

HOUSE BILL REPORT

HB 2508

As Passed House:

February 12, 2020

Title: An act relating to simplifying the process for donating low-value surplus property owned by a city-owned utility.

Brief Description: Simplifying the process for donating low-value surplus property owned by a city-owned utility.

Sponsors: Representatives Wylie and Vick.

Brief History:

Committee Activity:

Local Government: 1/28/20, 1/31/20 [DP].

Floor Activity:

Passed House: 2/12/20, 97-0.

Brief Summary of Bill

- Allows surplus personal property or equipment with an estimated value of \$50,000 or less that was originally acquired for public utility purposes and is not required for continued public utility service to be disposed of without a resolution or public hearing.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 6 members: Representatives Pollet, Chair; Duerr, Vice Chair; Kraft, Ranking Minority Member; Appleton, Goehner and Senn.

Staff: Elizabeth Allison (786-7129).

Background:

When a city determines by resolution of its legislative authority that any lands, property, or equipment originally acquired for public utility purposes is surplus to the city's needs and is not required for providing continued public utility service, the legislative authority may by resolution and after public hearing lease, sell, or convey the lands, property, or equipment.

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.

The resolution must state the fair market value or the rent or consideration to be paid, as well as other terms and conditions for disposition as the legislative authority deems to be in the best public interest.

Summary of Bill:

Personal property or equipment with an estimated value of \$50,000 or less that was originally acquired for public utility purposes and is surplus to the city's needs and not required for providing continued public utility service may be disposed of without a resolution or public hearing.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Some cities have utilities that operate as an enterprise fund. This can result in different rules for buying, selling, and disposing of surplus property than those applied to the city. Under current law, a city does not have to have a public hearing or come before the council to dispose of personal property and equipment with an estimated value below \$50,000. There is a difference in rules with respect to city utilities, which must have a public hearing for every piece of personal property or equipment of which it wishes to dispose. The bill would allow utilities to dispose of property at the same level as the rest of the city in which the utility resides, which would result in more efficiency. This can result in less efficiency for city utilities. Utility departments do not need more cumbersome processes that take up staff time. Disposition of property with an estimated value below \$50,000 is better handled at a level not involving a public hearing and resolution. The City of Vancouver has a robust policy with checks and balances for disposing of surplus property even when a public hearing is not required.

(Opposed) None.

Persons Testifying: Representative Wylie, prime sponsor; and Brian Enslow.

Persons Signed In To Testify But Not Testifying: None.