

# HOUSE BILL REPORT

## HB 2617

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### As Passed Legislature

**Title:** An act relating to the lease or rental of surplus property of school districts.

**Brief Description:** Concerning the lease or rental of surplus property of school districts.

**Sponsors:** Representatives Robinson, Ortiz-Self, Sells, Macri, Valdez, Lekanoff and Senn.

#### Brief History:

##### Committee Activity:

Education: 1/21/20, 2/4/20 [DP].

##### Floor Activity:

Passed House: 2/18/20, 70-28.

Passed Senate: 3/3/20, 38-10.

Passed Legislature.

#### Brief Summary of Bill

- Allows school districts to lease or rent district owned surplus real property without including a provision in the lease or rental agreement to recapture the land for school purposes if the property is leased or rented for affordable housing purposes.
- Includes a retroactive clause and applies to lease or rental agreements entered into on or after January 1, 2018.

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### HOUSE COMMITTEE ON EDUCATION

**Majority Report:** Do pass. Signed by 14 members: Representatives Santos, Chair; Dolan, Vice Chair; Paul, Vice Chair; Steele, Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Bergquist, Caldier, Callan, Harris, Ortiz-Self, Stonier, Thai and Valdez.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Rude and Ybarra.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Corry.

**Staff:** Ethan Moreno (786-7386).

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*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.*

**Background:**Surplus Real Property of School Districts.

School district boards of directors may rent, lease, or permit the occasional use of all or any portion of surplus real property owned or lawfully held by the district to any person, corporation, or government entity for profit, nonprofit, commercial, or noncommercial purposes. The leasing, renting, or use of the property must be in accordance with an adopted district policy governing the use of surplus property and may not interfere with the conduct of the district's educational program and related activities.

The lease or rental agreement of the district must include provisions that permit the recapture of the surplus property if it is needed for school purposes. This recapture requirement does not apply if the land has close proximity to an international airport and the property has been:

- permanently altered as to preclude the possible use of the property for a school; and
- heavily impacted by surrounding land uses so that a school would no longer be appropriate in that area.

Surplus Public Property—Affordable Housing.

Any state agency, municipality, or political subdivision, with authority to dispose of surplus public property, may transfer, lease, or otherwise dispose of the excess real property to a public, private, or nongovernmental body for affordable housing for low-income and very low-income households and related facilities.

**Summary of Bill:**

School districts may lease or rent district owned surplus real property without including a provision in the lease or rental agreement to recapture the land for school purposes if the real property is leased or rented for affordable housing purposes in accordance with statutory provisions permitting the use of surplus public property for affordable housing purposes.

The modified lease and rental provisions apply to lease and rental agreements entered into on or after January 1, 2018.

**Appropriation:** None.

**Fiscal Note:** Requested on February 19, 2020.

**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) The bill addresses a situation in the Everett area and could also apply to other school districts. Washington has 40,000 homeless students in our kindergarten through grade 12 system, with over 1,000 of those students in Everett. A nonprofit housing developer intends to develop low-income housing for students' families, but the current statute has a recapture provision for the school property that does not work in the world of nonprofit housing.

Affordable housing is a crisis in our state, particularly for students and their families. The homelessness of 42,000 students has a profound impact on their studies. Fifty-six percent of these students will graduate on time. The recapture provisions are unique to a lease and are no longer necessary. Affordable housing financing is problematic with the recapture provision. Affordable housing tax credits are the largest part of financing, but tax credit investors will not engage in financing for projects that may be derailed because of factors they cannot control. This legislation is in the interest of schools and the public.

(Opposed) None.

**Persons Testifying:** Representative Robinson, prime sponsor; and Fred Safstrom, Housing Hope.

**Persons Signed In To Testify But Not Testifying:** None.