47.12.283 and sell the real property to any of the

1 following entities or persons at fair market value, unless the  
2 property is eligible to be sold under subsection (4) of this section:

3 (a) Any other state agency;

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

5 (c) Any other municipal corporation;

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

8 (e) The former owner of the property from whom the state acquired  
9 title;

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

13 (g) Any abutting private owner but only after each other abutting  
14 private owner (if any), as shown in the records of the county  
15 assessor, is notified in writing of the proposed sale. If more than  
16 one abutting private owner requests in writing the right to purchase  
17 the property within fifteen days after receiving notice of the  
18 proposed sale, the property shall be sold at public auction in the  
19 manner provided in RCW 47.12.283;

20 (h) To any other owner of real property required for  
21 transportation purposes;

22 (i) In the case of property suitable for residential use, any  
23 nonprofit organization dedicated to providing affordable housing to  
24 very low-income, low-income, and moderate-income households as  
25 defined in RCW 43.63A.510 and is eligible to receive assistance  
26 through the Washington housing trust fund created in chapter 43.185  
27 RCW; or

28 (j) A federally recognized Indian tribe within whose reservation  
29 boundary the property is located.

30 (4) If the department determines that all or a portion of real  
31 property or an interest in real property that was acquired through  
32 condemnation within the previous ten years is no longer necessary for  
33 a transportation purpose, the former owner has a right of repurchase  
34 as described in this subsection. For the purposes of this subsection,  
35 "former owner" means the person or entity from whom the department  
36 acquired title. At least ninety days prior to the date on which the  
37 property is intended to be sold by the department, the department  
38 must mail notice of the planned sale to the former owner of the  
39 property at the former owner's last known address or to a forwarding  
40 address if that owner has provided the department with a forwarding

1 address. If the former owner of the property's last known address, or  
2 forwarding address if a forwarding address has been provided, is no  
3 longer the former owner of the property's address, the right of  
4 repurchase is extinguished. If the former owner notifies the  
5 department within thirty days of the date of the notice that the  
6 former owner intends to repurchase the property, the department shall  
7 proceed with the sale of the property to the former owner for fair  
8 market value and shall not list the property for sale to other  
9 owners. If the former owner does not provide timely written notice to  
10 the department of the intent to exercise a repurchase right, or if  
11 the sale to the former owner is not completed within six months of  
12 the date of notice that the former owner intends to repurchase the  
13 property, the right of repurchase is extinguished.

14 (5) When selling real property pursuant to RCW 47.12.283, the  
15 department may withhold or withdraw the property from an auction when  
16 requested by one of the entities or persons listed in subsection (3)  
17 of this section and only after the receipt of a nonrefundable deposit  
18 equal to ten percent of the fair market value of the real property or  
19 five thousand dollars, whichever is less. This subsection does not  
20 prohibit the department from exercising its discretion to withhold or  
21 withdraw the real property from an auction if the department  
22 determines that the property is no longer surplus or chooses to sell  
23 the property through one of the other means listed in subsection (2)  
24 of this section. If a transaction under this subsection is not  
25 completed within sixty days, the real property must be put back up  
26 for sale.

27 ~~((+5))~~ (6) Sales to purchasers may, at the department's option,  
28 be for cash, by real estate contract, or exchange of land or highway  
29 improvements. Transactions involving the construction of improvements  
30 must be conducted pursuant to chapter 47.28 RCW and Title 39 RCW, as  
31 applicable, and must comply with all other applicable laws and rules.

32 ~~((+6))~~ (7) Conveyances made pursuant to this section shall be by  
33 deed executed by the secretary of transportation and shall be duly  
34 acknowledged.

35 ~~((+7))~~ (8) Unless otherwise provided, all moneys received  
36 pursuant to the provisions of this section less any real estate  
37 broker commissions paid pursuant to RCW 47.12.320 shall be deposited  
38 in the motor vehicle fund.

39 ~~((+8))~~ (9) The department may not enter into equal value  
40 exchanges or property acquisitions for building improvements without

1 first consulting with the office of financial management and the  
2 joint transportation committee.

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