
Local Government Committee

HB 1046

Brief Description: Modifying the sale of real property by water-sewer districts.

Sponsors: Representatives Miloscia, Chandler and Upthegrove.

Brief Summary of Bill

- Permits water-sewer districts to sell unnecessary property with estimated, rather than appraised, value of less than \$2500 as determined by the board of commissioners.
- Allows written appraisals for property greater than \$2500 to be prepared by one professionally designated real estate appraiser.
- Permits water-sewer districts to sell easements or other real property of any value when the potential buyer owns abutting or adjacent real property if the board of commissioners determines that no other productive use could be made of the property.

Hearing Date: 1/22/03

Staff: Amy Wood (786-7127).

Background:

The board of commissioners of a water-sewer district is authorized to sell district property at a public or private sale if the board determines that the property is not needed. If the property value is greater than \$2500, the board must provide notice of its intent to sell such property.

The board may not hold a private sale if the appraised value of the property is greater than \$2500. Additionally, no property may be sold for less than 90% of its appraised value, unless no buyer can be found after 120 days on the market. After 120 days, the board may adopt a resolution stating that it has been unable to sell the property at 90% of its appraised value. The district may then sell the property at the highest price it can obtain at public auction.

Written appraisal is required for the sale of all district property over \$2500. The appraisal

must be made no more than six months prior to the date of sale by three disinterested, licensed real-estate appraisers. The appraisal must be signed by the appraisers and filed with the secretary of the board.

Summary of Bill:

A water-sewer district may sell district property at a public or private sale if the estimated value— is less than \$2500. "Estimated value" shall be determined by the board of commissioners based upon advice from a real estate appraiser or broker. No property may be sold for less than 90% of its "estimated value." If the estimated value exceeds \$2500, an appraised value shall be established by written appraisal no more than six months prior to the date of sale by three disinterested, licensed real-estate appraisers or by one professionally designated real estate appraiser.

A water-sewer district may dispose of easements or other real property greater than \$2500 by private sale if the potential buyer owns real property abutting or adjacent to the district property to be sold, and if the board has determined that no productive use could be made of the property other than by the abutting or adjacent land owner.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.